MAY 2022 FORECAST

FY2022 THRU FY2026

Brecksville-Broadview Heights City School District

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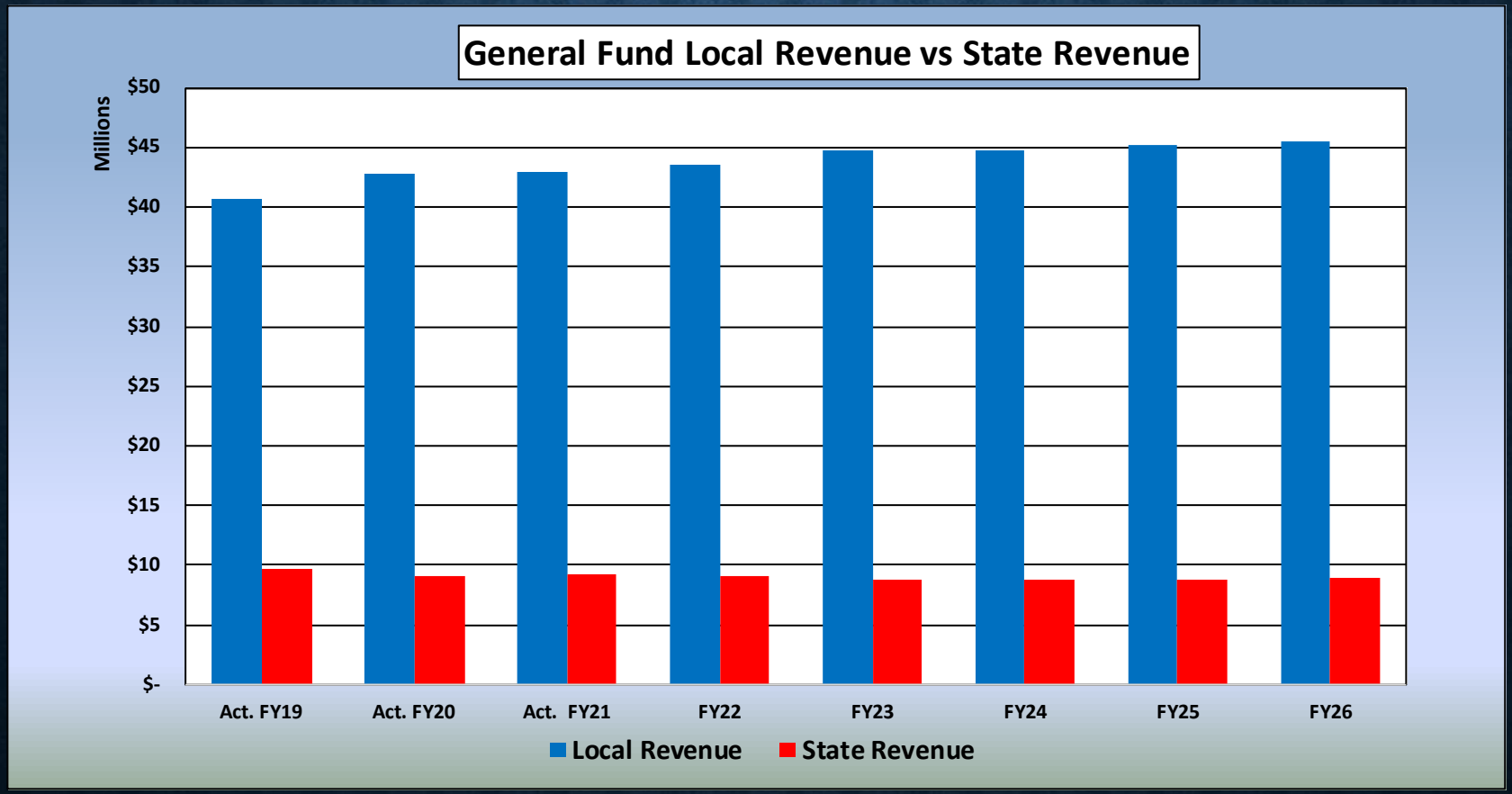
WHAT IS A FORECAST?

A forecast is a snapshot at a specific point in time and based off the most current information available.

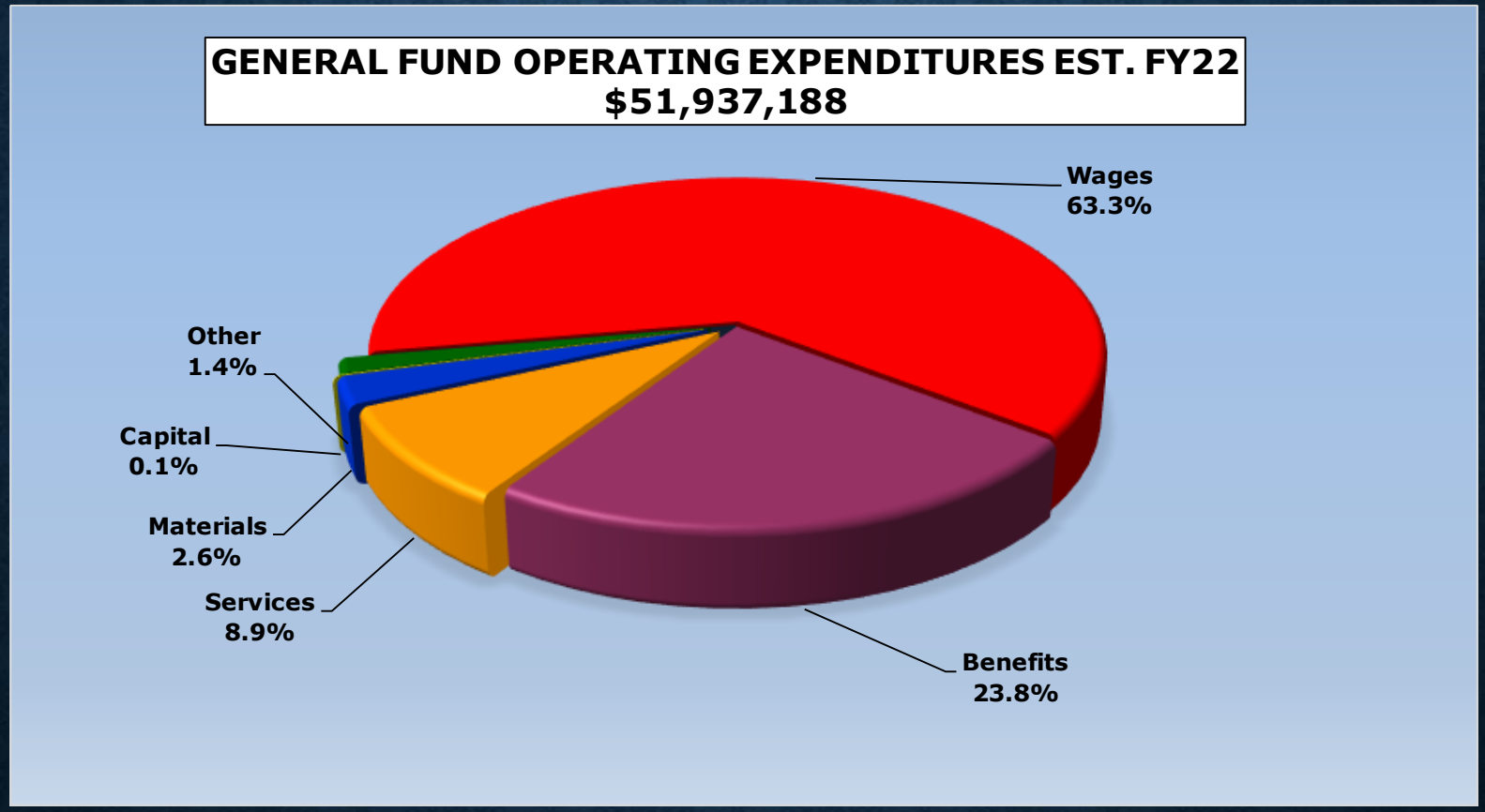
Disclaimers:

1. A forecast is a living document and can change within hours or days of publication.
2. Assumptions laid out in this presentation in no way represent a baseline for any current or future negotiations with CBAs.
3. BBHCSD continues to monitor its financial situation in what seems to be the post pandemic era.
4. This forecast does include current negotiated agreements and does plan for the opening of our new PRE-K thru Grade 5 Elementary School.
5. The forecast does not include any revenues regarding the TIF. TIF money is not expected to begin generating revenue until possibly FY2025 and will begin looking at estimates for the November 2022 Forecast.

THE STATE OF OHIO IS NOT AN EQUAL PARTNER IN FUNDING!

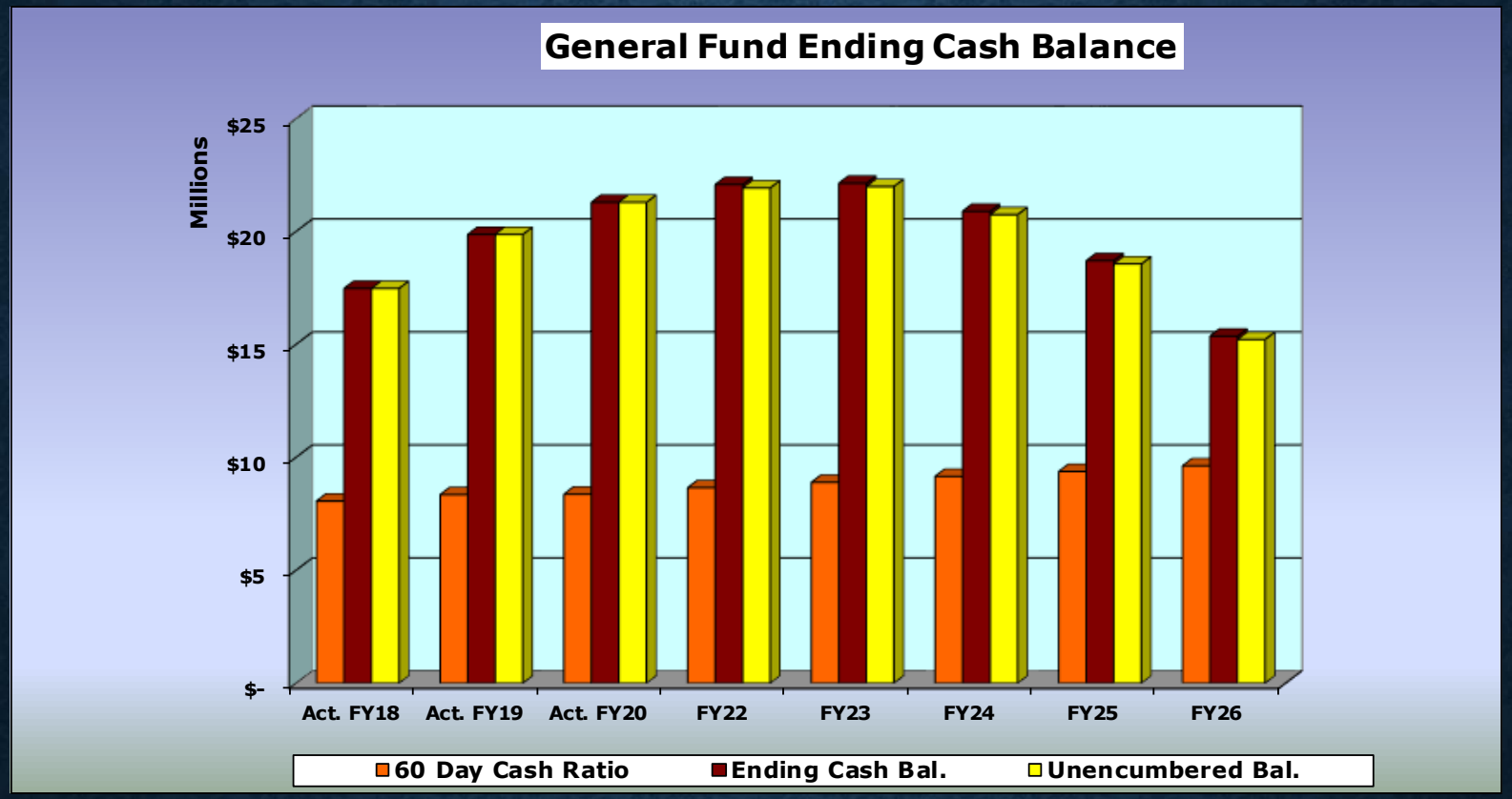


EST. GENERAL FUND EXPENDITURES FY22



- Wages and benefits estimated at 87.1% which is high but is now inflated more since HB110 reduced expenses with direct payments.

ENDING CASH BALANCE



- 60 Day Cash Balance is a state recommended minimum. At 60 days of cash, the district will struggle during certain times of the year to make on-time payments with vendors (November thru February).
- FY22 is projected to be at 155 days of cash, while FY26 is projected to be at 97.

KIS STATEMENT

What changed? In short, not much!
FY22/FY23 changed the most.

	2022	2023	2024	2025	2026
Beginning Cash Balance	$21,292,363	$21,399,129	$21,547,148	$20,334,230	$18,002,758
+ Revenue	$52,768,710	$53,340,635	$53,708,785	$54,175,191	$54,619,719
+ Renewal Levies	$0	$0	$0	$0	$0
+ New Levies	$0	$0	$0	$0	$0
- Expenditures	$52,661,944	$53,192,616	$54,921,703	$56,506,663	$58,075,255
= Revenue Surplus or Deficit	**$106,766**	**$148,019**	**-$1,212,918**	**-$2,331,472**	**-$3,455,536**
Ending Cash Balance with Levies	$21,399,129	$21,547,148	$20,334,230	$18,002,758	$14,547,222
Revenue Surplus or Deficit without Levies	$106,766	$148,019	-$1,212,918	-$2,331,472	-$3,455,536
Ending Cash Balance without Levies	$21,399,129	$21,547,148	$20,334,230	$18,002,758	$14,547,222

**Balances not reduced for encumbrances or reservations

		Actual			Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
2.08	Total Revenues	50,675,340	52,824,524	52,262,181	52,819,344	53,736,269	53,743,319	54,100,706	54,439,704
5.05	Total Expenditures	48,846,294	50,432,787	50,837,045	52,037,188	53,674,803	54,988,326	56,283,707	57,783,392
6.01	Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses	1,829,046	2,391,737	1,425,136	782,156	61,466	(1,245,007)	(2,183,001)	(3,343,688)
7.01	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	15,646,447	17,475,493	19,867,230	21,292,366	22,074,522	22,135,988	20,890,982	18,707,980
7.02	Cash Balance June 30	17,475,493	19,867,230	21,292,366	22,074,522	22,135,988	20,890,982	18,707,980	15,364,292
	Reservations	0	0	0	150,000	150,000	150,000	150,000	150,000
11.30	Cumulative Balance of Renewal Levies	0	0	0	0	0	0	0	0
15.01	Unreserved Fund Balance June 30	17,475,493	19,867,230	21,292,366	21,924,522	21,985,988	20,740,982	18,557,980	15,214,292

Estimated millage required to cover deficit = 2.44

GENERAL COMMENTS

- We are still waiting to see if the upcoming changes to preschool go into effect this year – this could quickly disrupt the forecast because it will force us to hire additional staff.
- We will continue to monitor HB126 implications. This has potential to reduce local revenues which could create the need for an operating levy sooner than anticipated.
- We continue to use grant money in the most efficient manner as possible and as quickly as possible. "Spend the free money first".
  - We also continue to seek additional grants – Safety Grant, Safe Routes to School, OFCC, etc.
- We maintain our financial stability for now; however, we need to be cautious. Deficit spending can quickly get out of control and compounds. As enrollment declines, staffing will need to continually be adjusted.
- We factored in as much as we could in anticipation of the new building for next year. There will undoubtedly be changes as we get closer to that date. We still don't know what we don't know.