

Brecksville-Broadview Heights City School
District

Five Year Forecast
Financial Report

May, 2021

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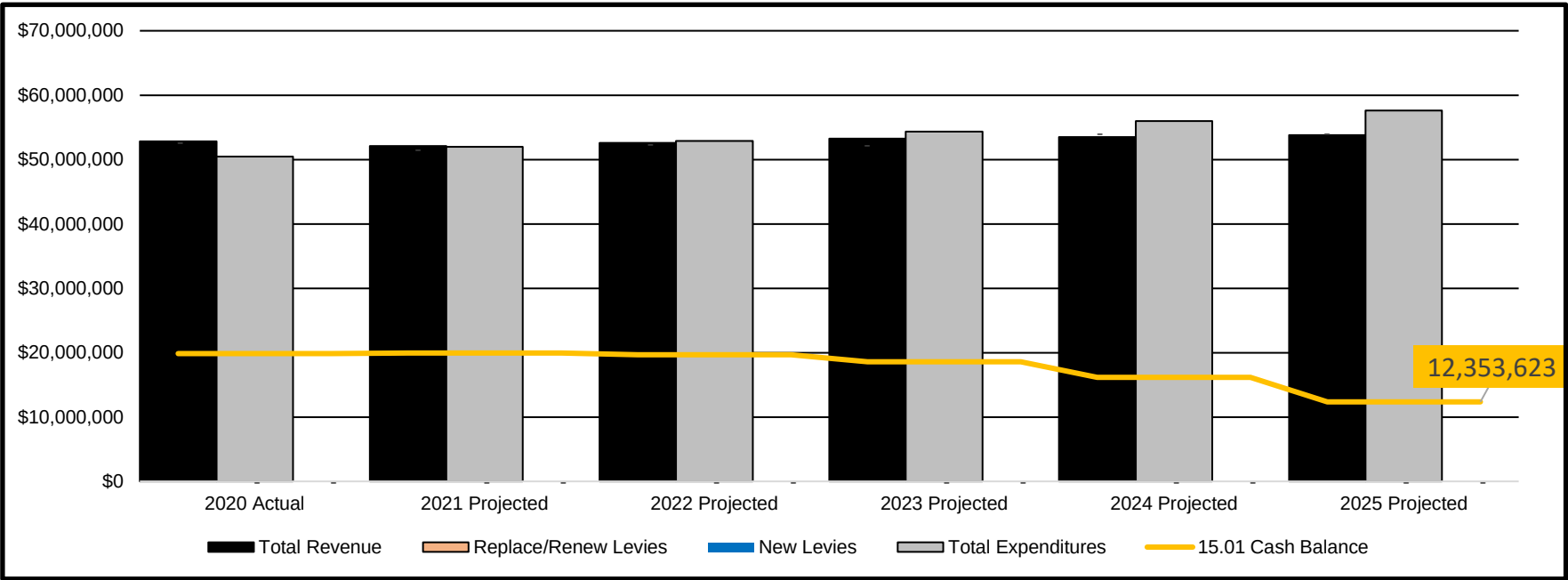
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Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

- 1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
- 2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
- 3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.



Note: Cash balance includes any existing levy modeled as renewed during the forecast.
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	19,867,227	19,942,916	19,687,565	18,612,182	16,143,604
+ Revenue	52,074,622	52,606,525	53,244,225	53,501,507	53,815,068
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(51,998,933)	(52,861,877)	(54,319,608)	(55,970,085)	(57,605,049)
= Revenue Surplus or Deficit	75,689	(255,352)	(1,075,383)	(2,468,578)	(3,789,981)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	19,942,916	19,687,565	18,612,182	16,143,604	12,353,623

Analysis Without Renewal Levies Included:

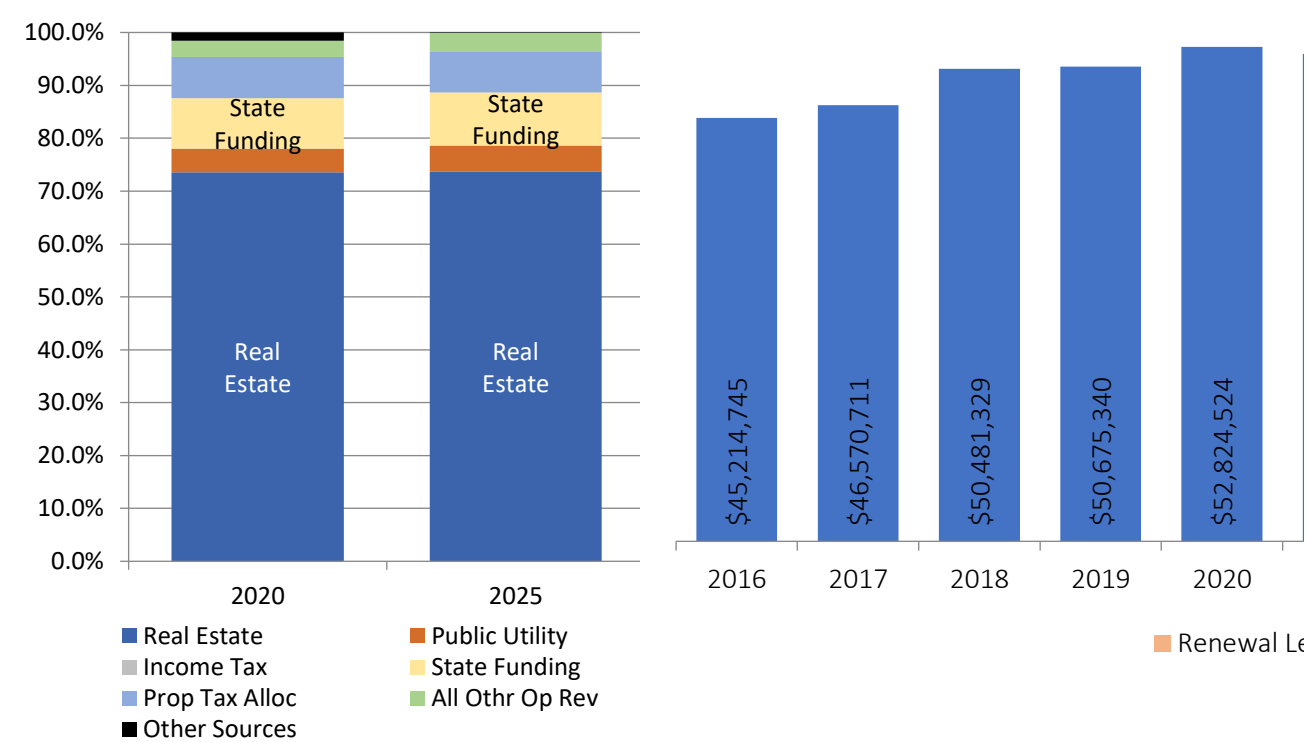
Revenue Surplus or Deficit w/o Levies	75,689	(255,352)	(1,075,383)	(2,468,578)	(3,789,981)
Ending Balance w/o Levies	19,942,916	19,687,565	18,612,182	16,143,604	12,353,623

In FY 2021 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$75,689 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$3,789,981. The district would need to cut its FY 2025 projected expenses by 6.58% in order to balance its budget without additional revenue.

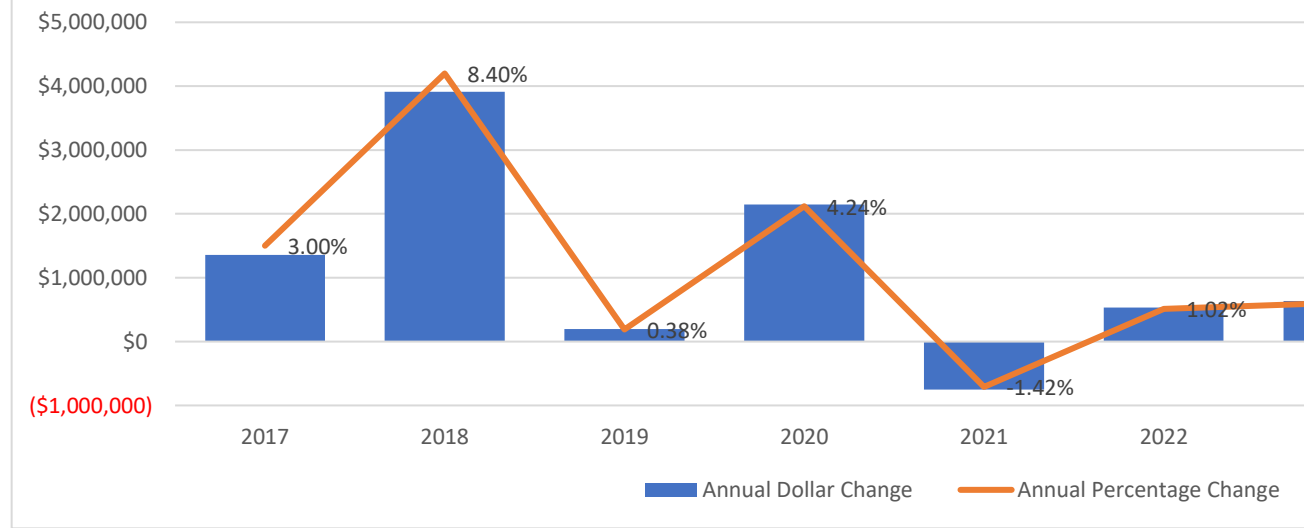
The district's cash balance is positive at year-end in FY 2021 and is projected to worsen by FY 2025. A worsening cash balance can erode the district's financial stability over time.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



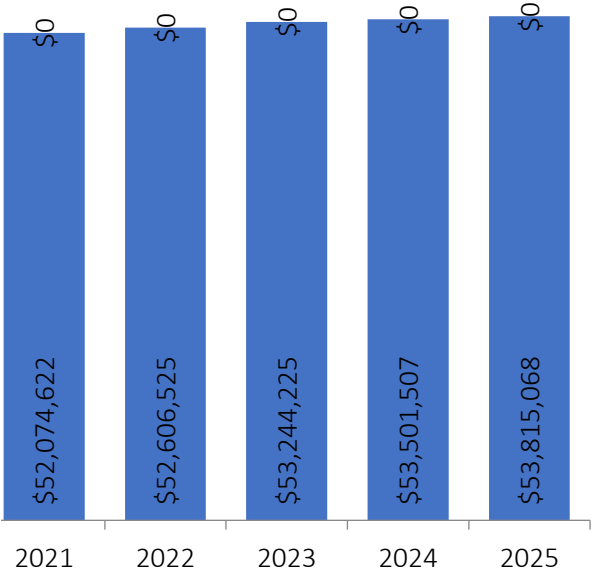
3-Year Historical Actual Average Annual Dollar Change
Compared to 5-Year Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total revenue inc past five years ar annually through average annual v
Real Estate	\$2,390,233	\$156,242	(\$2,233,991)	\$2,233,991
Public Utility	\$116,703	\$65,063	(\$51,640)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$158,819)	\$65,641	\$224,461	
Prop Tax Alloc	(\$408,810)	\$22,510	\$431,319	
All Othr Op Rev	(\$110,794)	\$51,989	\$162,783	
Other Sources	\$256,091	(\$163,336)	(\$419,427)	
Total Average Annual Change	\$2,084,604	\$198,109	(\$1,886,496)	
	4.34%	0.38%	-3.96%	

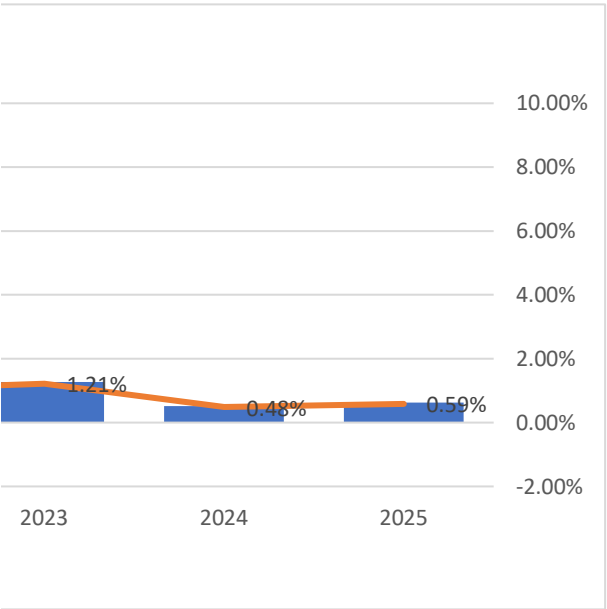
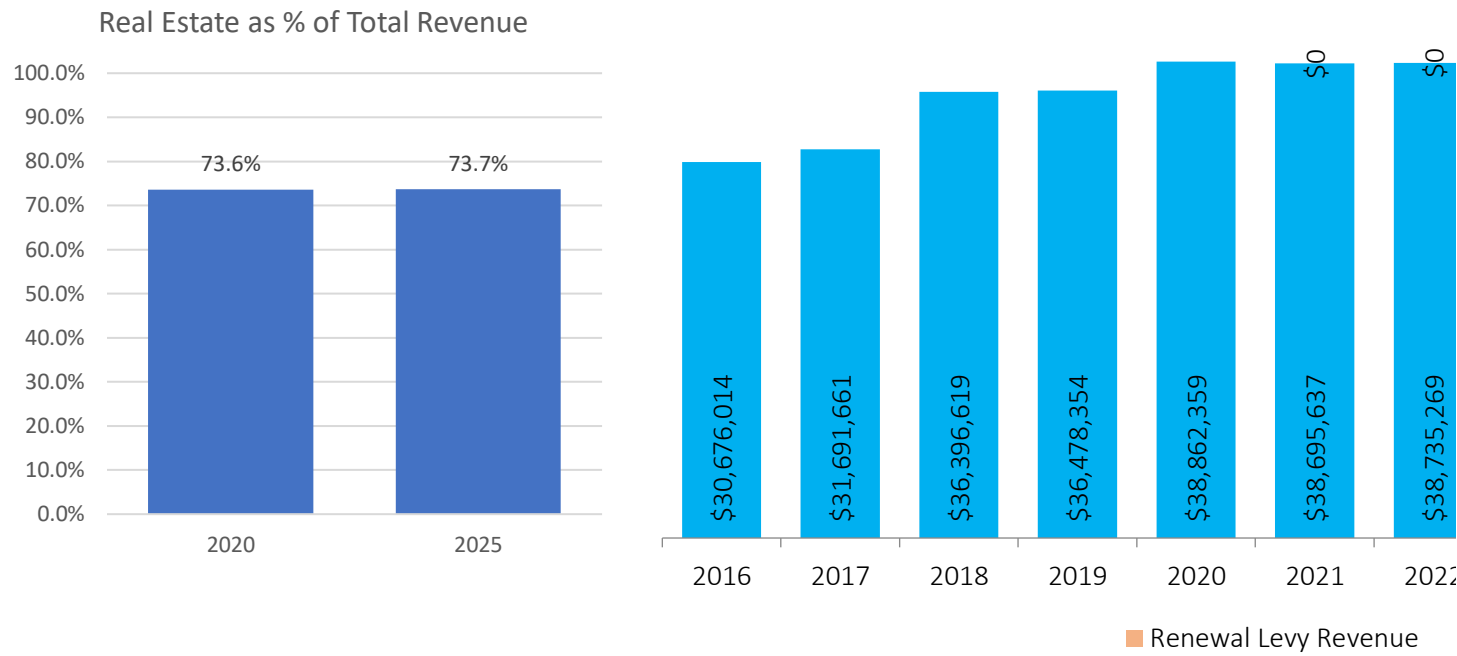
Note: Expenditure average annual change is projected to be > \$1,434,452 On an annual average basis, expenc

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates f and class II (business).

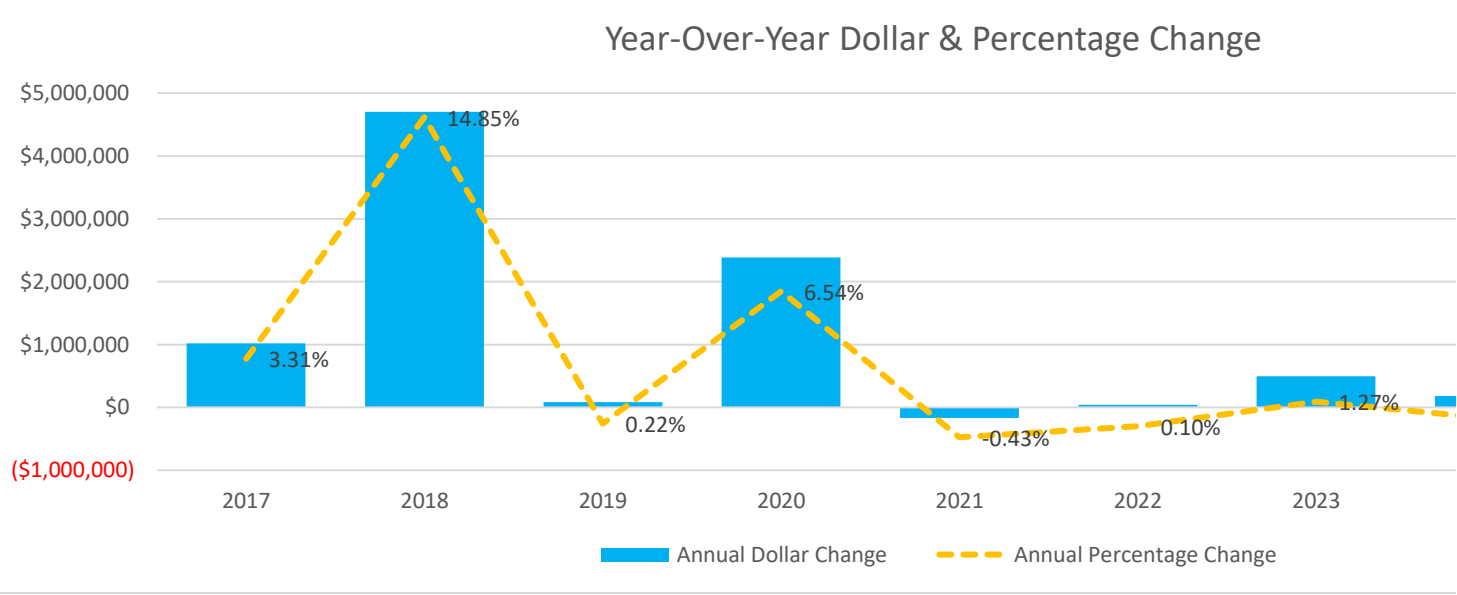


evy Revenue



Increased 4.34% or \$2,084,604 annually during the period and is projected to increase 0.38% or \$198,109 in FY2025. Real Estate has the most projected variance compared to the historical average at -

Expenditures are projected to grow faster than revenue.

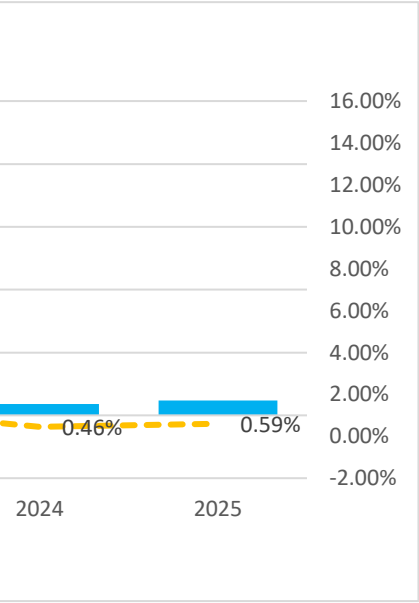
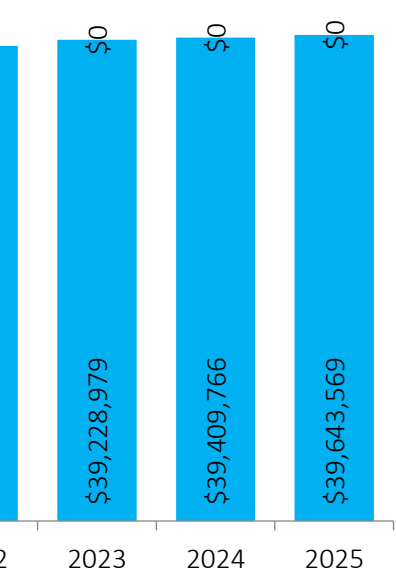


Values, Tax Rates and Gross Collections						
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change
2019	1,103,744,460	1,028,120	37.46	-	45.55	-
2020	1,108,820,070	5,075,610	37.49	0.04	45.37	(0.18)
2021	1,188,309,270	79,489,200	35.01	(2.48)	45.50	0.13
2022	1,193,415,850	5,106,580	35.01	(0.00)	45.50	-
2023	1,198,522,430	5,106,580	35.01	(0.00)	45.50	-
2024	1,230,072,430	31,550,000	34.23	(0.78)	45.48	(0.02)

Real estate property tax revenue accounts for 73.57% of total revenue. Class I or residential/agricultural taxes make up approximately 73.57% of total revenue. The Class I tax rate is 37.49 mills in tax year 2020. The projections reflect an average gross collection through tax year 2024. The revenue changed at an average annual historical rate of 7.20% and is projected to change at an average annual rate of 0.38% through FY 2025.

*Projected % trend

for class I (residential/agricultural)



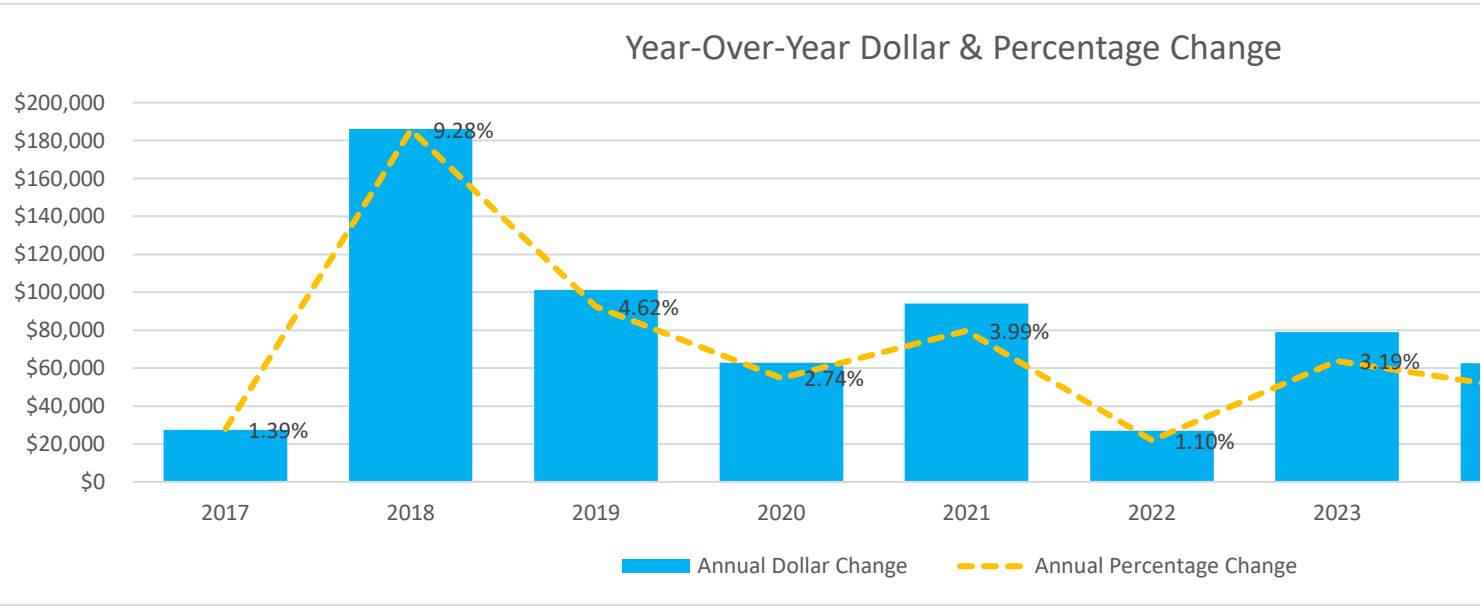
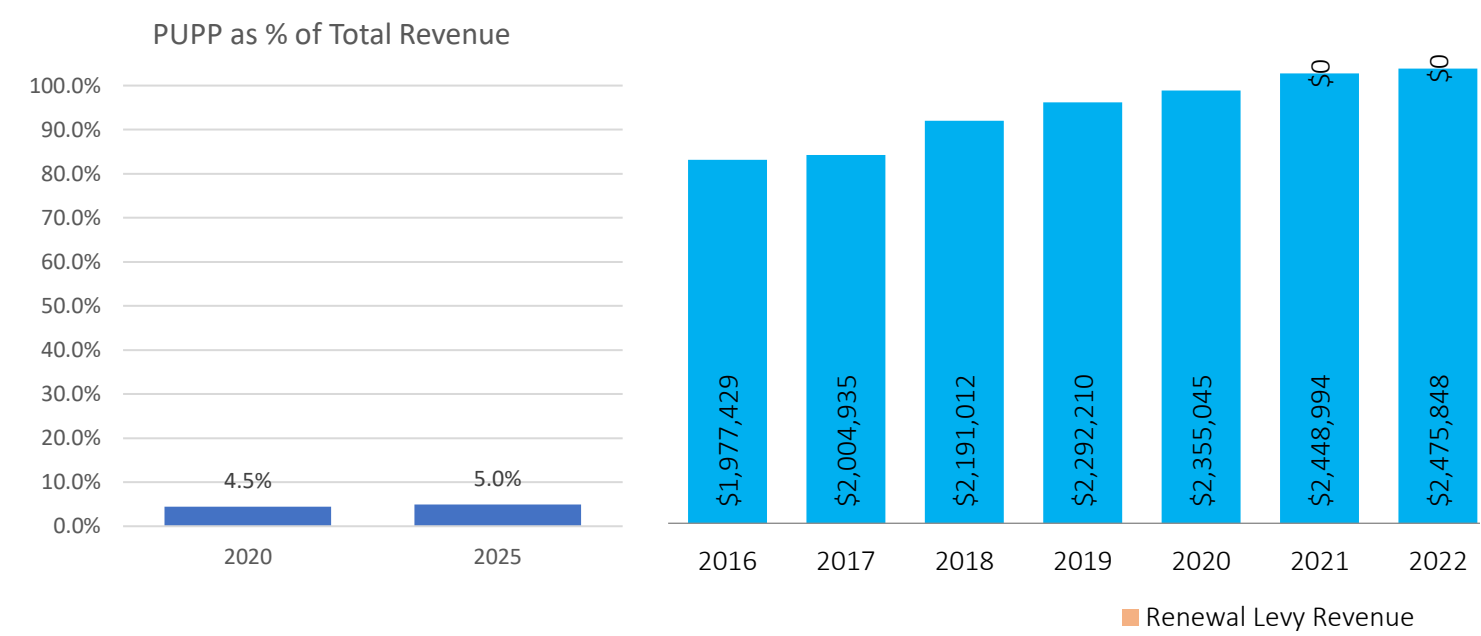
Gross Collection Rate Including Delinquencies
99.4%
99.2%
99.2%
99.2%
99.2%
99.2%

proximately 77.18% of the real
llection rate of 99.2% annually
average annual rate of 0.40%

ls include renewal levies

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



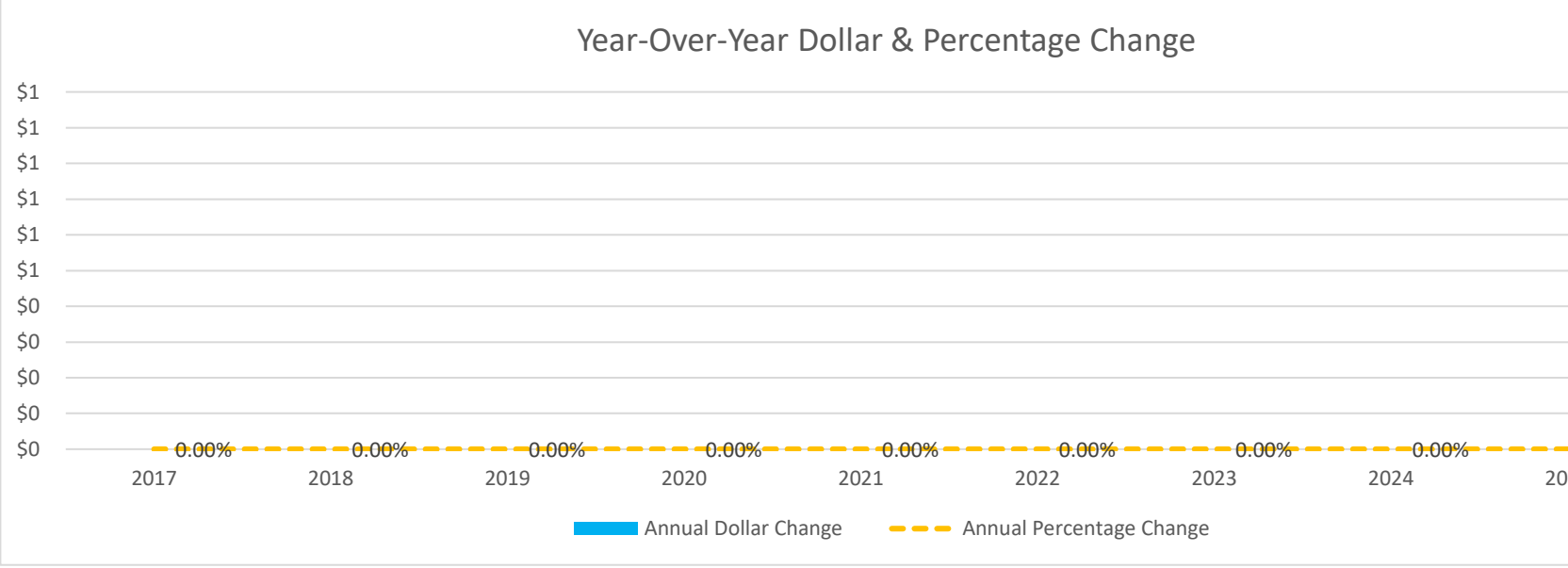
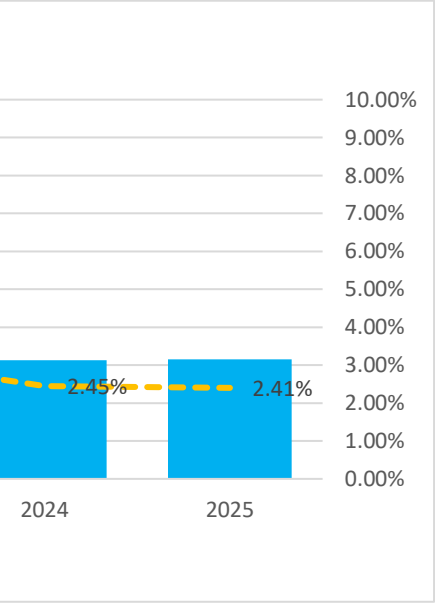
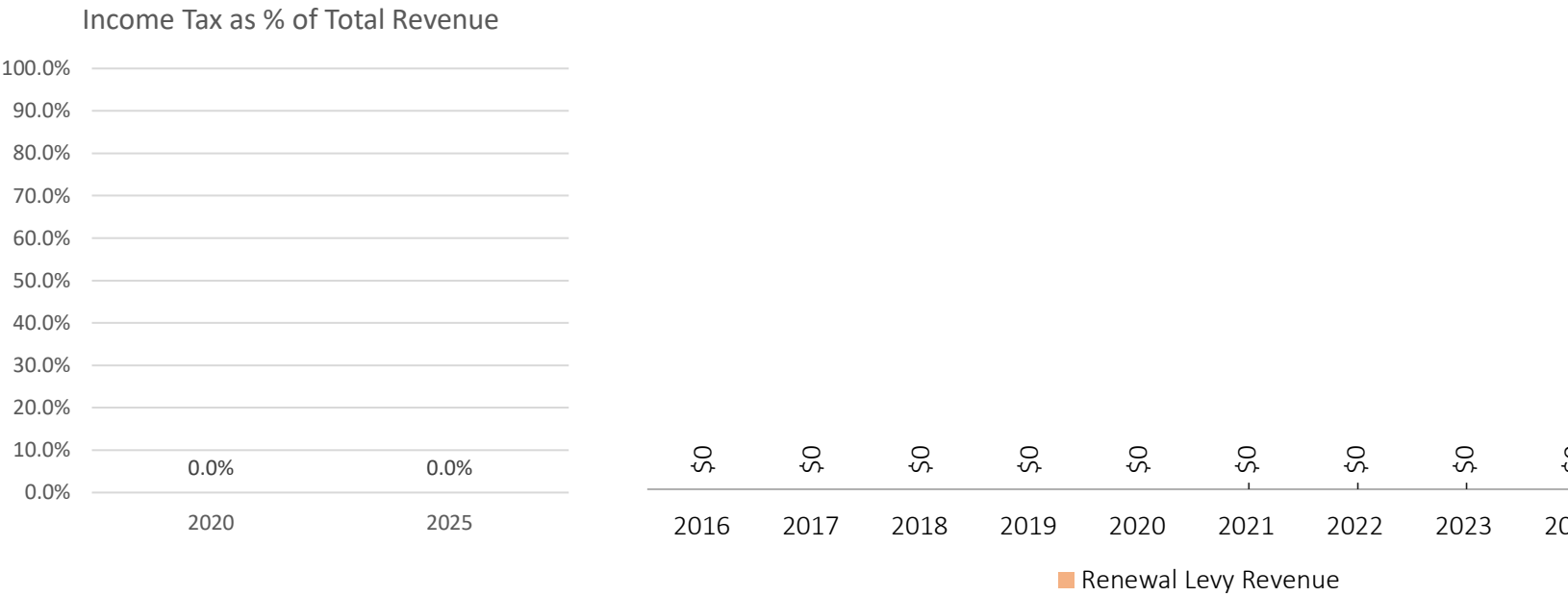
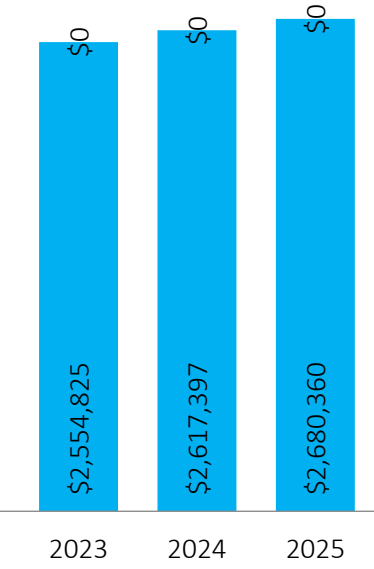
Values and Tax Rates					Gross Collection Rate Including Depreciation
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2019	30,580,400	1,353,590	78.43	0.00	100
2020	31,345,512	765,112	78.43	(0.00)	100
2021	32,129,751	784,239	78.43	-	100
2022	32,924,751	795,000	78.43	-	100
2023	33,724,751	800,000	78.43	-	100
2024	34,529,751	805,000	78.43	-	100

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation r This category currently makes up 4.46% of total district revenue. The property is taxed at the full voted tax rate which in tax y forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dolla projected to change at an average annual dollar amount of \$65,063 through FY 2025.

*Projected % trend

1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; see federal, state and municipal income taxes.



Collection Rate
Delinquencies
0.0%
0.0%
0.0%
0.0%
0.0%
0.0%

reported by the utility companies. Year 2020 is 78.43 mills. The fair amount of \$116,703 and is

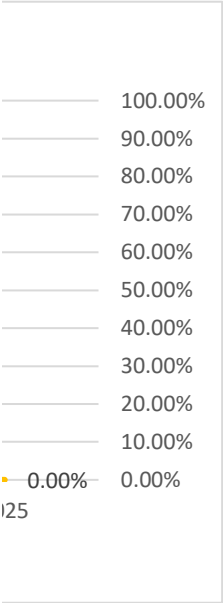
The district does not have an income tax levy.

*Projected % trends include renewal

ts include renewal levies

eparate from

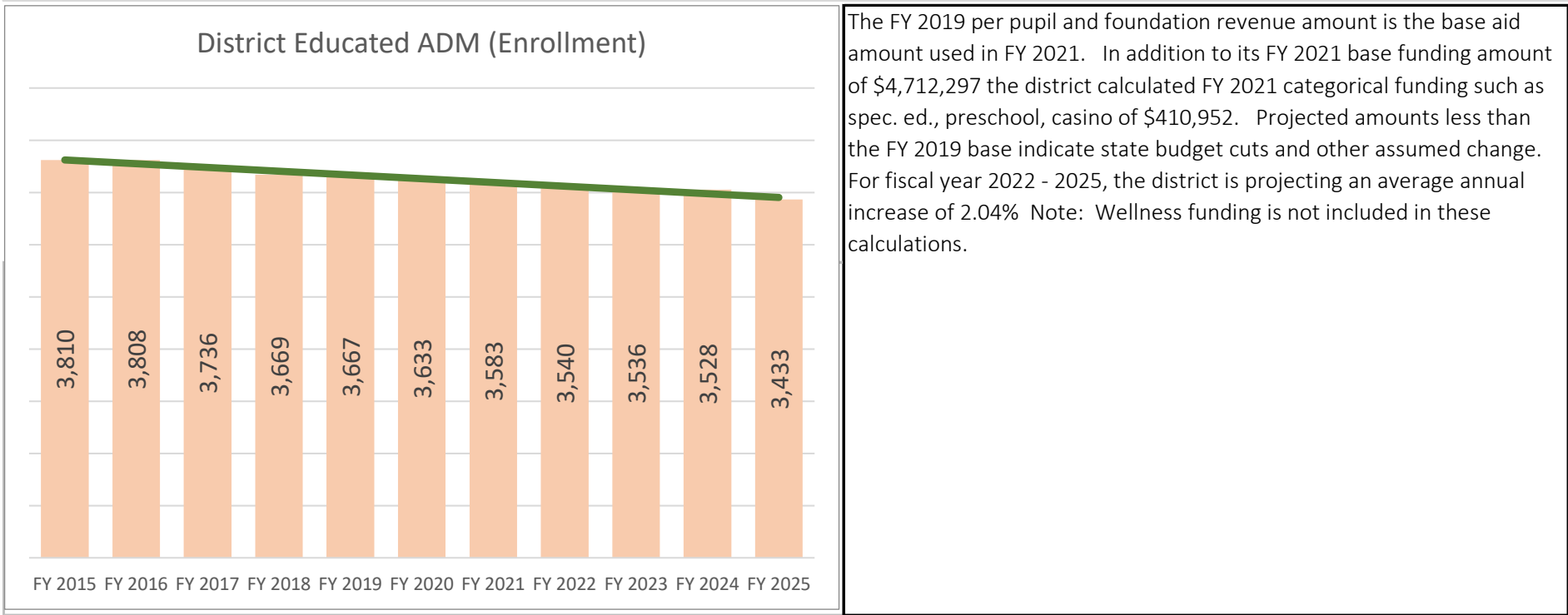
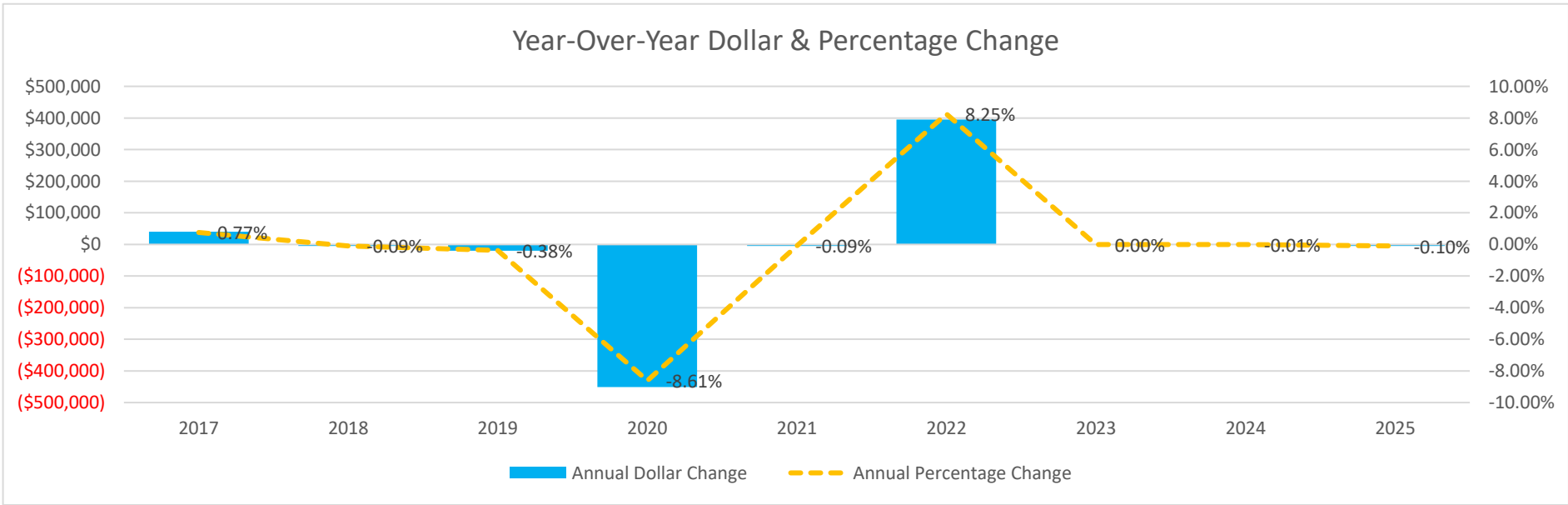
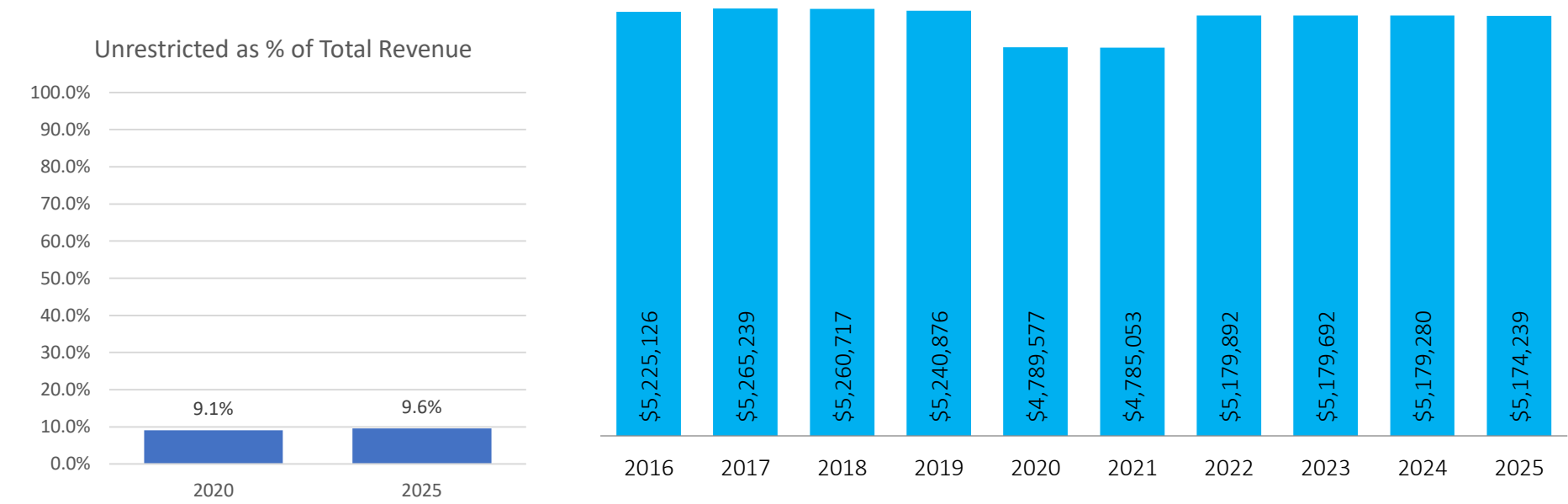
2024 2025



levies

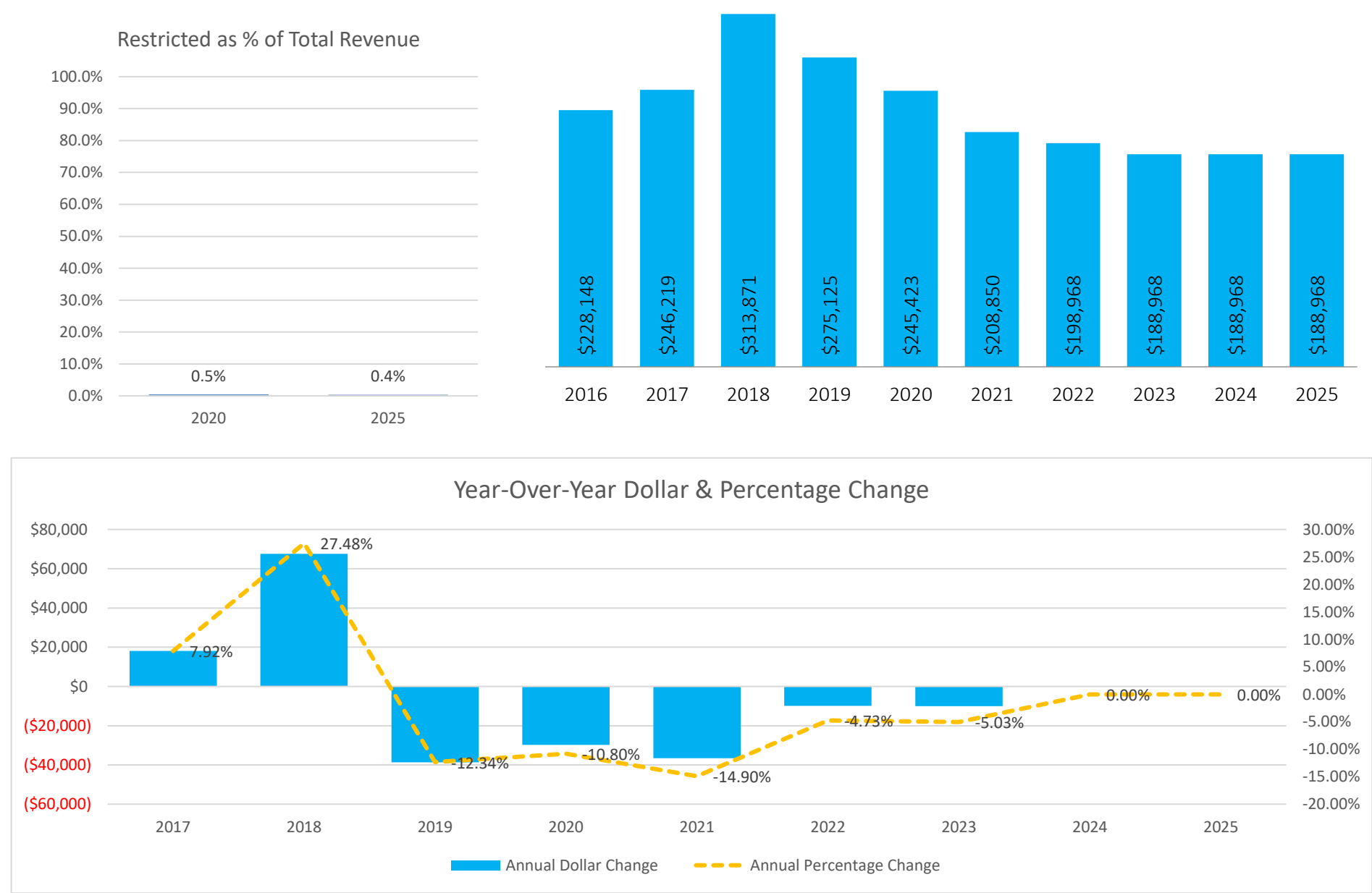
1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



1.040 & 1.045 - Restricted Grants-in-Aid

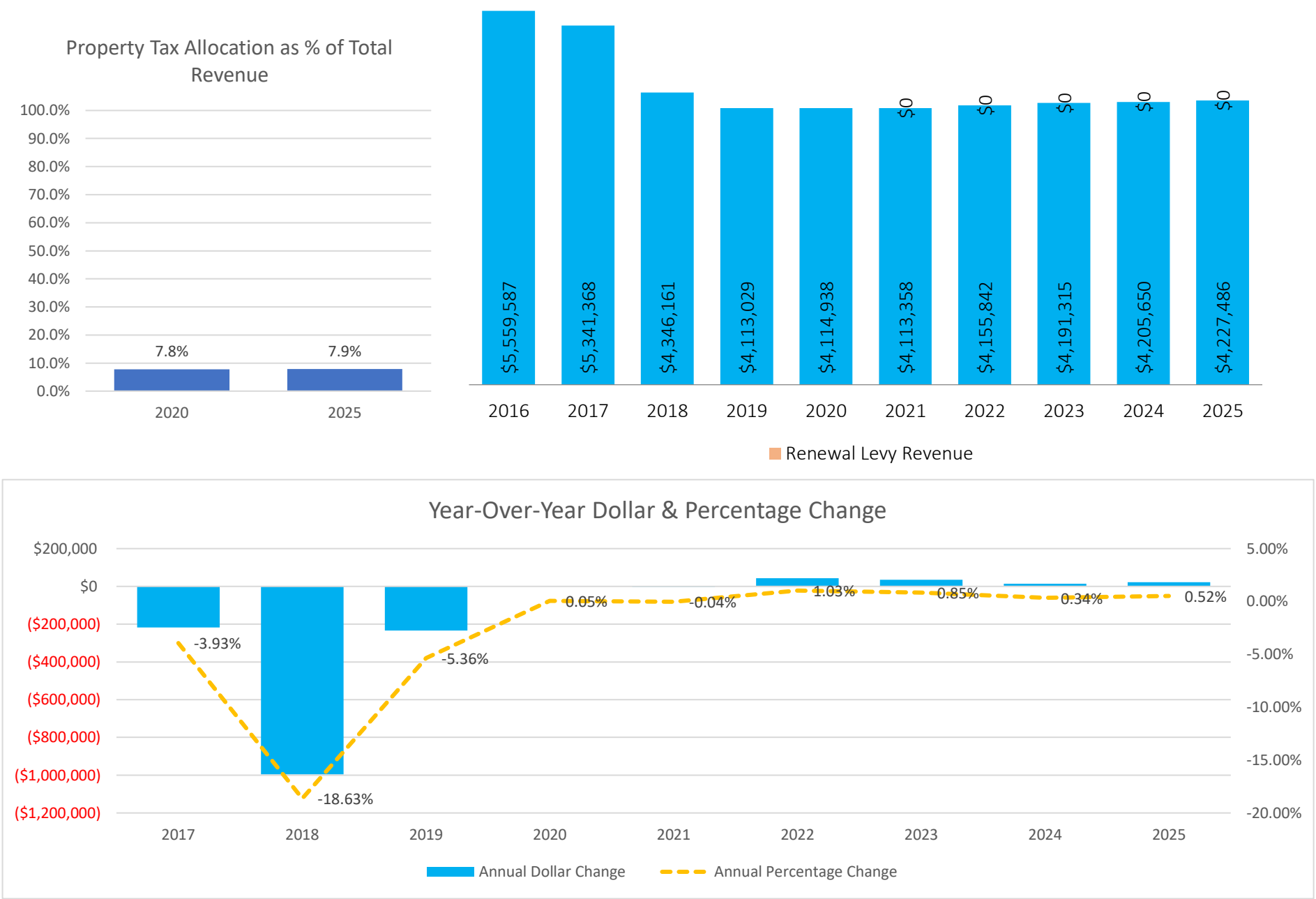
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by -\$265 and is projected to change annually on average by -\$11,291. Restricted funds represent 0.46% of total revenue.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.

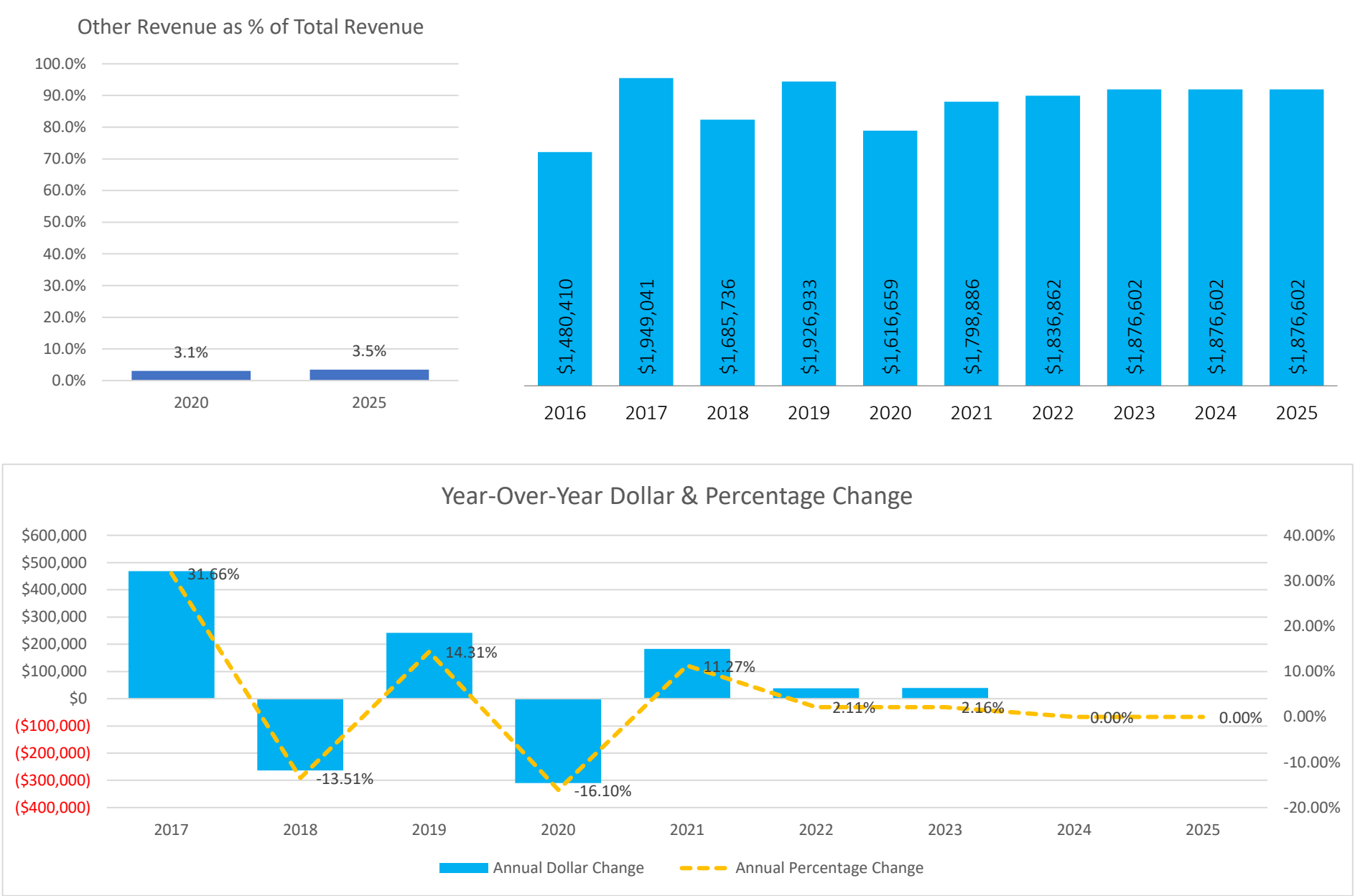


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 10.3% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.7% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

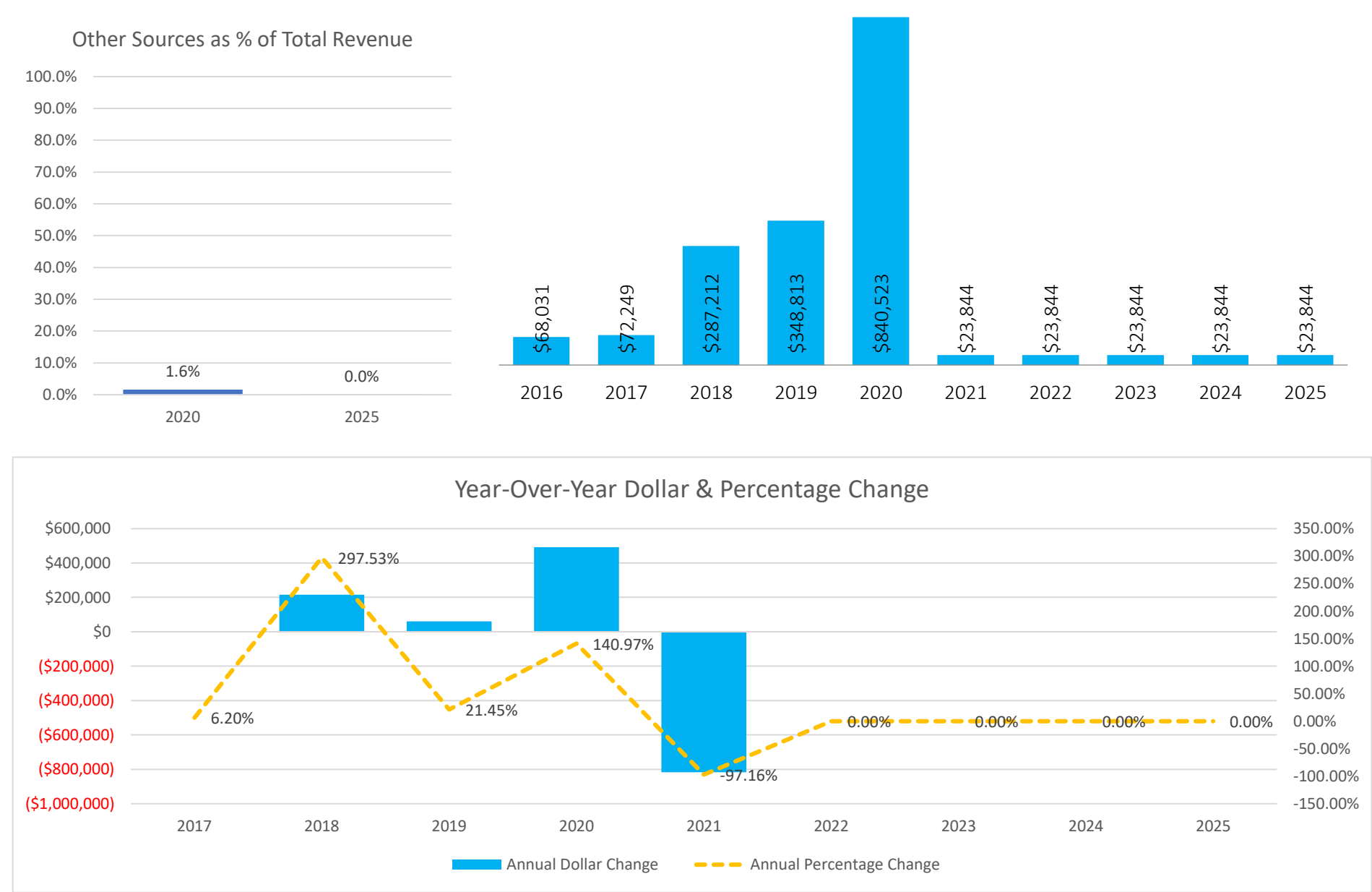
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was -\$110,794. The projected average annual change is \$51,989 through FY 2025.

2.070 - Total Other Financing Sources

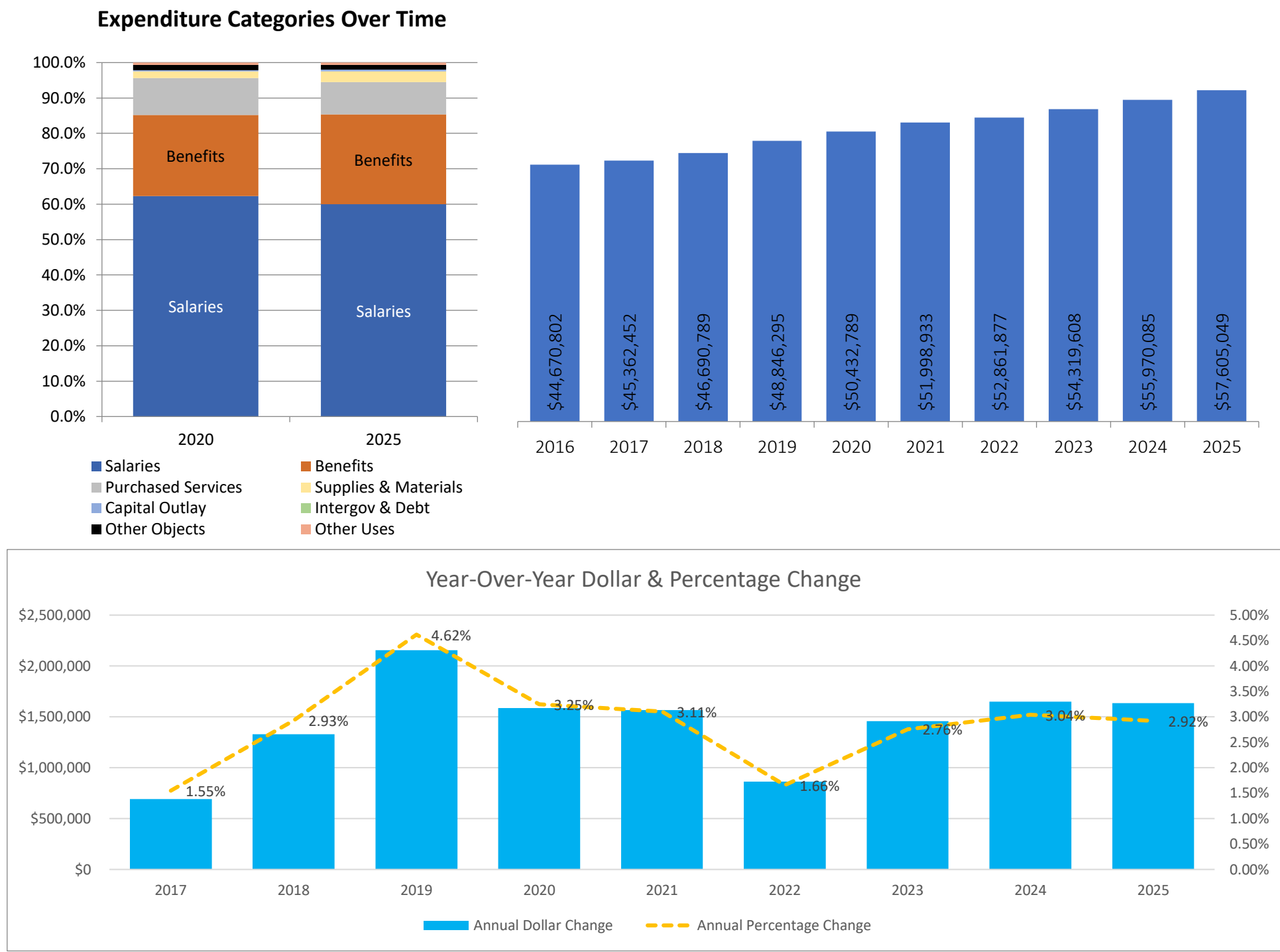
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



		FORECASTED				
	2020	2021	2022	2023	2024	2025
Transfers In	-	-	-	-	-	-
Advances In	141,196	-	-	-	-	-
All Other Financing Sources	699,327	23,844	23,844	23,844	23,844	23,844

Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district receipted \$141,196 as advances-in and is projecting advances of \$0 in FY 2021. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$23,844 in FY 2021 and average \$23,844 annually through FY 2025.

Expenditure Categories and Forecast Year-Over-Year Projected Overview



3-Year Historical Actual Average Annual Dollar Change
Compared to 5-Year Projected

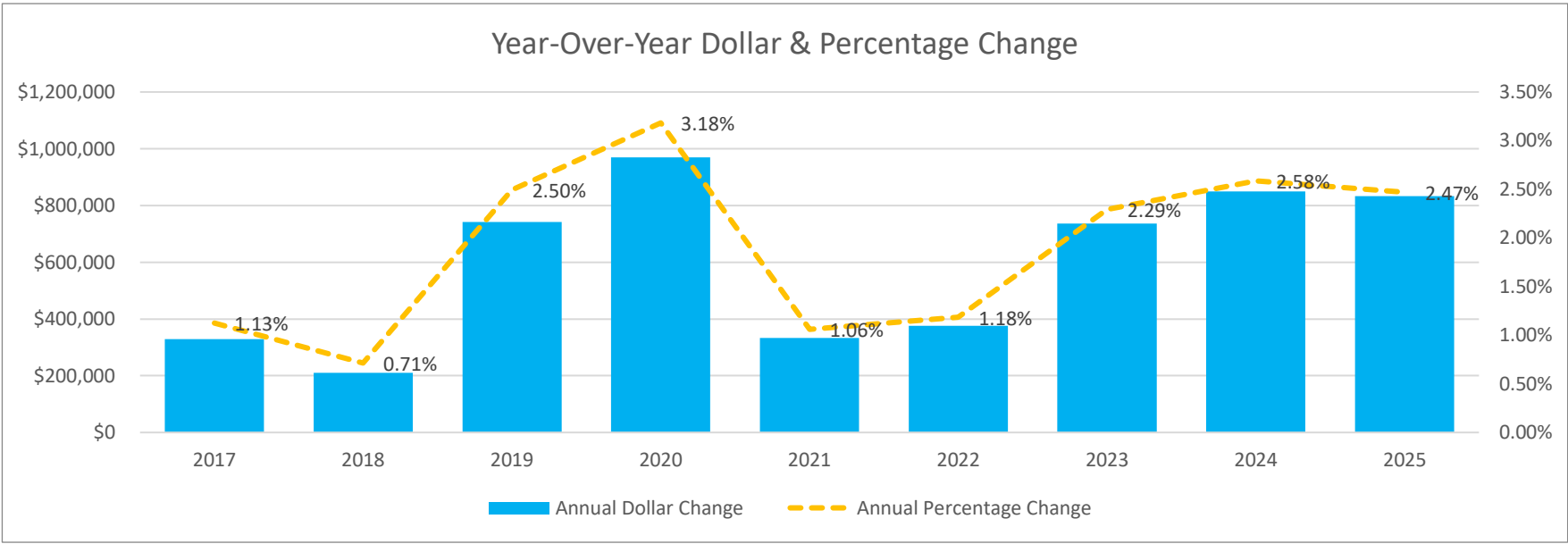
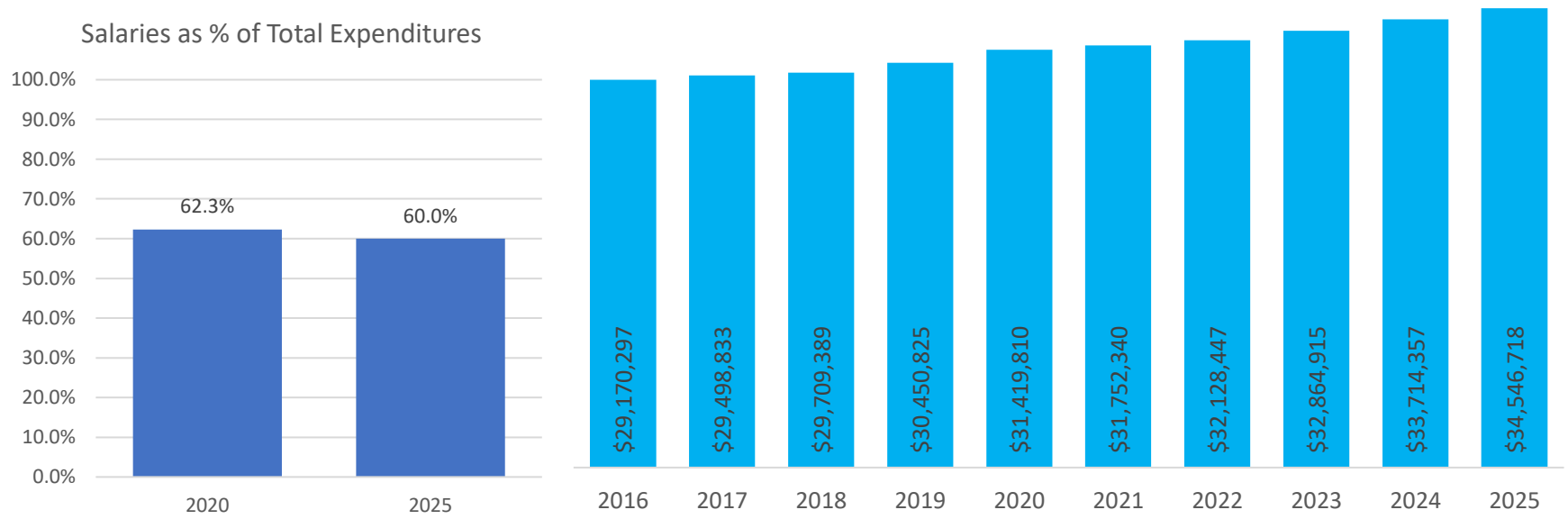
	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Total expenditures increased 3.60% or \$1,690,112 annually during the past five years and is projected to increase 2.84% or \$1,434,452 annually through FY2025. Purchased Services has the largest projected average annual variance compared to the historical average at -\$407,619.
Salaries	\$640,326	\$625,382	(\$14,944)	
Benefits	\$572,813	\$615,403	\$42,590	
Purchased Services	\$400,100	(\$7,519)	(\$407,619)	
Supplies & Materials	\$47,603	\$165,171	\$117,568	
Capital Outlay	\$22,144	\$25,273	\$3,130	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$14,091	\$432	(\$13,660)	
Other Uses	(\$6,964)	\$10,310	\$17,274	
Total Average Annual Change	\$1,690,112 3.60%	\$1,434,452 2.84%	(\$255,660) -0.75%	

Note: Expenditure average annual change is projected to be > \$1,434,452

On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 62.30% of total expenditures and increased at a historical average annual rate of 2.13% or \$640,326. This category of expenditure is projected to grow at an average annual rate of 1.92% or \$625,382 through FY 2025. The projected average annual rate of change is -0.21% less than the five year historical annual average.

3.020 - Employees' Benefits

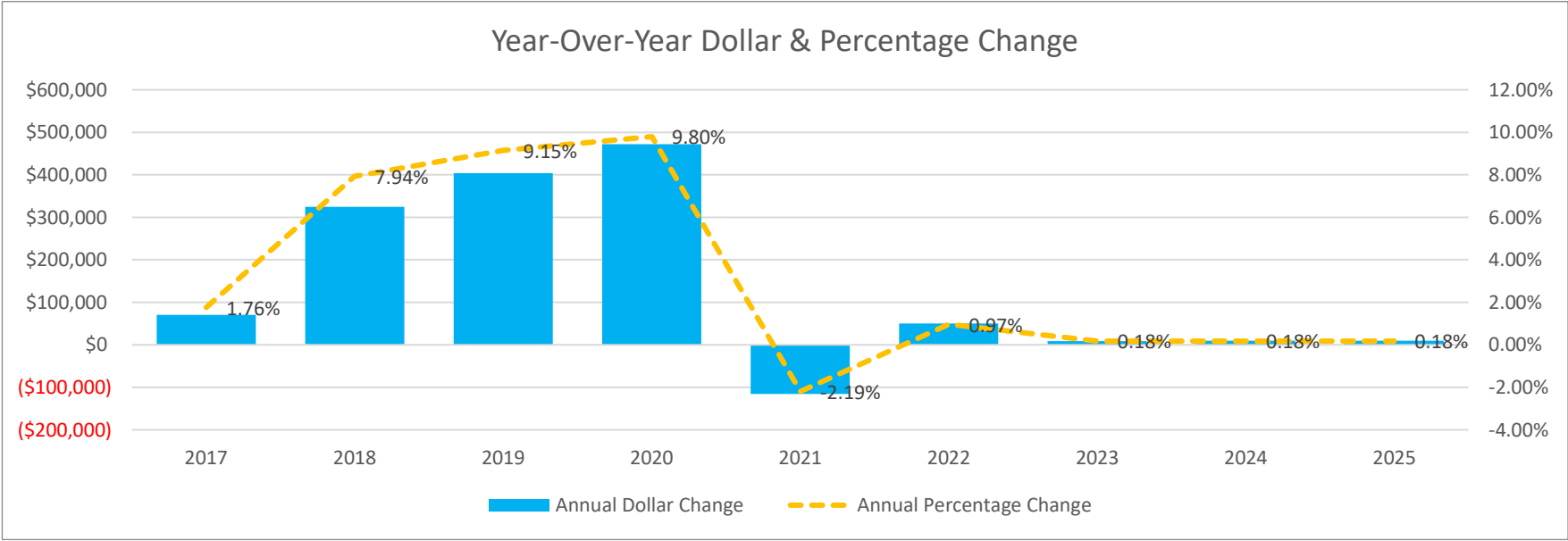
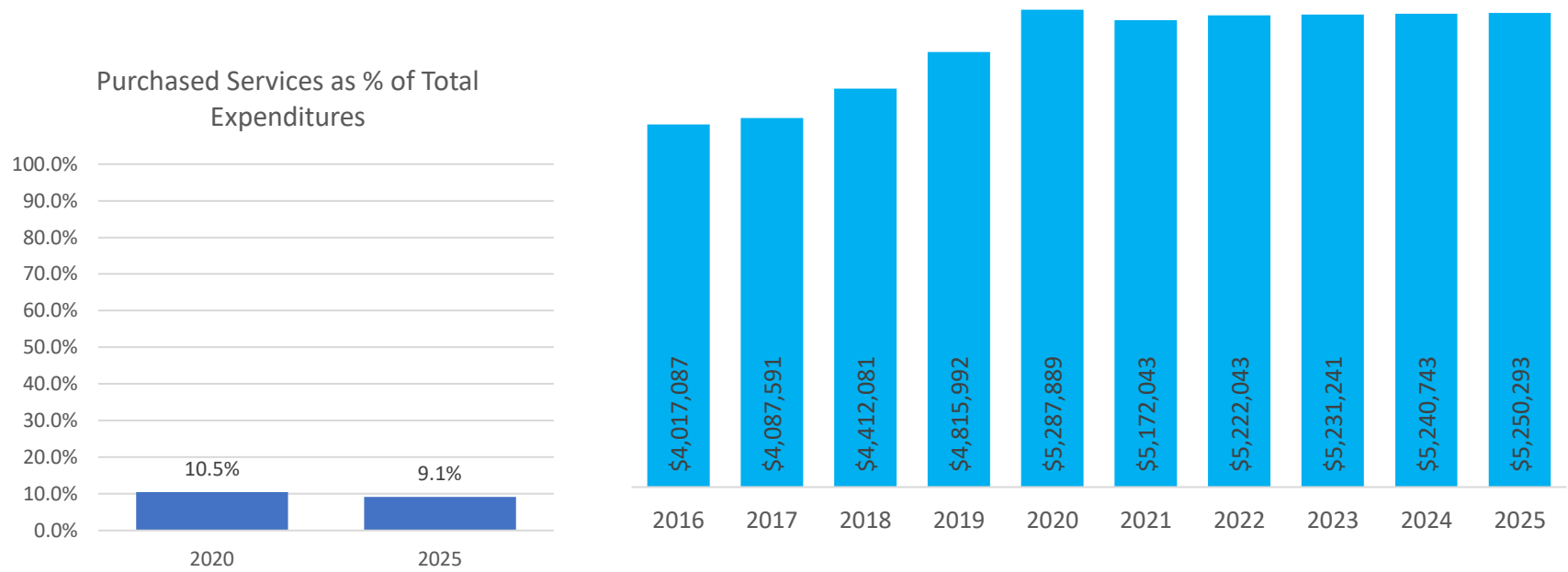
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 22.88% of total expenditures and increased at a historical average annual rate of 5.53% This category of expenditure is projected to grow at an annual average rate of 4.85% through FY 2025. The projected average annual rate of change is -0.68% less than the five year historical annual average.

3.030 - Purchased Services

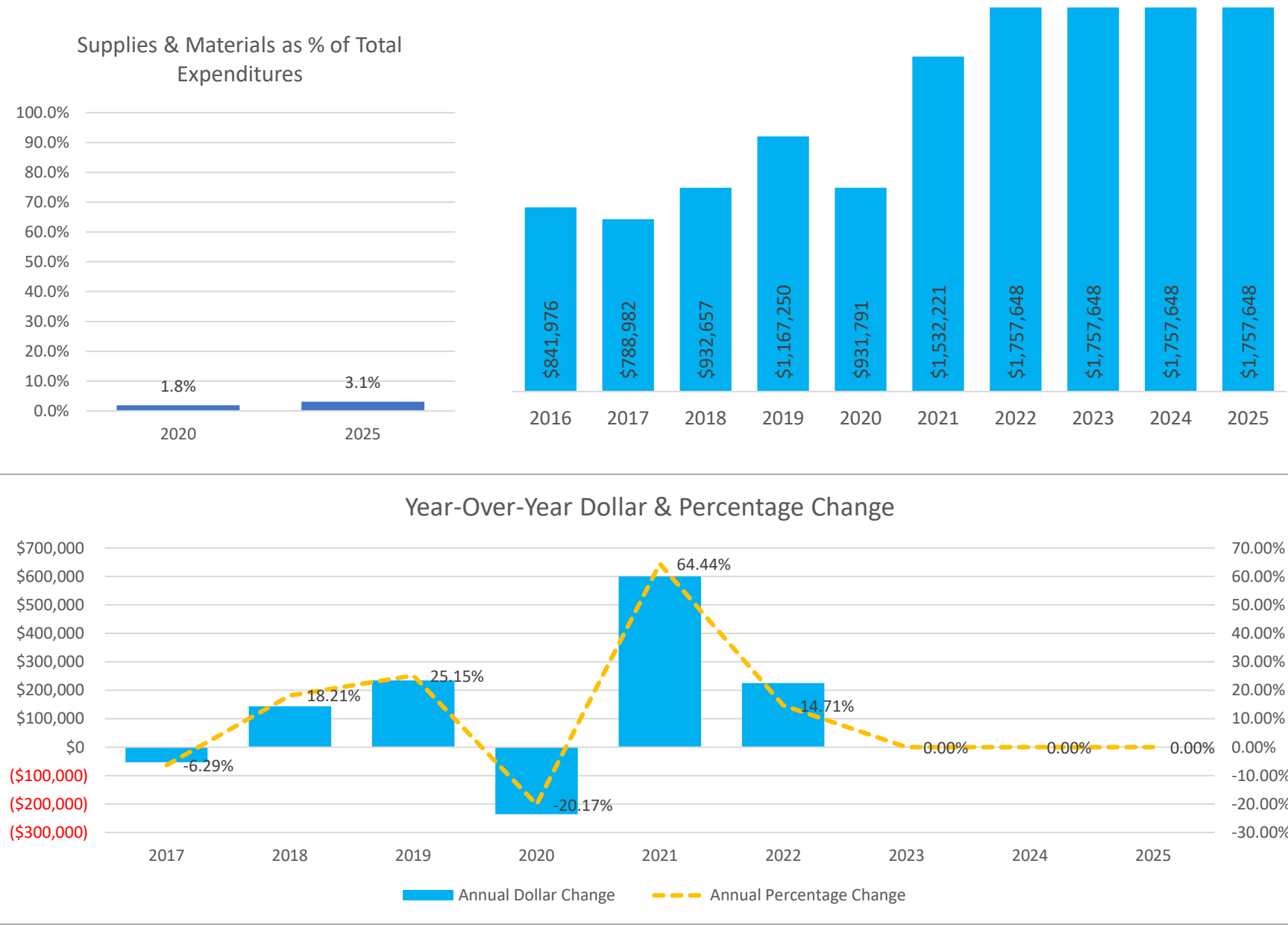
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 10.49% of total expenditures and increased at a historical average annual rate of 8.96%. This category of expenditure is projected to decrease at an annual average rate of -0.14% through FY 2025. The projected average annual rate of change is -9.10% less than the five year historical annual average.

3.040 - Supplies & Materials

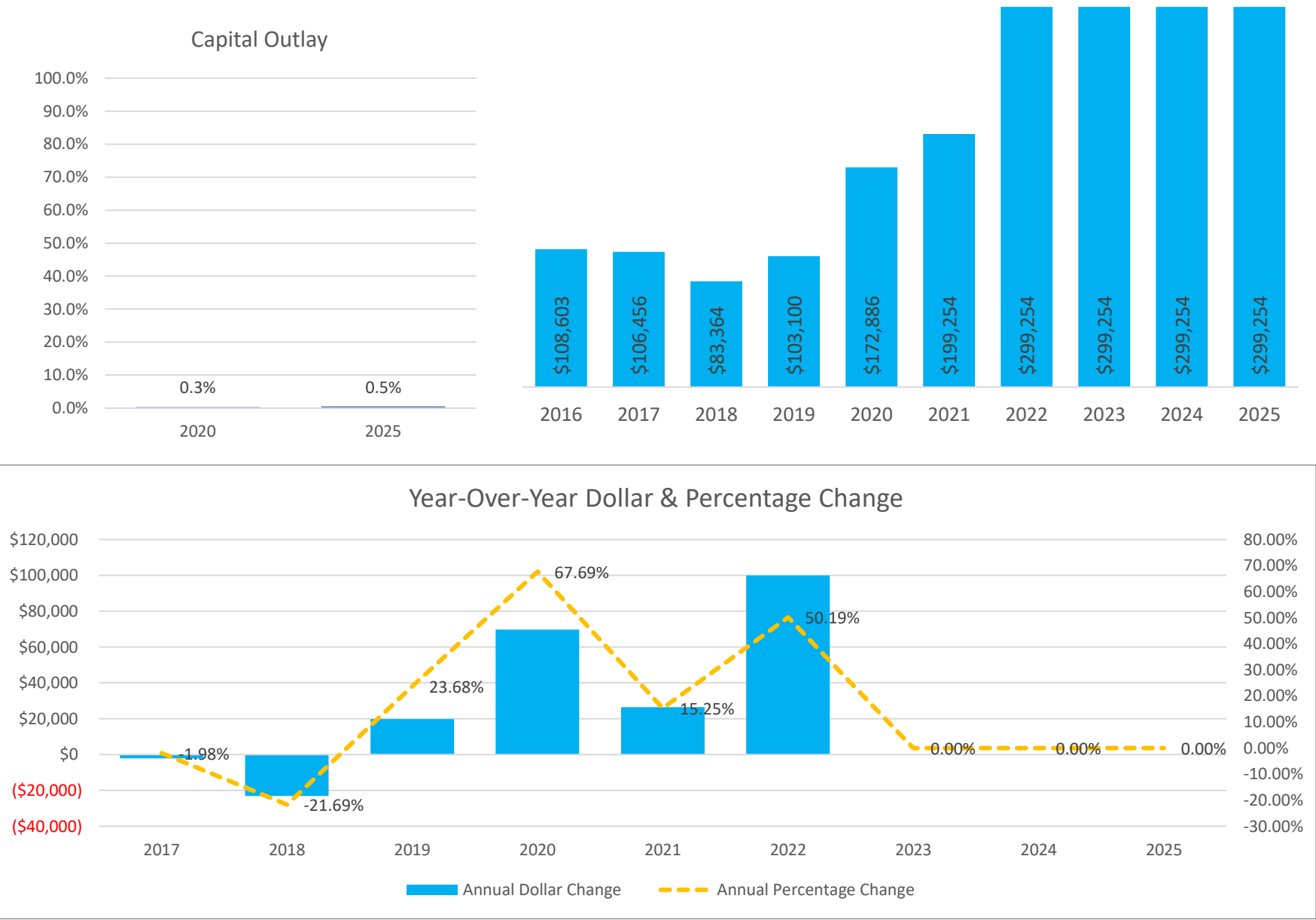
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 1.85% of total expenditures and increased at a historical average annual rate of 7.73%. This category of expenditure is projected to grow at an annual average rate of 15.83% through FY 2025. The projected average annual rate of change is 8.10% more than the five year historical annual average.

3.050 - Capital Outlay

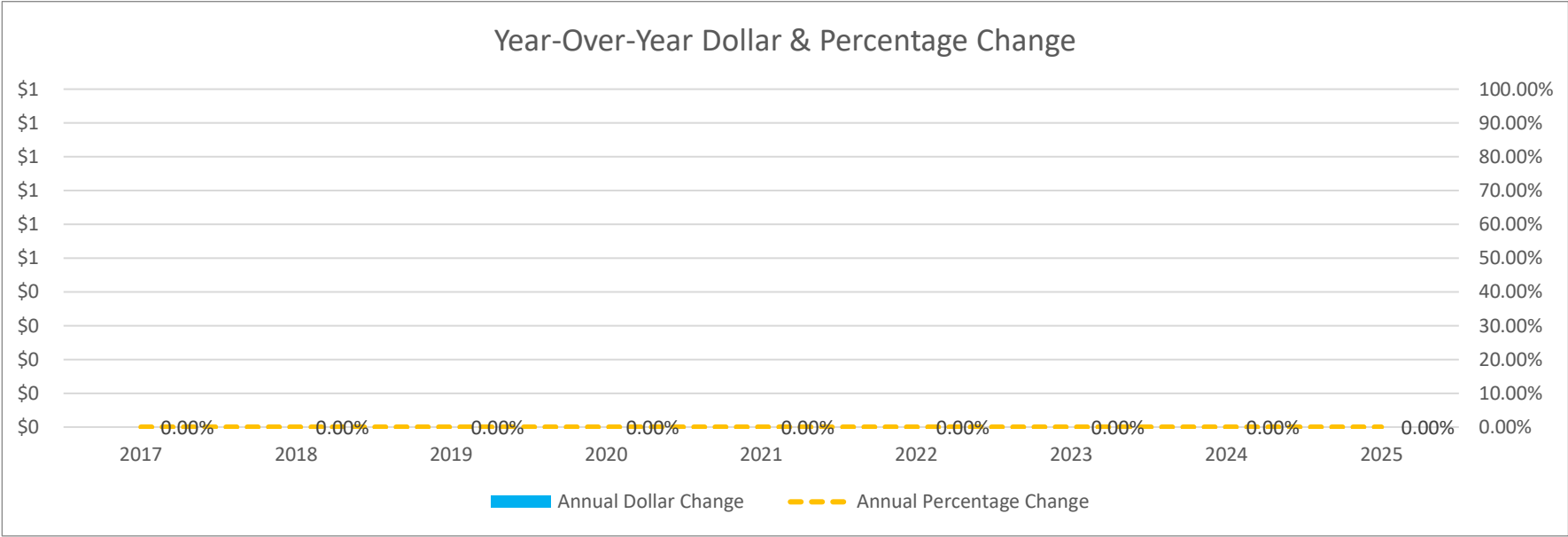
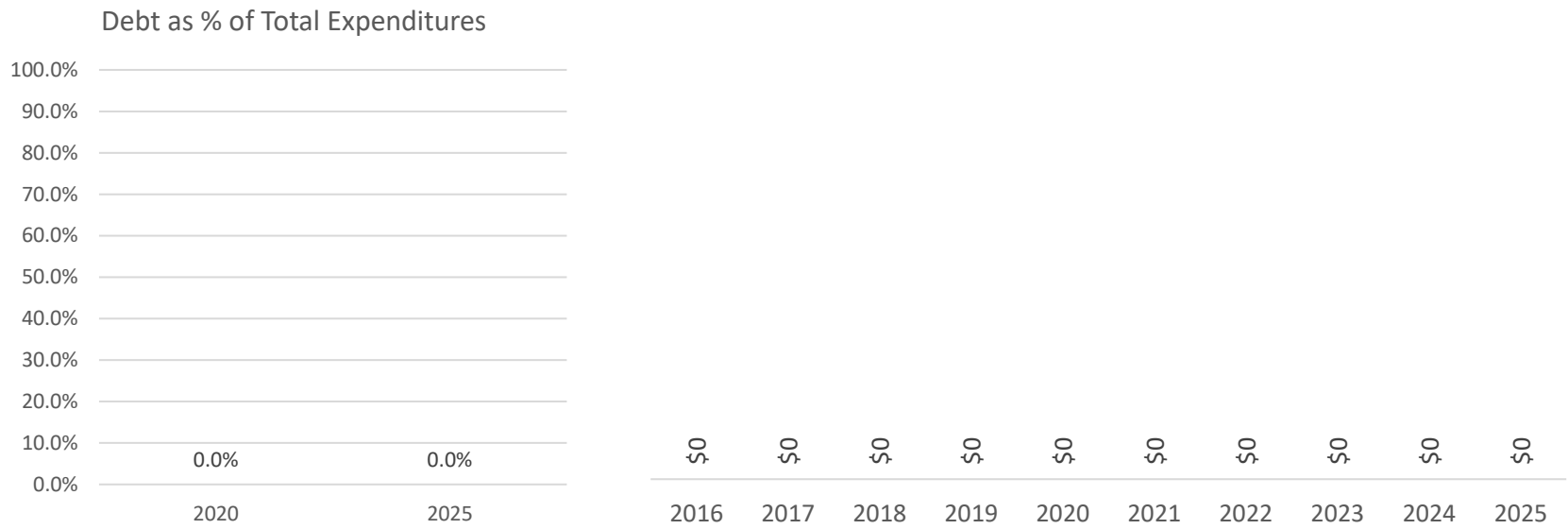
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.34% of total expenditures and increased at a historical average annual amount of \$22,144. This category of expenditure is projected to grow at an annual average amount of \$25,273 through FY 2025. The projected average annual change is less than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

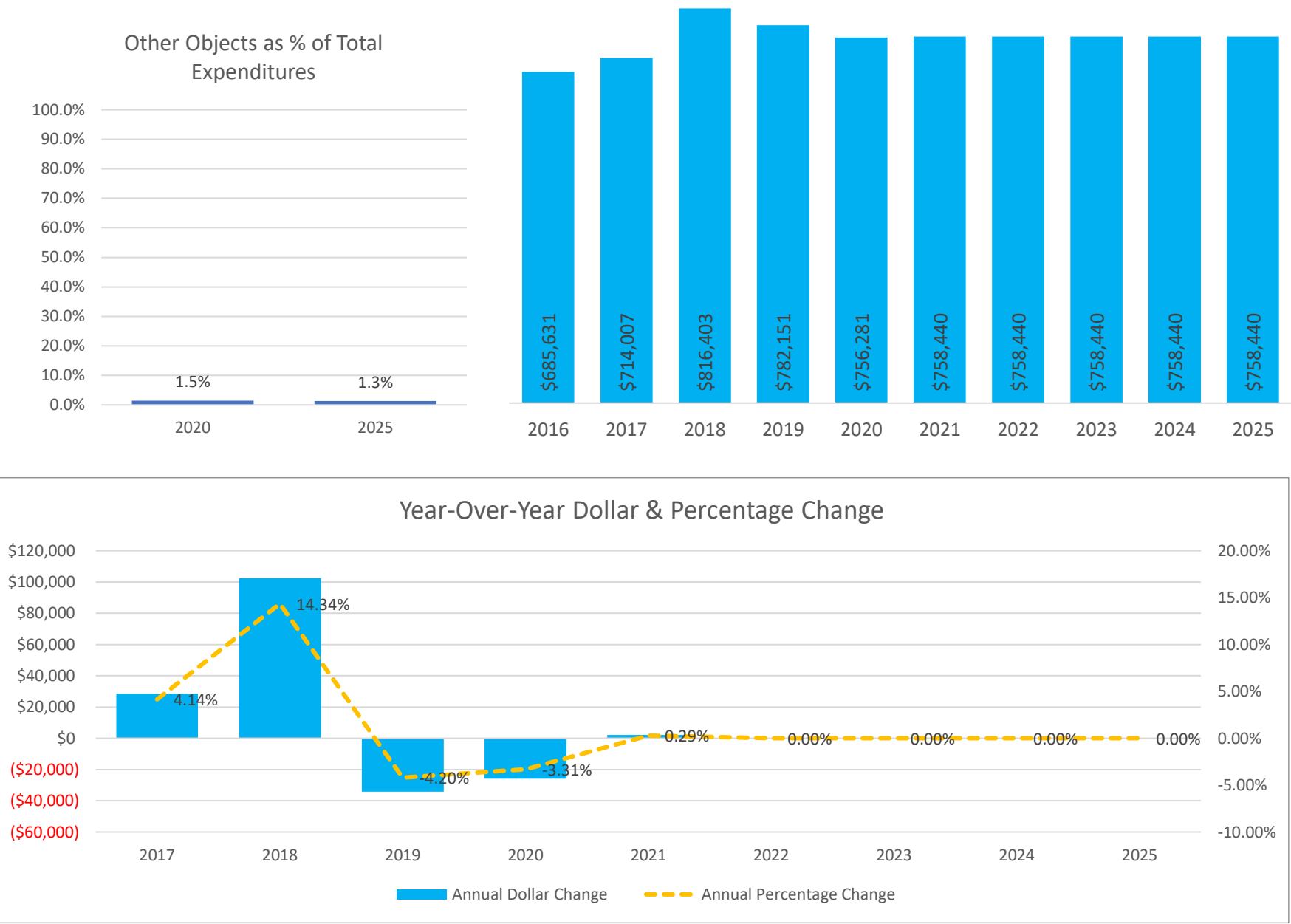
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

4.300 - Other Objects

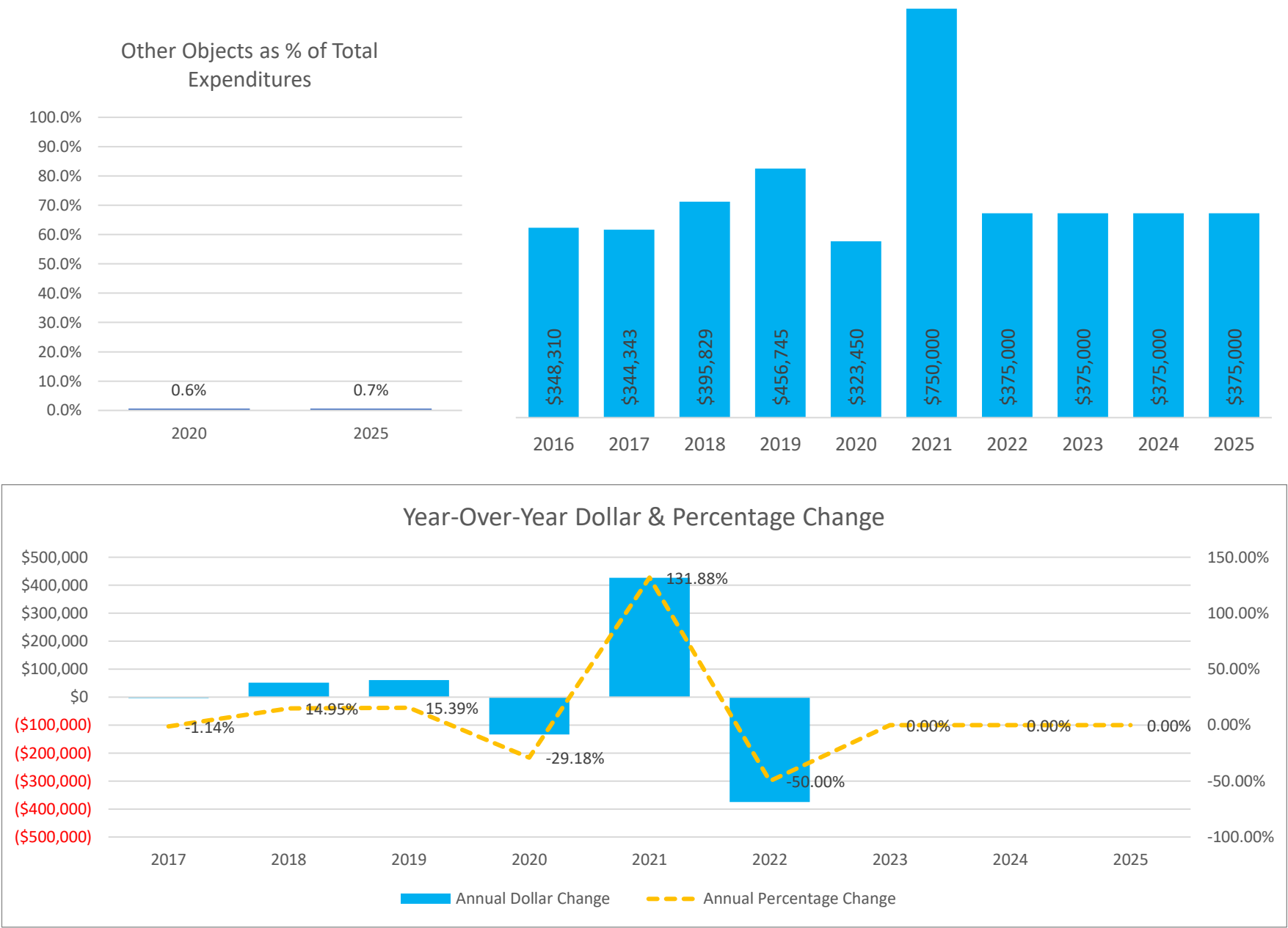
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.50% of total expenditures and increased at a historical average annual rate of 2.28%. This category of expenditure is projected to grow at an annual average rate of 0.06% through FY 2025. The projected average annual rate of change is -2.22% less than the five year historical annual average.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



		FORECASTED				
	2020	2021	2022	2023	2024	2025
Transfers Out	283,450	750,000	375,000	375,000	375,000	375,000
Advances Out	40,000	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2020 the district had advances-out and has no advances-out forecasted through FY 2025. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2025. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Brecksville-Broadview Heights City School District
Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
Revenue:						
1.010 - General Property Tax (Real Estate)	38,862,359	38,695,637	38,735,269	39,228,979	39,409,766	39,643,569
1.020 - Public Utility Personal Property	2,355,045	2,448,994	2,475,848	2,554,825	2,617,397	2,680,360
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	4,789,577	4,785,053	5,179,892	5,179,692	5,179,280	5,174,239
1.040 - Restricted Grants-in-Aid	245,423	208,850	198,968	188,968	188,968	188,968
1.050 - Property Tax Allocation	4,114,938	4,113,358	4,155,842	4,191,315	4,205,650	4,227,486
1.060 - All Other Operating Revenues	1,616,659	1,798,886	1,836,862	1,876,602	1,876,602	1,876,602
1.070 - Total Revenue	51,984,001	52,050,778	52,582,681	53,220,381	53,477,663	53,791,224
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	141,196	-	-	-	-	-
2.060 - All Other Financing Sources	699,327	23,844	23,844	23,844	23,844	23,844
2.070 - Total Other Financing Sources	840,523	23,844	23,844	23,844	23,844	23,844
2.080 - Total Rev & Other Sources	52,824,524	52,074,622	52,606,525	53,244,225	53,501,507	53,815,068
Expenditures:						
3.010 - Personnel Services	31,419,810	31,752,340	32,128,447	32,864,915	33,714,357	34,546,718
3.020 - Employee Benefits	11,540,680	11,834,635	12,321,046	13,033,111	13,824,644	14,617,696
3.030 - Purchased Services	5,287,889	5,172,043	5,222,043	5,231,241	5,240,743	5,250,293
3.040 - Supplies and Materials	931,791	1,532,221	1,757,648	1,757,648	1,757,648	1,757,648
3.050 - Capital Outlay	172,886	199,254	299,254	299,254	299,254	299,254
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	756,281	758,440	758,440	758,440	758,440	758,440
4.500 - Total Expenditures	50,109,339	51,248,933	52,486,877	53,944,608	55,595,085	57,230,049
Other Financing Uses						
5.010 - Operating Transfers-Out	283,450	750,000	375,000	375,000	375,000	375,000
5.020 - Advances-Out	40,000	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	323,450	750,000	375,000	375,000	375,000	375,000
5.050 - Total Exp and Other Financing Uses	50,432,789	51,998,933	52,861,877	54,319,608	55,970,085	57,605,049
6.010 - Excess of Rev Over/(Under) Exp	2,391,735	75,689	(255,352)	(1,075,383)	(2,468,578)	(3,789,981)
7.010 - Cash Balance July 1 (No Levies)	17,475,491	19,867,227	19,942,916	19,687,565	18,612,182	16,143,604
7.020 - Cash Balance June 30 (No Levies)	19,867,227	19,942,916	19,687,565	18,612,182	16,143,604	12,353,623
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	19,867,227	19,942,916	19,687,565	18,612,182	16,143,604	12,353,623
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	19,867,227	19,942,916	19,687,565	18,612,182	16,143,604	12,353,623
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	19,867,227	19,942,916	19,687,565	18,612,182	16,143,604	12,353,623