

## **BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT MAY 2016 FIVE-YEAR FINANCIAL FORECAST AND EDUCATIONAL PLAN "MAJOR ASSUMPTIONS"**

**SUMMARY:** FY16 Deficit Spend of <\$289K> is decreased from <\$563K> in October 2015 FCST due primarily to increased real estate and public utility tax receipts, and Fund Balance of \$9.8M is \$274K increased from October 2015 FCST. FY20 Forecasted Deficit Spend is <\$5.3M> with a Fund Balance of <\$4.3M>, which is <\$110K> reduced from October 2015 FCST. Details about changes creating this <\$110K> variance are identified in below categories. Favorable impacts vs the October 2015 FCST are shown as positive numbers and unfavorable impacts in brackets.

### **REVENUES**

#### **General Property Tax (Real Estate) (\$30.7M Total)**

- All levies are continuing.
- No new money levies are included.
- Voted millage revenues remain flat due to House Bill 920.
- Tax collection rate is 98.9% for 2016 and 97.8% for all future FCST years. Actual collection rates for recent years are: 2012: 98.1%; 2013: 97.7%; 2014: 96.9%; and 2015: 94.5%. This four-year average collection rate is 96.8%.
- 3% projected valuation increases in 2018 (collection year 2019) reappraisal year.
- Property valuation only increased by \$2M for reappraisal year 2015 (collection year 2016) vs OCT 2015 FCST estimate of 3% (\$30M) due to tax valuation challenge reductions and exempt property changes, thus reducing anticipated inside millage tax revenue growth by \$131K.
- Overall impact vs OCT FCST is \$334K increase in FY16 and <\$1.1M> unfavorable over five year FCST period.

#### **Public Utility Property Tax (\$2.0M Total)**

- Only receive revenue in this category from public utilities infrastructure.
- Overall impact vs OCT FCST is \$111K in FY16 and \$111K over five year FCST period due to valuation growth.

#### **Unrestricted Grants In Aid (\$5.2 M Total)**

- FY16 Foundation estimate based on current calculation from Ohio Department of Education.
- FY17 same as FY16. FY18 and out years reduced 2% due to anticipated phase-out of "guarantee" funding from State in next budget bill.
- Casino (State) revenues of \$202K for FY16, with slight decline in out years due to enrollment declines. Based on \$50.50 per pupil estimate.
- Pre-kindergarten special education funding and special education transportation reduced \$33K in FY16 and out years due to State funding calculations based on current enrollment.
- Overall impact vs OCT FCST is <\$33K> in FY16 and <\$109K> over five year FCST period.

#### **Restricted Grants In Aid (\$.3M Total)**

- FY15 special education catastrophic aid reimbursement reduced \$67K from FY14. FY16 and out years flat to FY15.
- FY15 revenue increase shown caused by receipt in FY15 of both 2012/13 and 2013/14 catastrophic aid reimbursement due to timing of payments from ODE.
- Career-tech funding received from ODE reduced \$7K in FY16.
- Overall impact vs OCT FCST is <\$7K> in FY16 and <\$37K> over five year FCST period.

#### **Property Tax Allocation (\$5.6M Total)**

- TPP reimbursement of \$1.7M in FY16, then \$1.46M in FY17, then eliminated in FY18 unless continued in next State biennial (FY18/19) State budget to be determined in June 2017.

- Homestead and rollback funding from State flat to FY15.
- Overall impact vs OCT FCST is <\$191K> in FY16 due to timing of subsidy payments from State and \$1.46M over five year FCST period due to partial reinstatement of TPP funding for FY17.

#### **All Other Operating Revenues (\$1.7M Total)**

- Categories include Participation (PTP) Fees, Interest, Parking, Administrative Fees, Tuition, Medicaid Reimbursements, and Rentals/Field Trips/Miscellaneous.
- PILOT payments (timing and amounts) from City of Broadview Heights for Heritage and South Hills 9100 and 9300 buildings are updated.
- Overall impact vs OCT FCST is \$6K in FY16 and <\$87K> over five year FCST period due to reduced PTP and all-day K fees.

#### **Other Financing Sources (\$.06M Total)**

- This accounts for the return of temporary cash advances to student resale accounts.
- Workers' comp premium refunds for workplace safety initiatives included.
- Overall impact vs OCT FCST of \$25K in FY16 and \$68K over five year FCST period.

### **EXPENDITURES**

#### **Personnel Services (Salaries/Wages) (\$29.3M Total)**

- Staff head count remains flat for all forecast years.
- No base increase for all forecast years.
- Longevity steps omitted for FY14 through FY16 and return to historical rate in FY17.
- Educational steps included for all fiscal years at historical rate.
- Attrition replacement savings from 2015 retired/resigned employees included for FY16 and out years.
- Estimated four retirements factored for FY17 through FY20. Replacement staff assumed to be at Masters, 5 year level. Severance payments reduced to align to fewer retirements.
- Overall impact vs OCT FCST is <\$130K> in FY16 and <\$706K> unfavorable over five year FCST period.

#### **Employees' Retirement/Insurance Benefits (\$9.5M Total)**

- No increase in insurance costs for FY15; 4.55% increase for medical and prescription, and no increase for dental, for FY16; one-month premium holiday for dental insurance in FY16 and FY17; 8% per year increase for medical and prescription, and 3% for dental, estimated in FY17 and out years.
- FY16 and out years insurance costs reduced due to non-compounding of projected 10% increases in FY15 and FY16 carried in May 2015 FCST.
- Changes in insurance coverage selected by new hires reflected for FY16 and out years.
- Additional insurance fte due to transportation hours increase from reinstatement of half-day, every day kindergarten model included for FY16 and out years.
- Reduced workers comp premiums from rate reductions from BWC included.
- Impact of Negotiations on Insurance are constant for the forecast period.
  - Medical Plan 1a, spousal enrollment, and 15% employee premium share effective 11/1/12 are included.
- Overall impact vs OCT FCST is \$65K in FY16 and \$110K favorable over five year FCST period.

#### **Purchased Services (\$4.7M Total)**

- Based upon FY16 budgets with 2% inflation.
- Utilities reflect volume for a "normal" winter severity and current unit costs.
- Reduced natural gas costs for FY16 due to reduced pricing from Ohio Schools' Council co-op and reduced electricity costs for FY16 and out years due to EUS transformer replacement included.
- Overall impact vs OCT FCST is \$20K favorable in FY16 and <\$66K> unfavorable over five year FCST period.

### Supplies and Materials (\$1.1M Total)

- Based upon FY16 budgets with 2% inflation.
- Overall impact vs OCT FCST is <\$13K> in FY16 and <\$67K> unfavorable over 5 year FCST period.

### Capital Outlay (\$.2M Total)

- Based upon FY16 budgets with 1% inflation.
- Overall impact vs OCT FCST is \$12K in FY16 and \$42K favorable over five year FCST period.

### Other Objects (\$.7M Total)

- Based upon FY16 budgets with 2% inflation.
- Overall impact vs OCT FCST is \$84K in FY16 and \$277K favorable over five year FCST period.

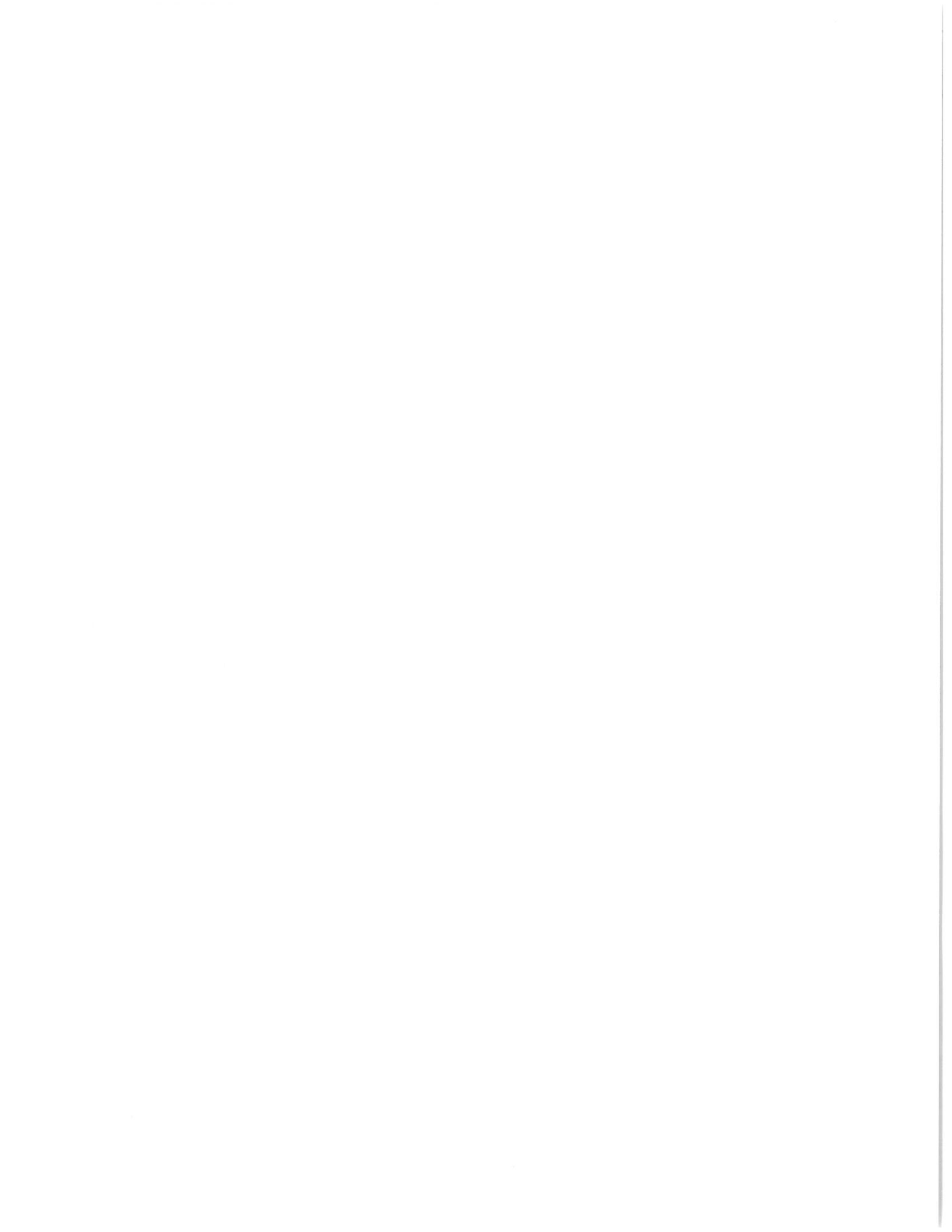
### Other Financing Uses (\$.3M Total)

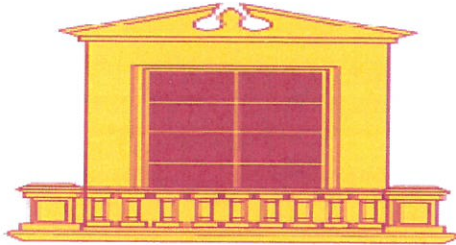
- \$25,000 for CAPA support.
- \$234,325 for House Bill 264 Bonds debt repayment.
- \$23,985 to offset School Funds for workbooks purchased for students receiving free/reduced lunch fees waiver.
- \$25,000 for turf replacement fund due to general fund maintenance savings.
- \$40,000 for temporary advance for startup funds to purchase workbooks for each ensuing school year.
- Overall impact vs OCT FCST of <\$8K> in FY16 and <\$40K> unfavorable over five year FCST period.

### “Upside/Downside” Items That Could Impact Forecast (Dollars Shown in Thousands Per Year)

| <u>Item (Impact shown is per year)</u>                                     | <u>Upside</u> | <u>Downside</u> | <u>Probability</u> | <u>Comments</u>  |
|--|---------------|-----------------|--------------------|--|
| 5 Mills (Place Holder) New Money Levy Passed                               | \$5,000       |                 |                    | \$2.5M in FY passed, \$5M thereafter   |
| 1% Base Salary Change (includes fixed fringes)                             |               | \$340           |                    | Current contracts expire 6/30/16   |
| Pay to Participate Fees Revert to 80%                                      |               | \$100           |                    | Currently 100% user paid with student cap of HS \$1,000/MS \$600 (assumes \$500K total)  |
| 10% Change in Longevity Steps (includes fixed fringes)                     | \$52          | \$52            |                    | Current contracts expire 6/30/16   |
| 1% Change in Real Estate Tax Collection Rate                               | \$300         | \$300           | High               | Actual collection rates for CY12: 98.1%; CY13: 97.7%; CY14: 96.9%; CY15: 94.5%. Estimate for CY 16 is 98.9% and 97.8% for CY17 and out years |
| Strategic Vision Plan Initiatives  |               | \$100           | High               | Amount TBD as Plan reviewed by BOE, \$100 is Place Holder Amount   |
| 1% Property Valuation Change   | \$47          | \$47            | High               | Inside Millage Only, Triennial Update in TY18(CY19)  |
| 1% Change in Insurance Premium   | \$45          | \$45            | High               | FCST uses 8% per annum for medical and prescription, 3% for dental   |
| Each Teacher Retirement more/less than 4                                   | \$40          | \$40            | High               |  |
| State Foundation Program Revisions   | \$102         | \$102           | Med                | 2% or <2>% vs current 2% reduction for FY18/19 State budget  |
| 10% Reduction in Student Activity Participation                            |               | \$50            | Med                | Due to 100% user paid (assumes \$500K total)   |
| 1% Change in Purchased Services  | \$47          | \$47            | Med                | Impacted by utility rates, gas/fuel prices, special education and other educational services/providers                                       |
| 10% Change in Special Education Catastrophic Reimbursement from State      | \$34          | \$34            | Med                | Reimbursement amount increased significantly to \$408K for FY13 and reduced to \$341K for FY14   |
| +/- 10% Casino Revenue Sharing   | \$20          | \$20            | Med                | Subject to legislation, casino success   |
| 1% Change in Supplies/Materials  | \$11          | \$11            | Med                |  |
| 1% Change in Other Expenditures  | \$7           | \$7             | Med                |  |
| All-Day Kindergarten Becomes Unfunded Mandate                              |               | \$400           | Low                | Currently cost neutral   |
| 10% TPP Replacement Continuation by Ohio Legislature in FY18 and out years | \$171         |                 | Low                | Impacts FY18 and out years if any continuation occurs as current law reduces this funding source to 0 in FY18 and out years                  |

Please visit the Ohio Department of Education website at <ftp://ftp.ode.state.oh.us/geodoc/5-yrForecast/>.





**BRECKSVILLE-BROADVIEW HEIGHTS  
CITY SCHOOL DISTRICT - -  
CUYAHOGA COUNTY**

Financial Report  
Five Year Forecast  
May, 2016



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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.



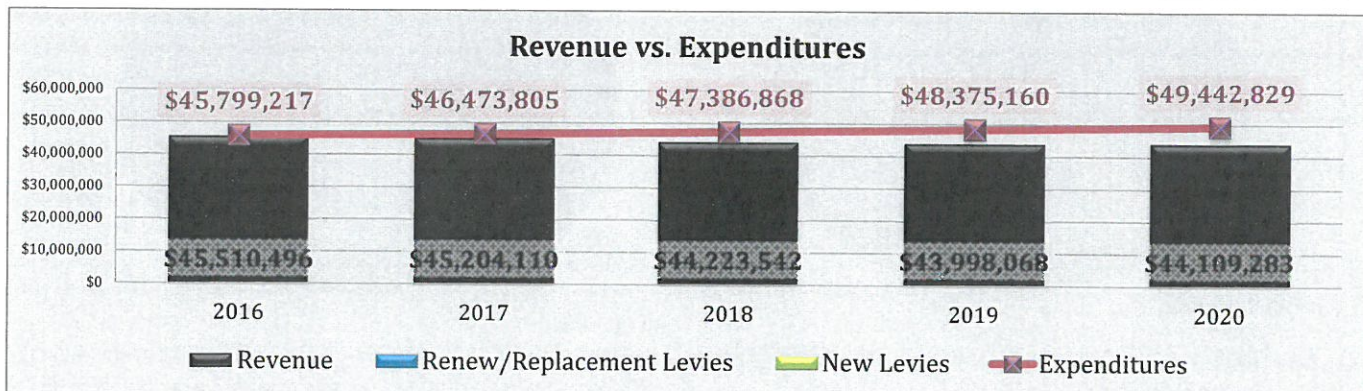
## Executive Summary

|                                       | Fiscal Year<br>2016 | Fiscal Year<br>2017 | Fiscal Year<br>2018 | Fiscal Year<br>2019 | Fiscal Year<br>2020 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Balance                     | 10,103,700          | 9,814,979           | 8,545,284           | 5,381,959           | 1,004,866           |
| + Revenue                             | 45,510,496          | 45,204,110          | 44,223,542          | 43,998,068          | 44,109,283          |
| + Proposed Renew/Replacement Levies   | -                   | -                   | -                   | -                   | -                   |
| + Proposed New Levies                 | -                   | -                   | -                   | -                   | -                   |
| - Expenditures                        | (45,799,217)        | (46,473,805)        | (47,386,868)        | (48,375,160)        | (49,442,829)        |
| = Revenue Surplus or Deficit          | (288,721)           | (1,269,695)         | (3,163,326)         | (4,377,093)         | (5,333,547)         |
| Ending Balance                        | 9,814,979           | 8,545,284           | 5,381,959           | 1,004,866           | (4,328,681)         |
| Revenue Surplus or Deficit w/o Levies | (288,721)           | (1,269,695)         | (3,163,326)         | (4,377,093)         | (5,333,547)         |
| Ending Balance w/o Levies             | 9,814,979           | 8,545,284           | 5,381,959           | 1,004,866           | (4,328,681)         |

### Executive Summary:

FY16 deficit spend of <\$289K> is decreased from <\$563K> in October 2015 FCST due primarily to increased real estate and public utility tax receipts, and Fund Balance of \$9.8M is \$274K increased from October 2015 FCST. FY20 Forecasted Deficit Spend is <\$5.3M> with a Fund Balance of <\$4.3M>, which is <\$110K> reduced from October 2015 FCST. TPP replacement and supplement funding from the State of Ohio is reduced from \$1.7M in FY16 to \$1.46M in FY17, with no continued funding in FY18 and out years unless State extends the TPP supplement funding in the next State biennial budget. FCST will be significantly impacted by potential salary increases, State funding changes, and fluctuations in property tax collection rates, and new local funding from operating levy approval. Additional details about pertinent assumptions used in the development of this FCST are contained in specific report sections. Favorable impacts vs the October 2015 FCST are shown as positive numbers and unfavorable impacts in brackets.

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## Revenue Overview

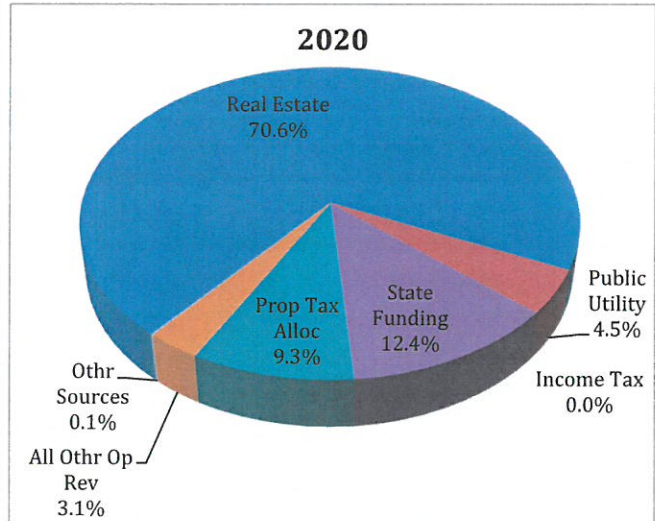
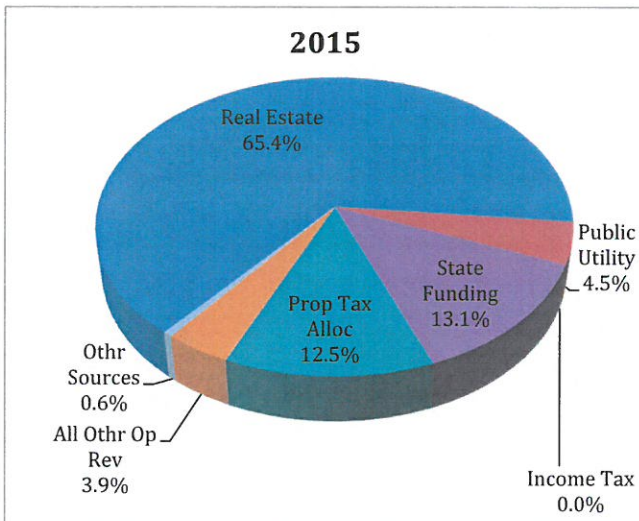
|                              | Prev. 5-Year<br>Avg. Annual<br>Change | PROJECTED   |             |             |             |             | 5-Year<br>Avg. Annual<br>Change |
|------------------------------|---------------------------------------|-------------|-------------|-------------|-------------|-------------|---------------------------------|
|                              |                                       | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year | Fiscal Year |                                 |
|                              |                                       | 2016        | 2017        | 2018        | 2019        | 2020        |                                 |
| <b>Revenue:</b>              |                                       |             |             |             |             |             |                                 |
| 1.010-Real Estate            | -0.49%                                | 2.00%       | -0.14%      | 0.87%       | 0.44%       | 0.42%       | 0.72%                           |
| 1.020-Public Utility         | 4.79%                                 | -3.94%      | -0.12%      | 0.00%       | 0.00%       | 0.00%       | -0.81%                          |
| 1.030-Income Tax             | n/a                                   | n/a         | n/a         | n/a         | n/a         | n/a         | n/a                             |
| 1.035-State Funding          | 0.57%                                 | -0.35%      | 0.07%       | -1.86%      | -0.02%      | -0.08%      | -0.45%                          |
| 1.040-Restricted Aid         | 976.90%                               | -54.84%     | 0.00%       | 0.00%       | 0.00%       | 0.00%       | -10.97%                         |
| 1.045-Restr Federal SFSF     | n/a                                   | n/a         | n/a         | n/a         | n/a         | n/a         | n/a                             |
| 1.050-Property Tax Alloc     | -6.09%                                | -3.17%      | -2.22%      | -20.64%     | -5.49%      | 0.40%       | -6.22%                          |
| 1.060-All Other Operating    | 29.67%                                | -8.44%      | -7.43%      | -1.69%      | -8.15%      | -2.16%      | -5.57%                          |
| 1.070-Total Revenue          | -0.37%                                | -0.55%      | -0.63%      | -2.17%      | -0.51%      | 0.25%       | -0.72%                          |
| 2.070-Total Other Sources    | 15.16%                                | -73.94%     | -26.50%     | 0.00%       | 0.00%       | 0.00%       | -20.09%                         |
| 2.080-Total Rev & Other Srcs | -0.35%                                | -0.97%      | -0.67%      | -2.17%      | -0.51%      | 0.25%       | -0.81%                          |

**Notes & Assumptions:**

Real Estate taxes increased \$334K over October 2015 FCST due to increase in collection rate, but projected to decline by <\$1.1M> over five year FCST period due to limited valuation growth of \$2M from tax year 2015 property reappraisal by Cuyahoga County, tax valuation challenge reductions, and tax-exempt property decisions by the County.

TPP reimbursement and supplement State funding of \$1.46M reinstated for FY17, down from \$1.72M allocation for FY16. This funding source is forecast to end after FY17 unless continued by State in next biennial budget.

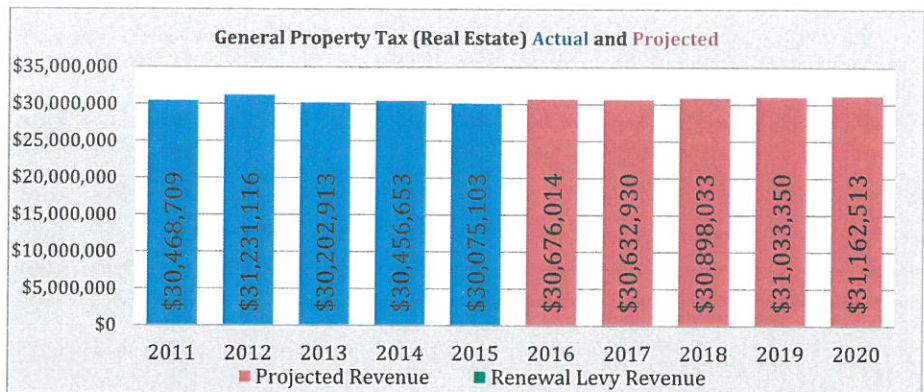
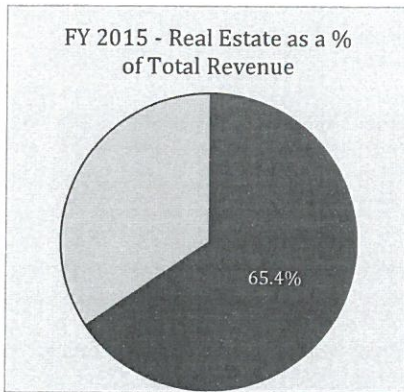
See "Notes & Assumptions" for each revenue item for more detailed assumptions used for this FCST.





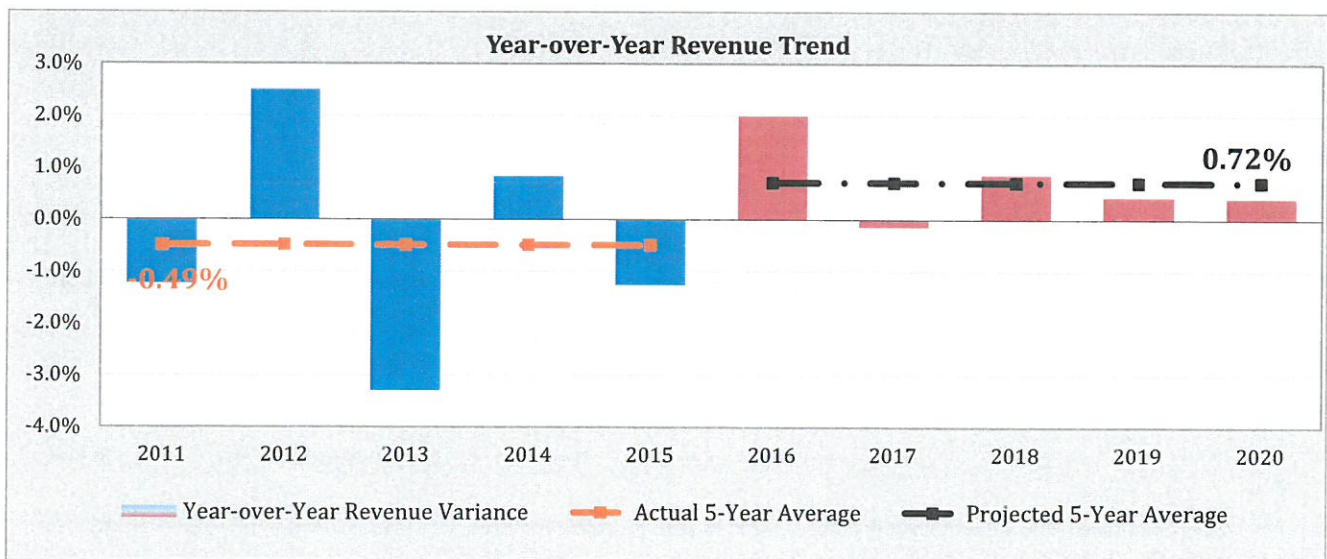
### 1.010 - General Property Tax (Real Estate)

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



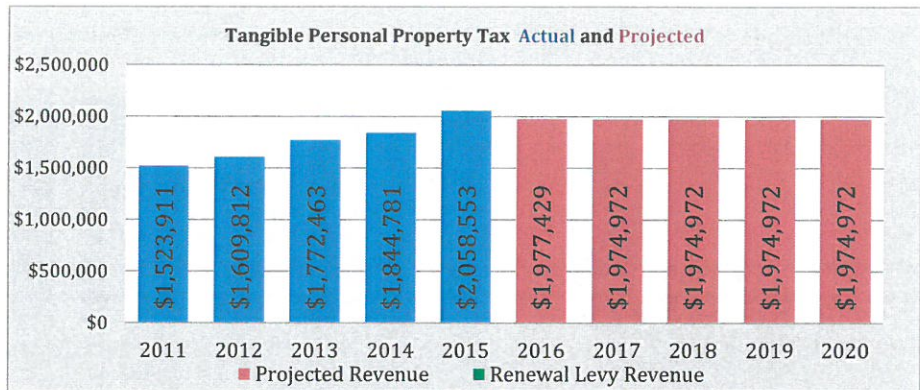
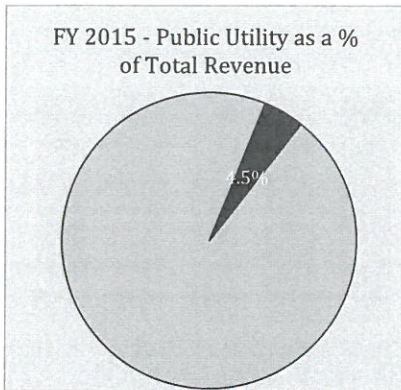
Notes & Assumptions:

- All levies are continuing.
- No new money levies are included.
- Voted millage revenues remain flat due to House Bill 920.
- Tax collection rate is 98.9% for 2016 and 97.8% for all future FCST years. Actual collection rates for recent years are: 2012: 98.1%; 2013: 97.7%; 2014: 96.9%; and 2015: 94.5%. This four-year average collection rate is 96.8%.
- 3% projected valuation increases in 2018 (collection year 2019) reappraisal year.
- Property valuation only increased by \$2M for reappraisal year 2015 (collection year 2016) vs OCT 2015 FCST estimate of 3% (\$30M) due to tax valuation challenge reductions and exempt property changes, thus reducing anticipated inside millage tax revenue growth by \$131K.
- Overall impact vs OCT FCST is \$334K increase in FY16 and <\$1.1M> unfavorable over five year FCST period.



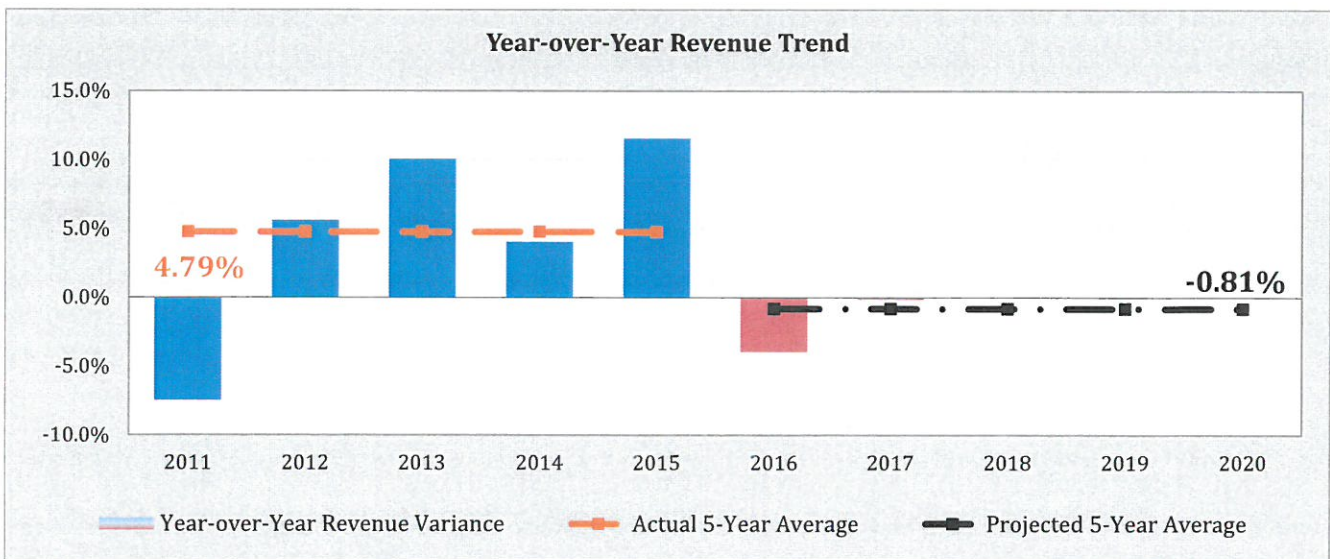
### 1.020 - Public Utility Personal Property

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



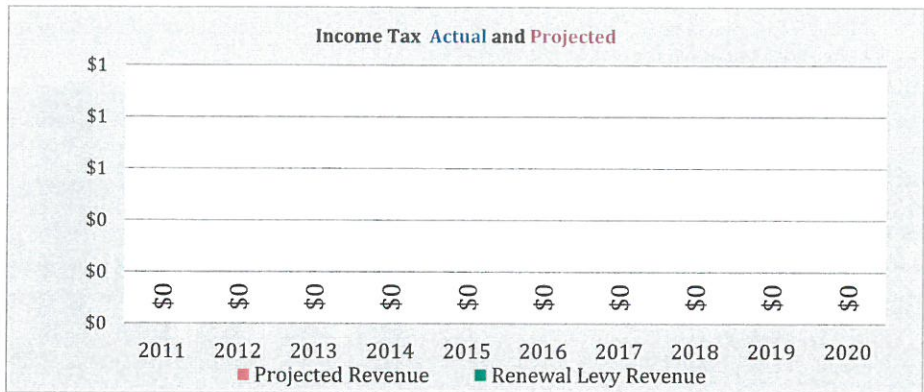
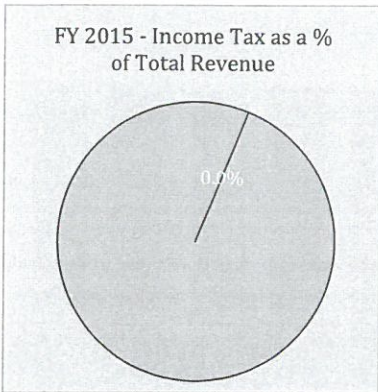
**Notes & Assumptions:**

- Only receive revenue in this category from public utilities infrastructure.
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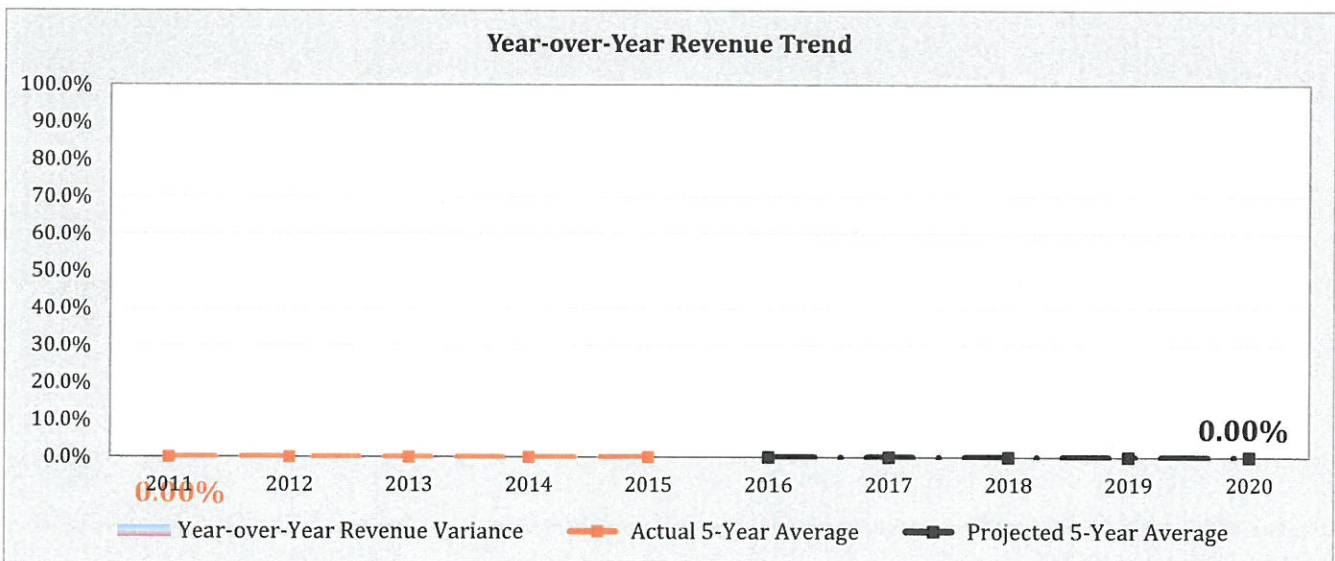
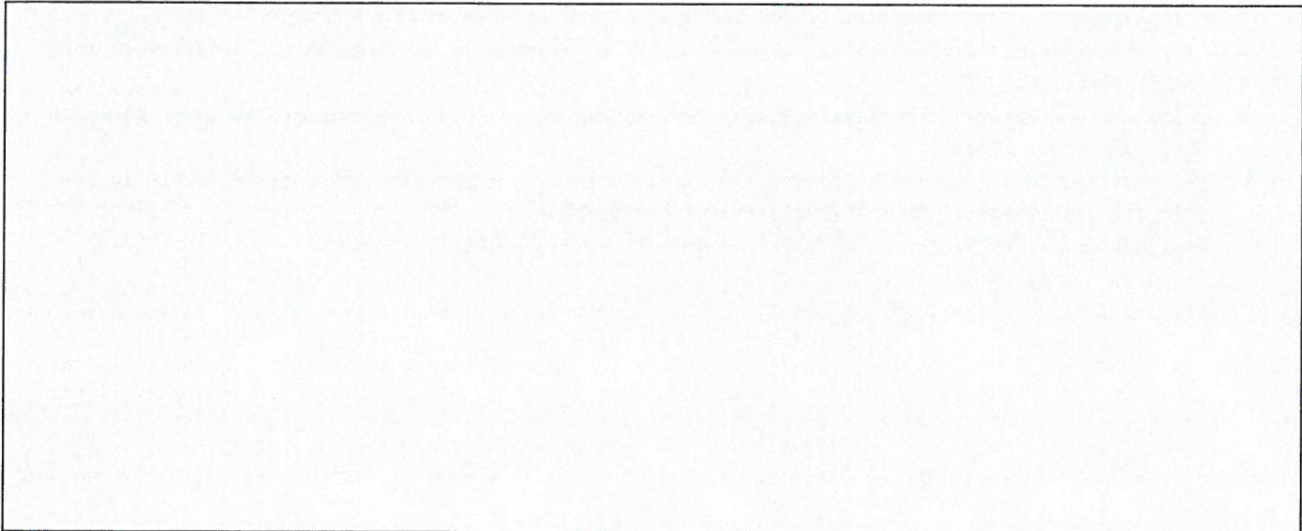


### 1.030 - Income Tax

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

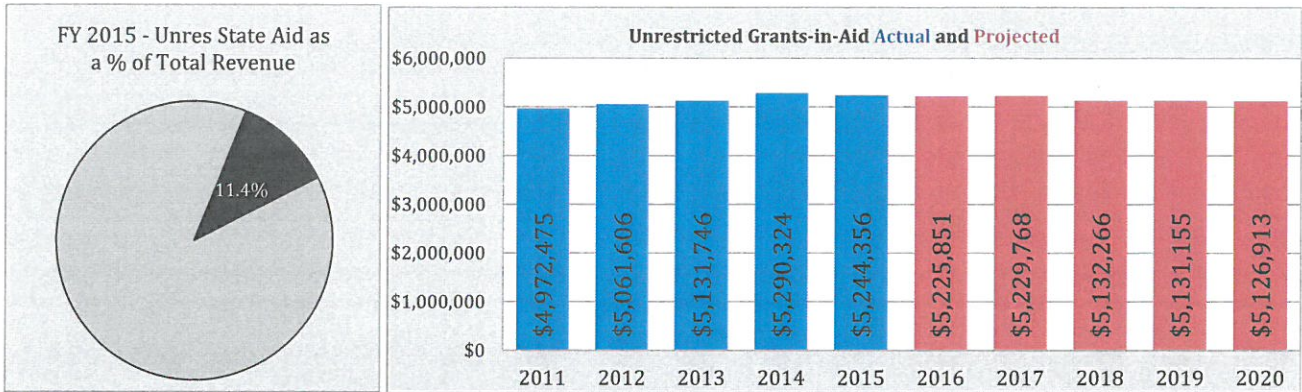


Notes & Assumptions:



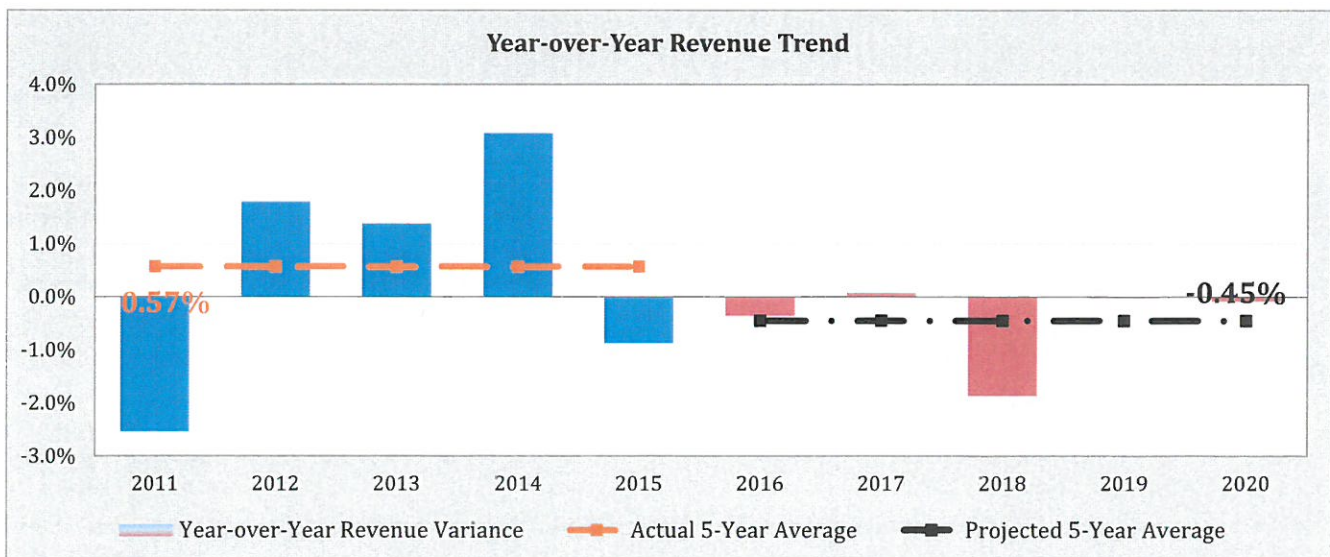
### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



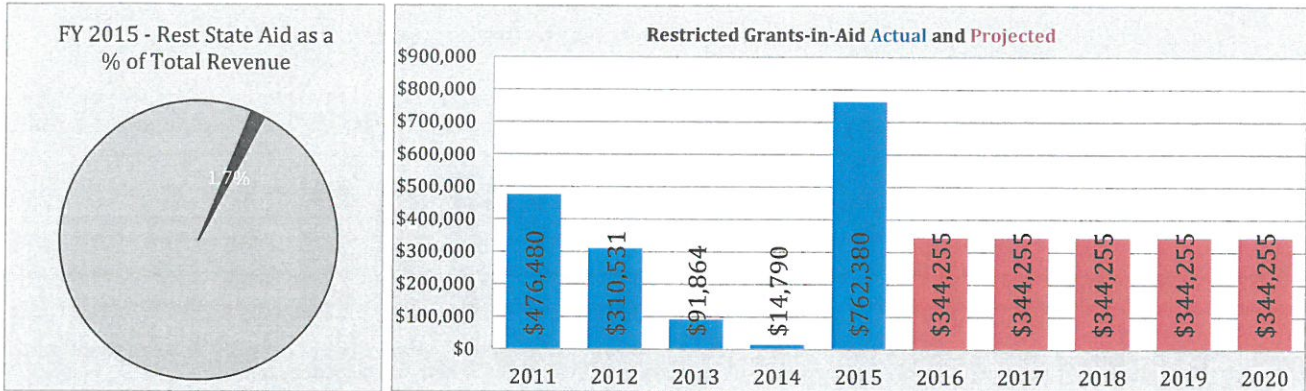
**Notes & Assumptions:**

- FY16 Foundation estimate based on current calculation from Ohio Department of Education.
- FY17 same as FY16. FY18 and out years reduced 2% due to anticipated phase-out of "guarantee" funding from State in next budget bill.
- Casino (State) revenues of \$202K for FY16, with slight decline in out years due to enrollment declines. Based on \$50.50 per pupil estimate.
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- Overall impact vs OCT FCST is <\$33K> in FY16 and <\$109K> over five year FCST period.



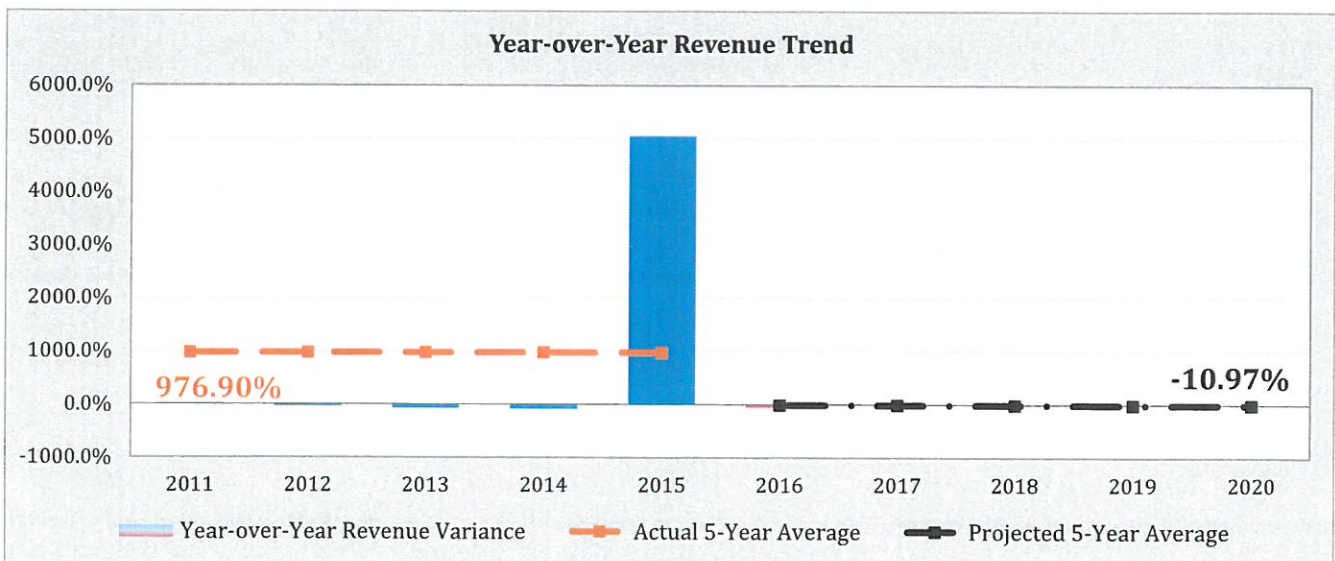
### 1.040 & 1.045 - Restricted Grants-in-Aid

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



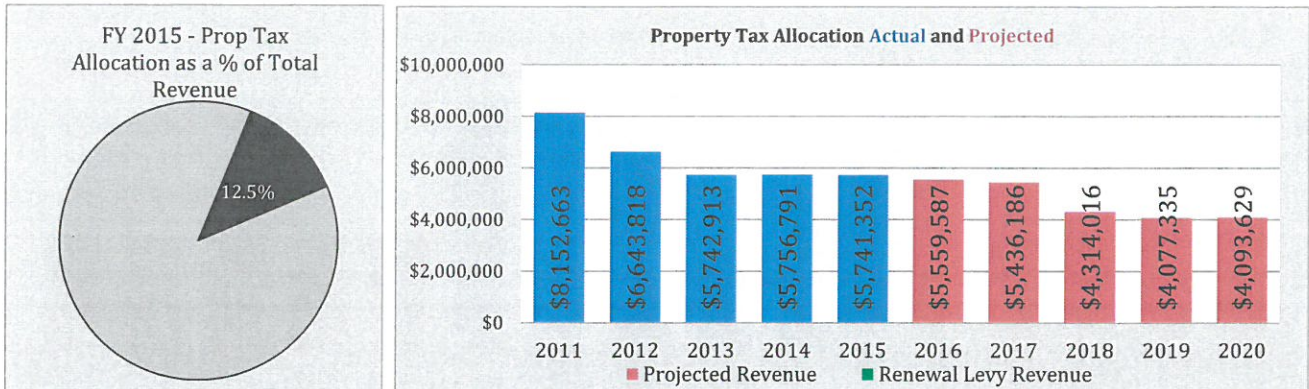
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- FY15 revenue increase shown caused by receipt in FY15 of both 2012/13 and 2013/14 catastrophic aid reimbursement due to timing of payments from ODE.
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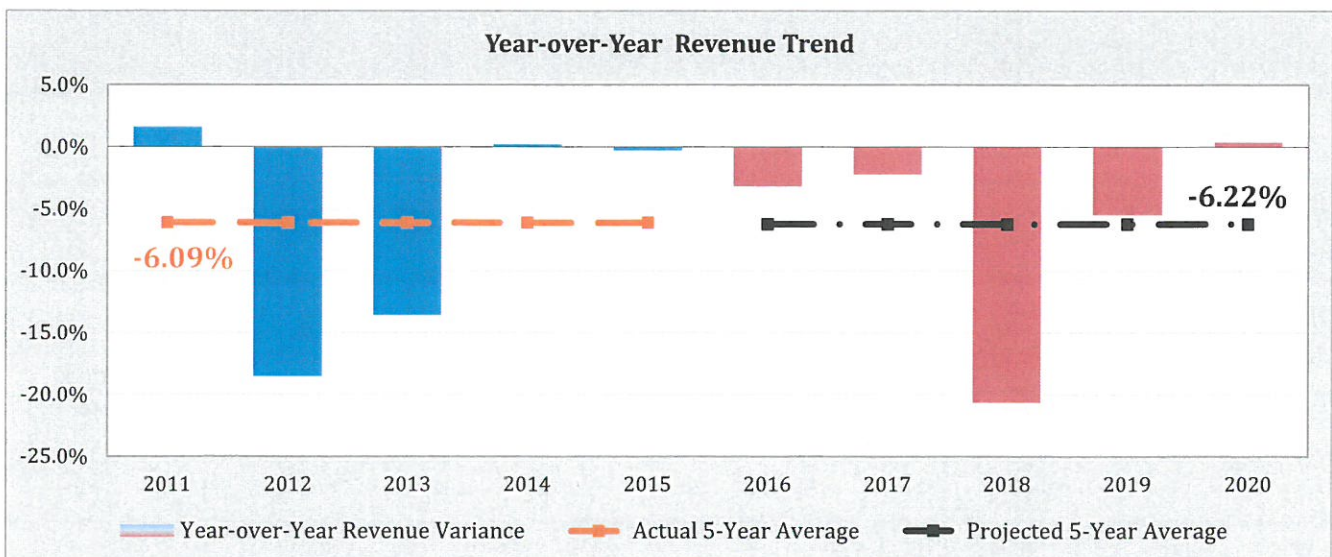
### 1.050 - Property Tax Allocation

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



**Notes & Assumptions:**

- TPP reimbursement of \$1.7M in FY16, then \$1.46M in FY17, then eliminated in FY18 unless continued in next State biennial (FY18/19) State budget to be determined in June 2017.
- Homestead and rollback funding from State flat to FY15.
- Overall impact vs OCT FCST is <\$191K> in FY16 due to timing of subsidy payments from State and \$1.46M over five year FCST period due to partial reinstatement of TPP funding for FY17.



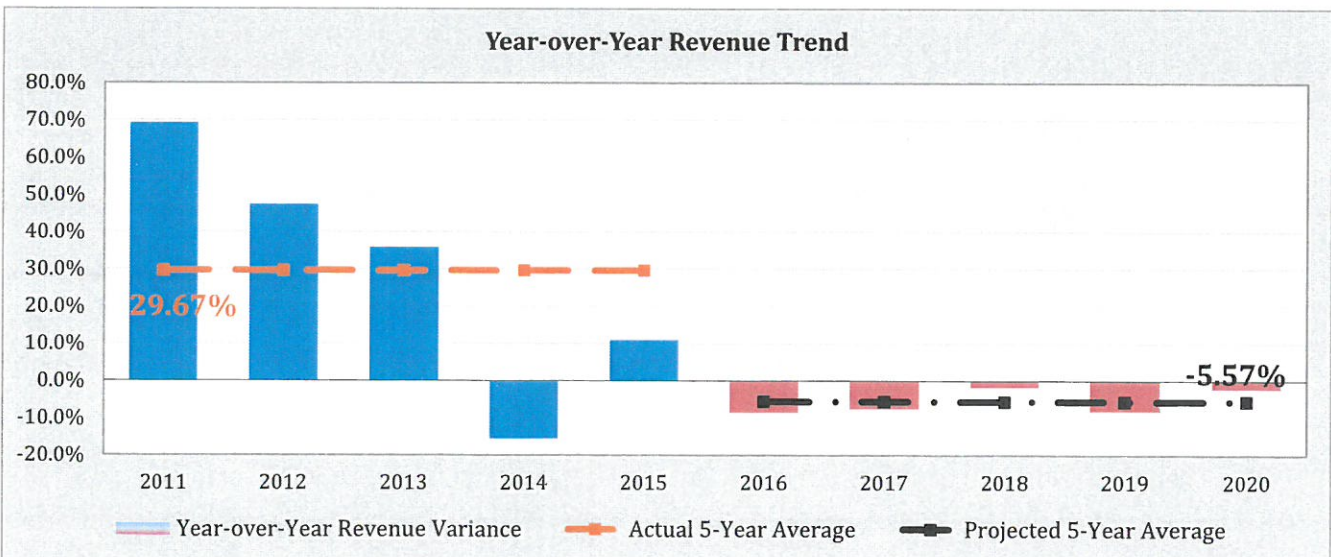
### 1.060 - All Other Operating Revenues

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



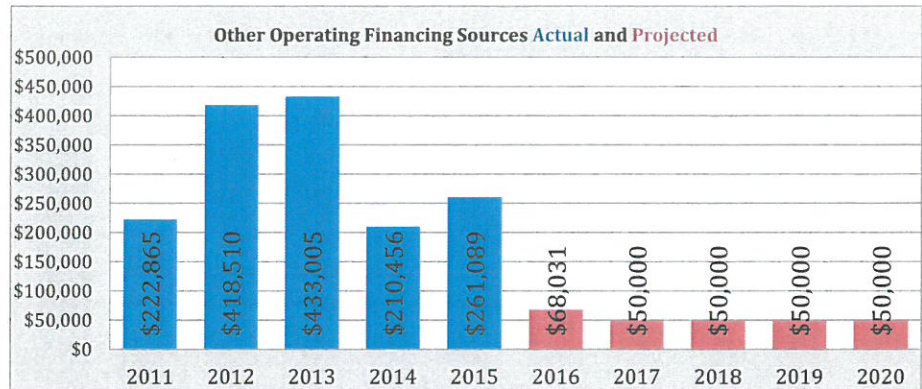
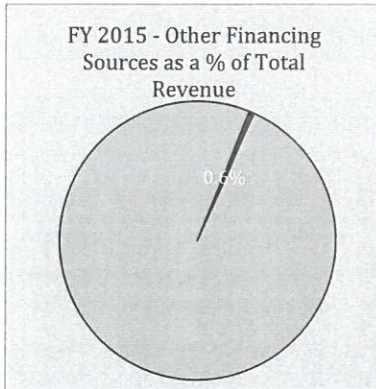
**Notes & Assumptions:**

- Categories include Participation (PTP) Fees, Interest, Parking, Administrative Fees, Tuition, Medicaid Reimbursements, and Rentals/Field Trips/Miscellaneous.
- PILOT payments (timing and amounts) from City of Broadview Heights for Heritage and South Hills 9100 and 9300 buildings are updated.
- Overall impact vs OCT FCST is \$6K in FY16 and <\$87K> over five year FCST period due to reduced PTP and all-day K fees.



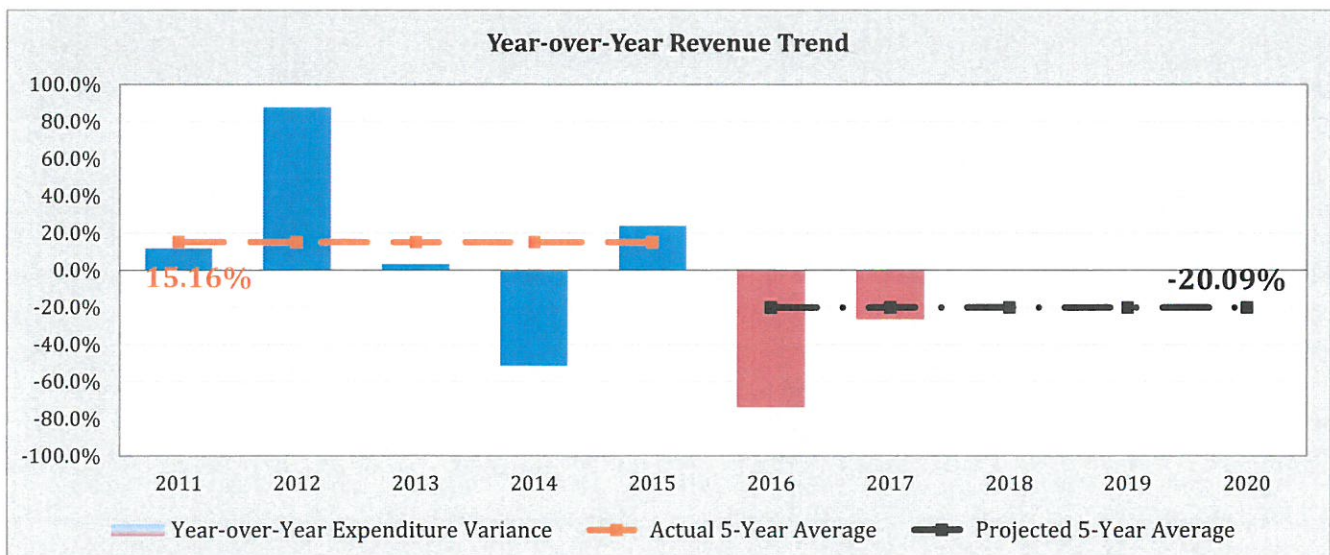
## 2.070 - Total Other Financing Sources

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.



### Notes & Assumptions:

- This accounts for the return of temporary cash advances to student resale accounts.
- Workers' comp premium refunds for workplace safety initiatives included.
- Overall impact vs OCT FCST of \$25K in FY16 and \$68K over five year FCST period.





## Expenditures Overview

|                              | Prev. 5-Year<br>Avg. Annual<br>Change | PROJECTED           |                     |                     |                     |                     | 5-Year<br>Avg. Annual<br>Change |
|------------------------------|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------------------|
|                              |                                       | Fiscal Year<br>2016 | Fiscal Year<br>2017 | Fiscal Year<br>2018 | Fiscal Year<br>2019 | Fiscal Year<br>2020 |                                 |
| <b>Expenditures:</b>         |                                       |                     |                     |                     |                     |                     |                                 |
| 3.010-Salaries               | -1.57%                                | -0.63%              | 0.29%               | 1.33%               | 1.33%               | 1.43%               | 0.75%                           |
| 3.020-Benefits               | -0.91%                                | 0.86%               | 3.87%               | 4.87%               | 4.43%               | 4.59%               | 3.72%                           |
| 3.030-Purchased Services     | 3.06%                                 | 6.39%               | 3.14%               | 0.04%               | 1.91%               | 1.91%               | 2.68%                           |
| 3.040-Supplies & Materials   | -1.59%                                | 9.73%               | 2.00%               | 2.00%               | 2.00%               | 2.00%               | 3.55%                           |
| 3.050-Capital Outlay         | -15.03%                               | 8.93%               | 1.00%               | 1.00%               | 1.00%               | 0.00%               | 2.39%                           |
| 3.060-Intergov               | n/a                                   | n/a                 | n/a                 | n/a                 | n/a                 | n/a                 | n/a                             |
| 4.010-4.060-Debt             | n/a                                   | n/a                 | n/a                 | n/a                 | n/a                 | n/a                 | n/a                             |
| 4.300-Other Objects          | -4.43%                                | 9.09%               | 6.97%               | 1.89%               | 1.89%               | 1.89%               | 4.34%                           |
| 4.500-Total Expenditures     | -1.26%                                | 0.77%               | 1.48%               | 1.98%               | 2.10%               | 2.21%               | 1.71%                           |
| 5.040-Total Other Uses       | 3.13%                                 | 16.77%              | 0.23%               | 0.18%               | 0.14%               | 1.50%               | 3.76%                           |
| 5.050-Total Exp & Other Uses | -1.31%                                | 0.88%               | 1.47%               | 1.96%               | 2.09%               | 2.21%               | 1.72%                           |

**Notes & Assumptions:**

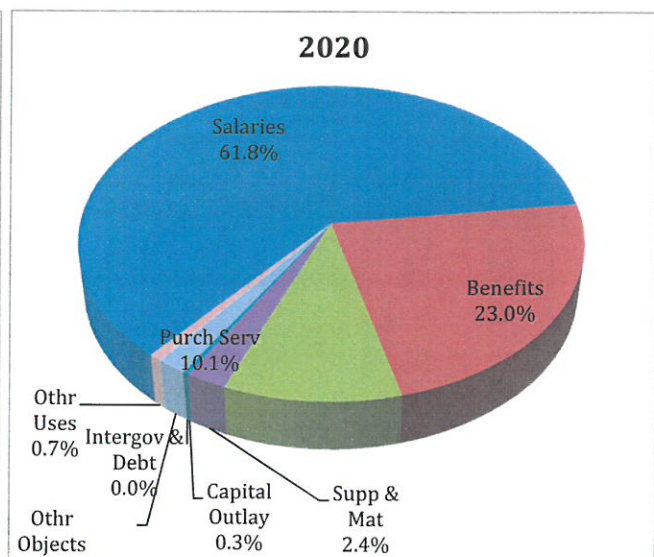
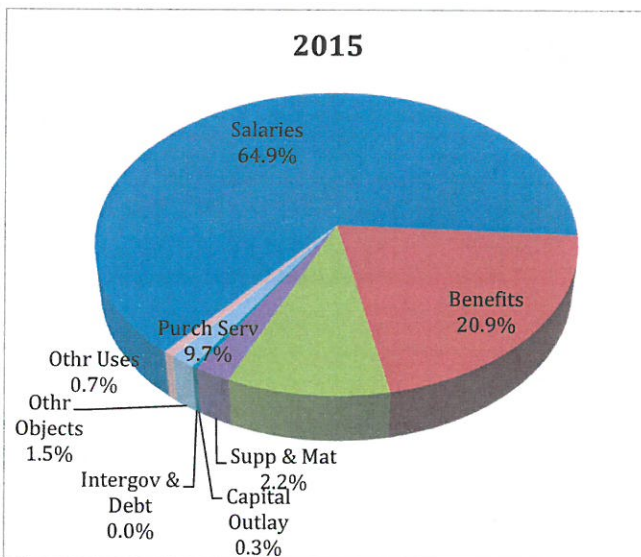
FY16 estimates are based on current staffing and budgets.

Salaries increased only for educational advancement in FY16. Step increases of 1.6% of salary included for FY17 and out year. No base increases included.

Medical and Prescription Insurance benefits premiums increased at 4.55% for FY16, and estimated increases of 8% for FY17 and out years.

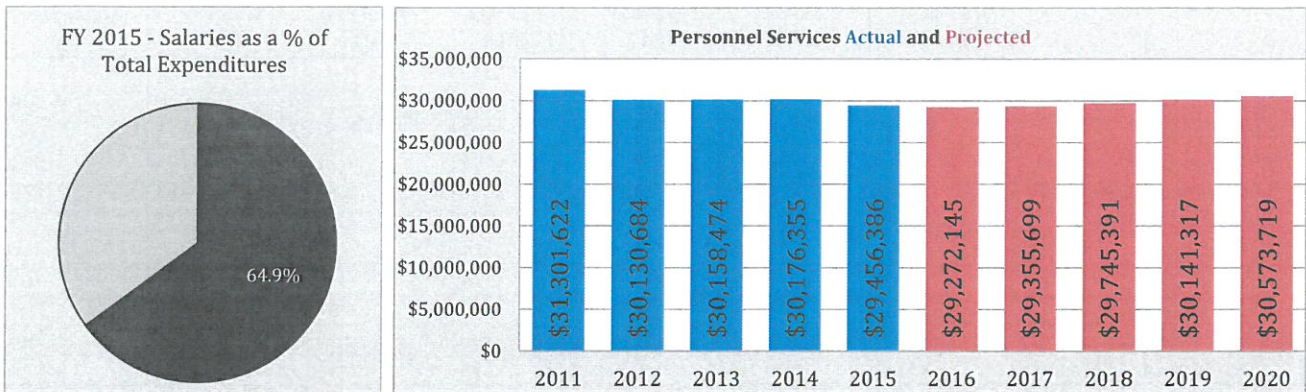
2% inflation included for purchased services, supplies, and other objects. 1% inflations included for capital outlay. Some fluctuations other than inflations occur for estimated budgets in certain fiscal years due to changes noted in line item budget projections developed and retained by Treasurer.

See "Notes & Assumptions" for each expenditure line item for more detailed assumptions used for this FCST.



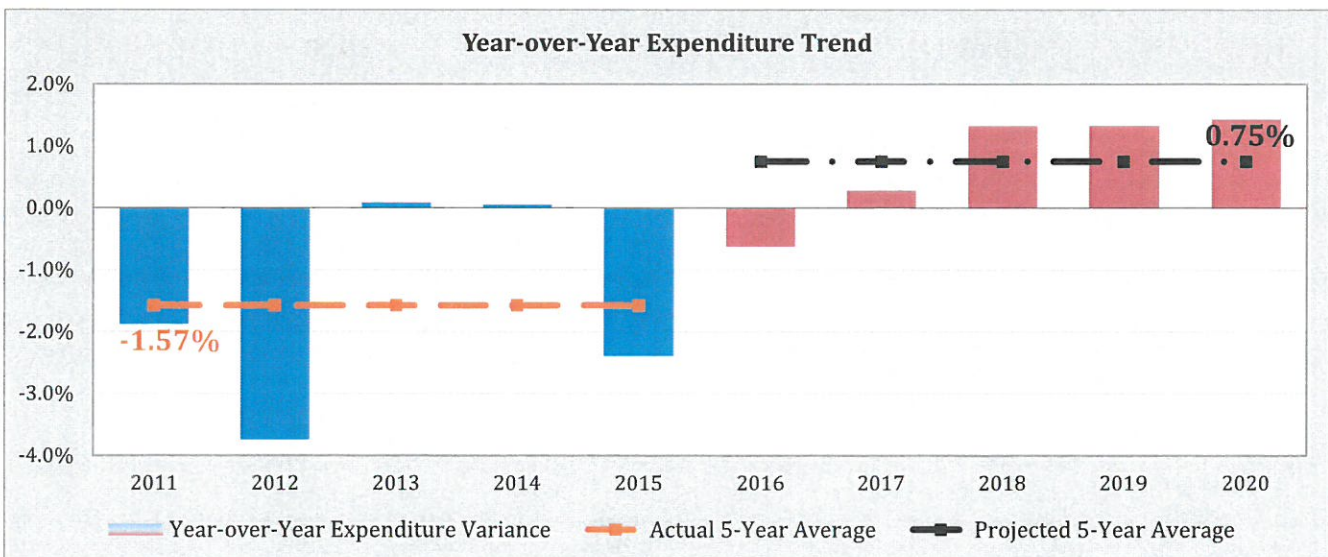
### 3.010 - Personnel Services

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



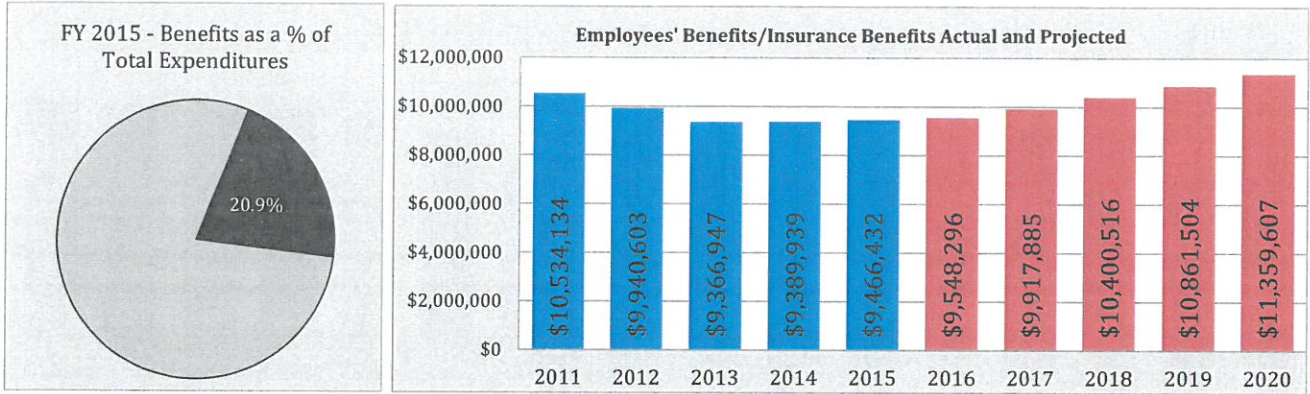
**Notes & Assumptions:**

- Staff head count remains flat for all forecast years.
- No base increase for all forecast years.
- Longevity steps omitted for FY14 through FY16 and return to historical rate in FY17.
- Educational steps included for all fiscal years at historical rate.
- Attrition replacement savings from 2015 retired/resigned employees included for FY16 and out years.
- Estimated four retirements factored for FY17 through FY20. Replacement staff assumed to be at Masters, 5 year level. Severance payments reduced to align to fewer retirements.
- Overall impact vs OCT FCST is <\$130K> in FY16 and <\$706K> unfavorable over five year FCST period.



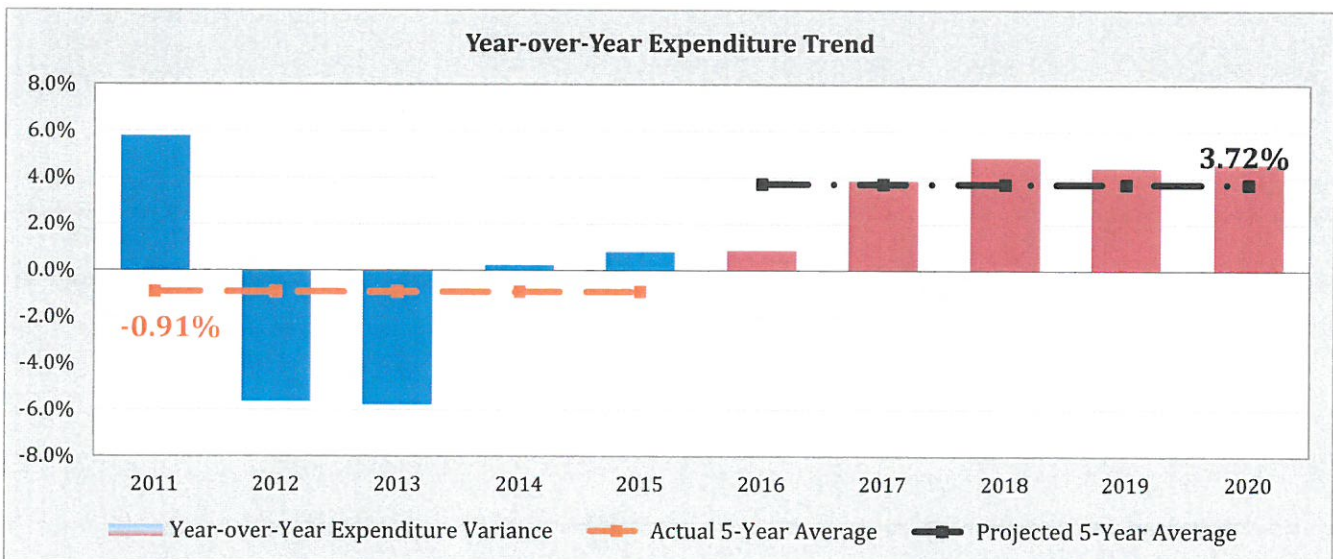
### 3.020 - Employees' Benefits

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



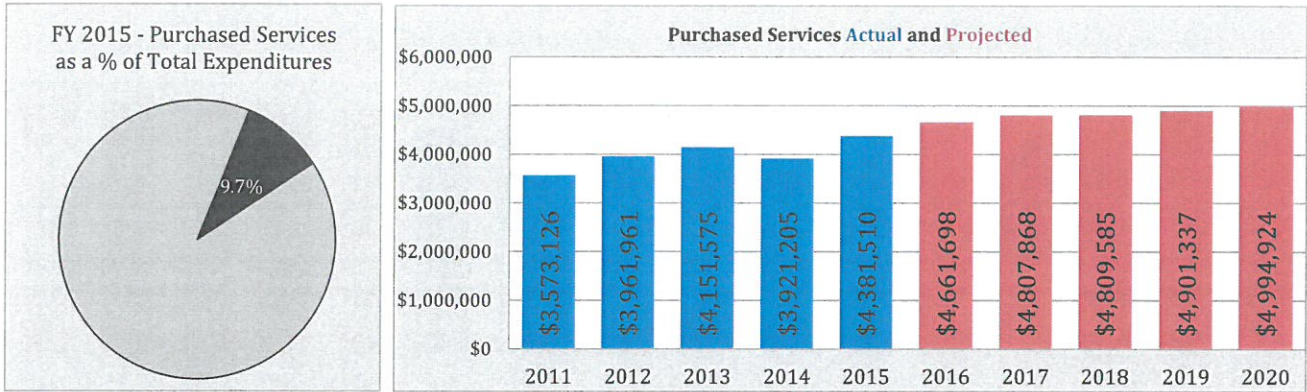
**Notes & Assumptions:**

- No increase in insurance costs for FY15; 4.55% increase for medical and prescription, and no increase for dental, for FY16; one-month premium holiday for dental insurance in FY16 and FY17; 8% per year increase for medical and prescription, and 3% for dental, estimated in FY17 and out years.
- FY16 and out years insurance costs reduced due to non-compounding of projected 10% increases in FY15 and FY16 carried in May 2015 FCST.
- Changes in insurance coverage selected by new hires reflected for FY16 and out years.
- Additional insurance fte due to transportation hours increase from reinstatement of half-day, every day kindergarten model included for FY16 and out years.
- Reduced workers comp premiums from rate reductions from BWC included.
- Impact of Negotiations on Insurance are constant for the forecast period.
  - Medical Plan 1a, spousal enrollment, and 15% employee premium share effective 11/1/12 are included.
- Overall impact vs OCT FCST is \$65K in FY16 and \$110K favorable over five year FCST period.



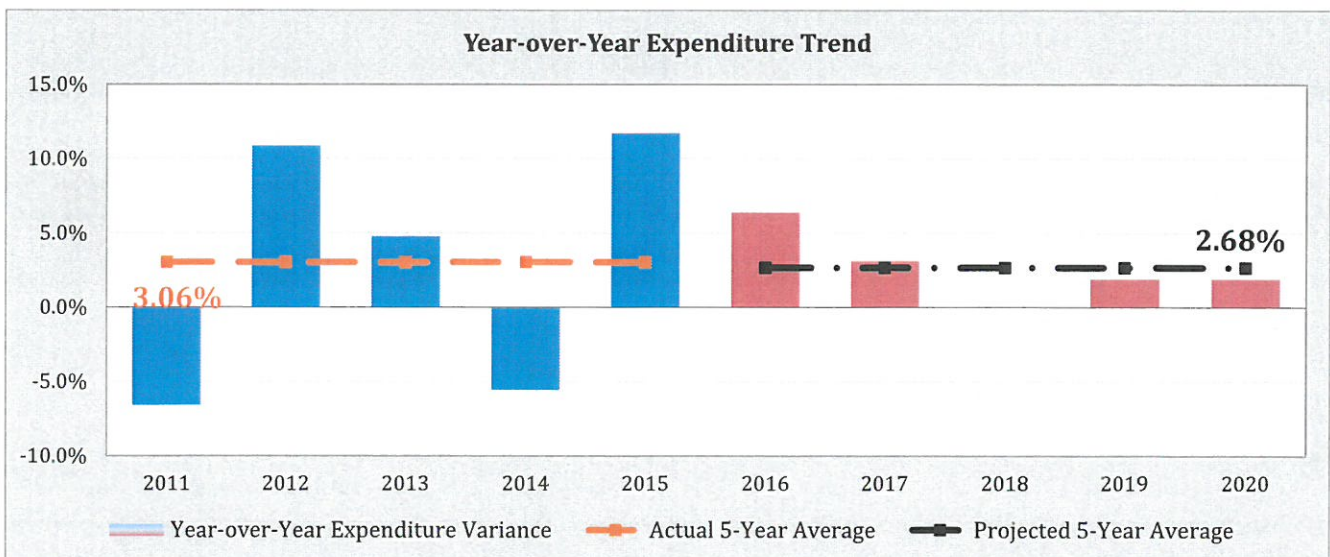
### 3.030 - Purchased Services

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



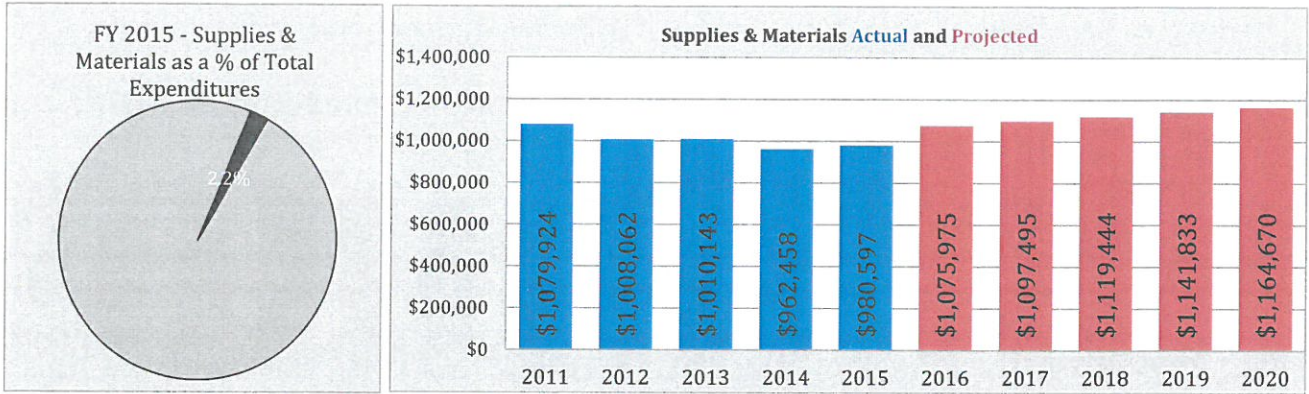
**Notes & Assumptions:**

- Based upon FY16 budgets with 2% inflation.
- Utilities reflect volume for a “normal” winter severity and current unit costs.
- Reduced natural gas costs for FY16 due to reduced pricing from Ohio Schools’ Council co-op and reduced electricity costs for FY16 and out years due to EUS transformer replacement included.
- Overall impact vs OCT FCST is \$20K favorable in FY16 and <\$66K> unfavorable over five year FCST period.



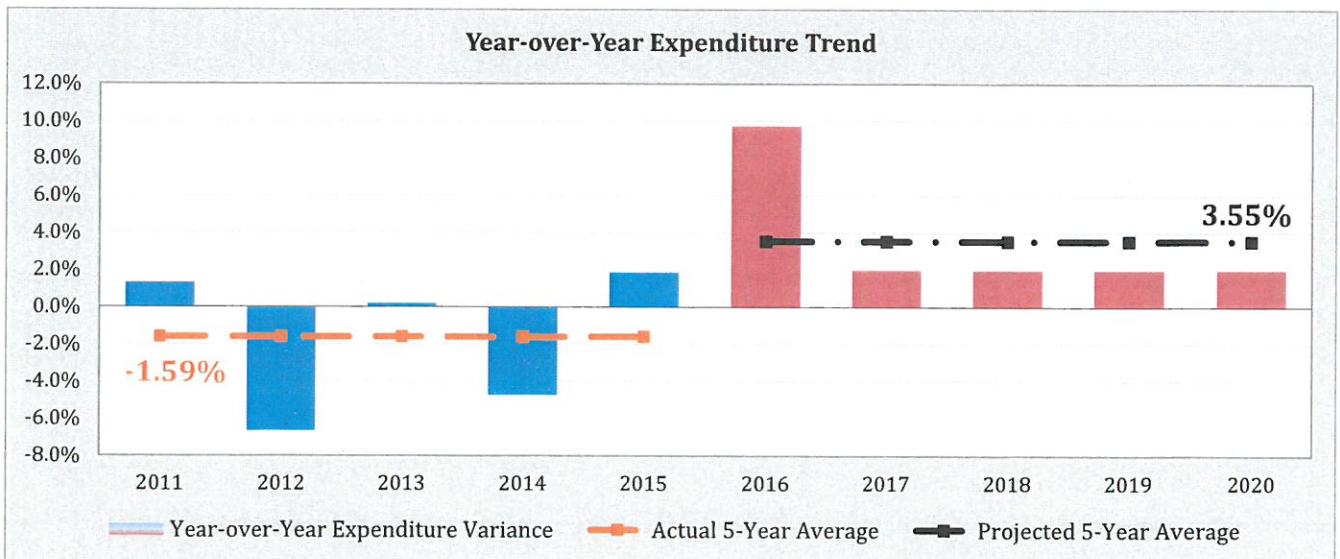
### 3.040 - Supplies & Materials

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



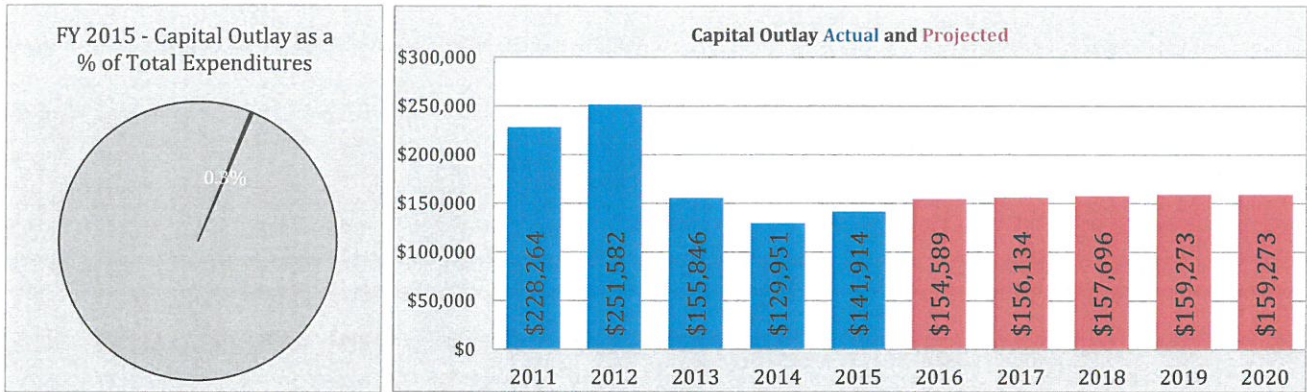
**Notes & Assumptions:**

- Based upon FY16 budgets with 2% inflation.
- Overall impact vs OCT FCST is <\$13K> in FY16 and <\$67K> unfavorable over 5 year FCST period.



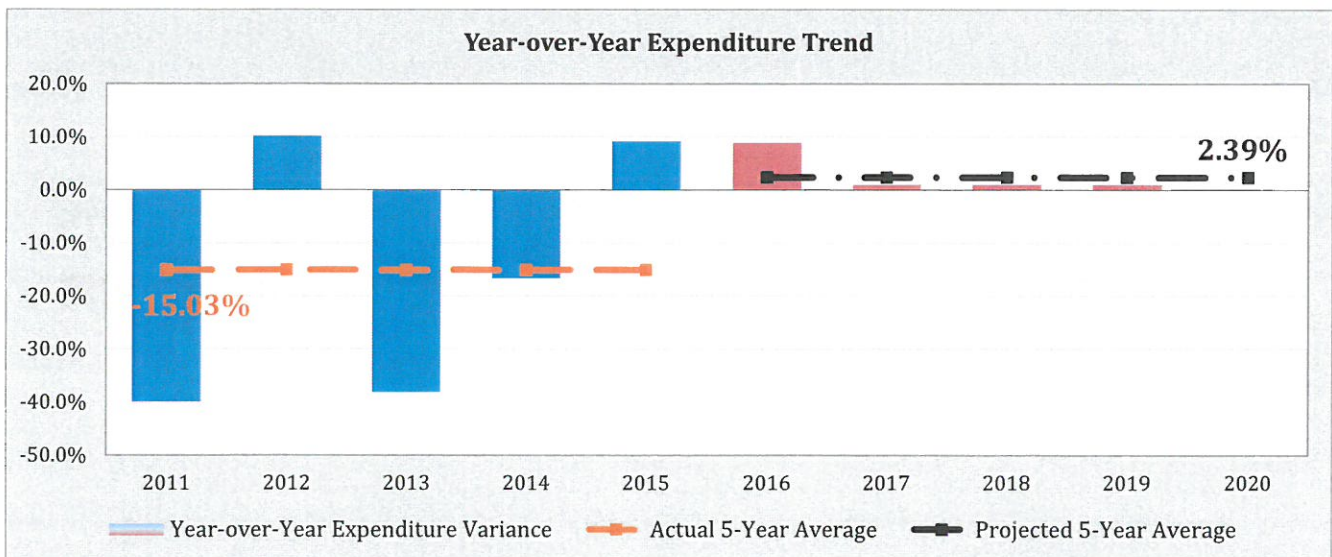
### 3.050 - Capital Outlay

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.



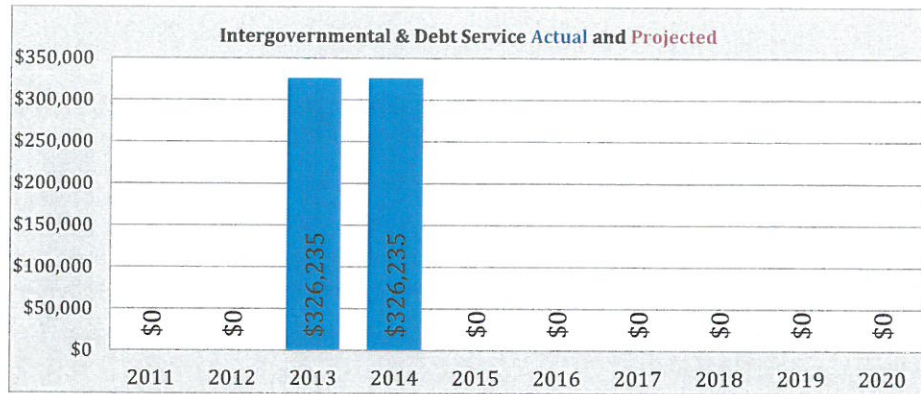
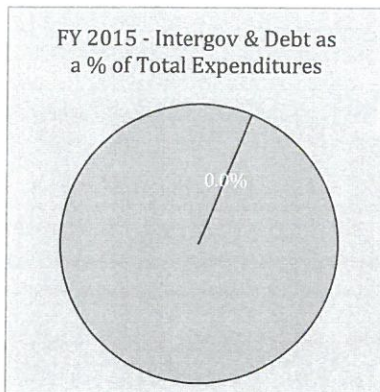
**Notes & Assumptions:**

- Based upon FY16 budgets with 1% inflation.
- Overall impact vs OCT FCST is \$12K in FY16 and \$42K favorable over five year FCST period.

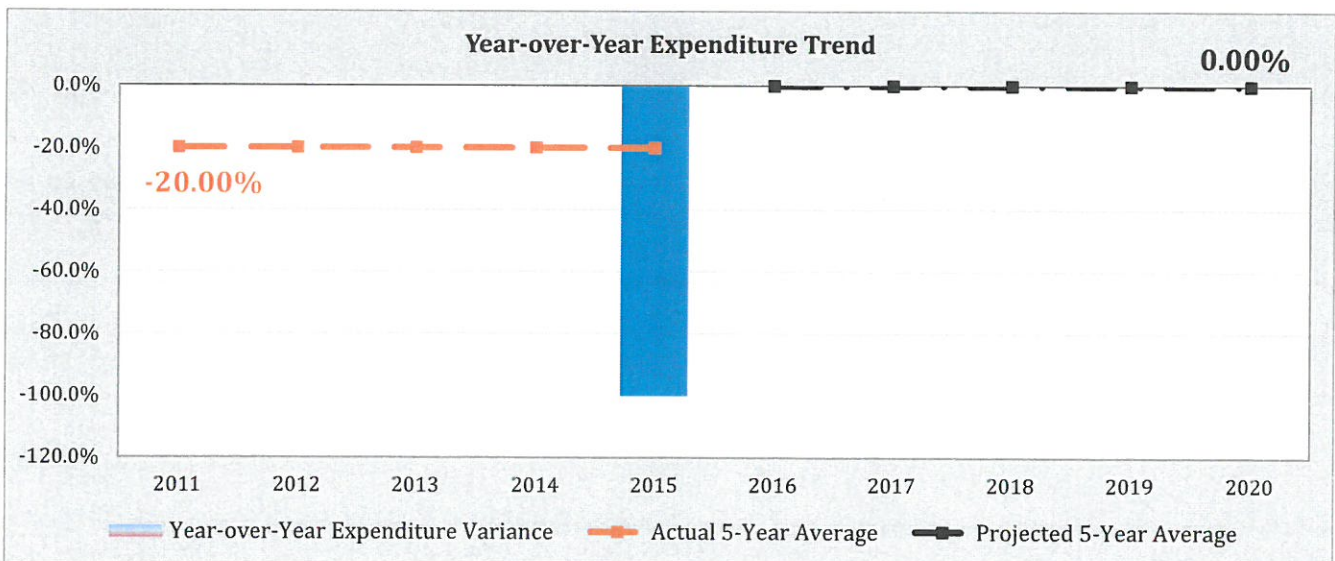
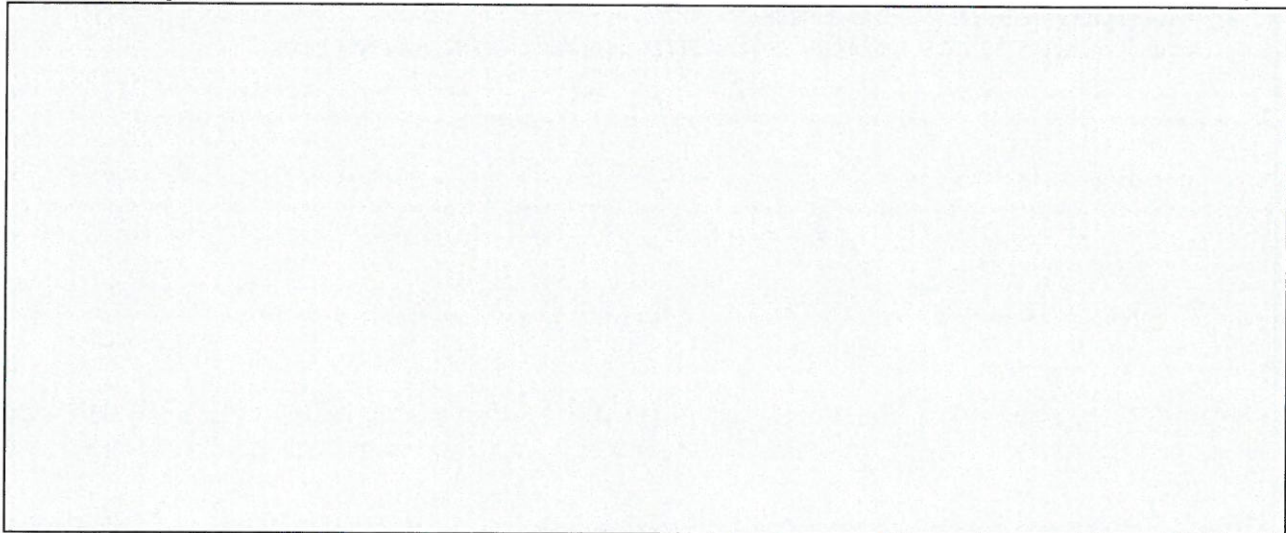


### 3.060-4.060 - Intergovernmental & Debt

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.

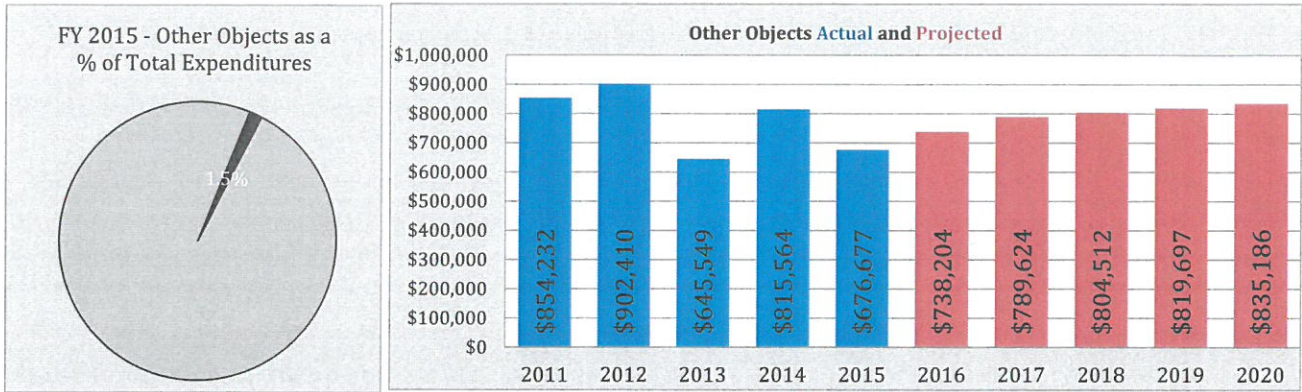


Notes & Assumptions:



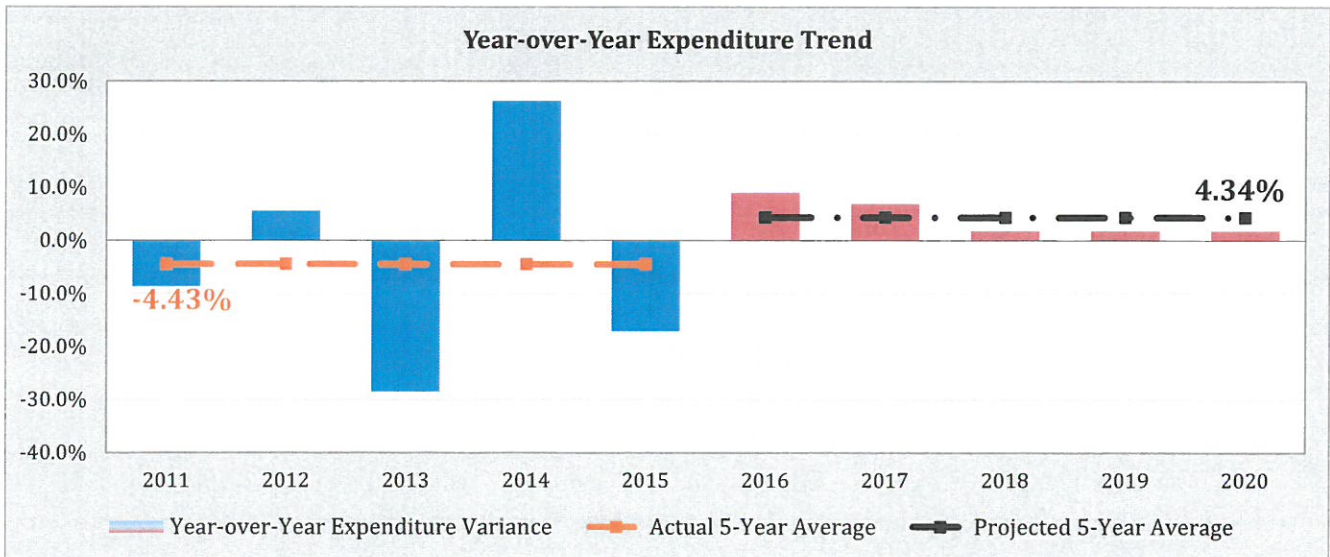
### 4.300 - Other Objects

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



**Notes & Assumptions:**

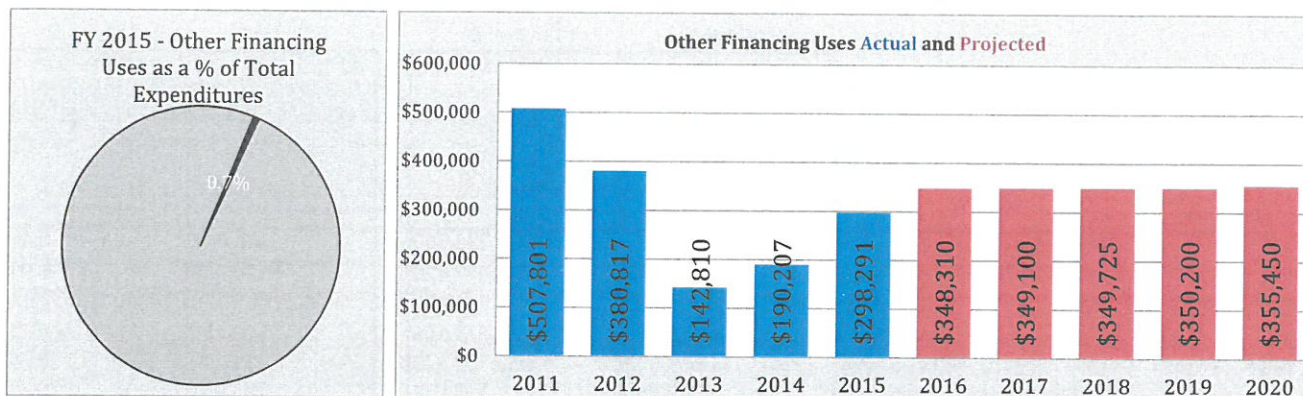
- Based upon FY16 budgets with 2% inflation.
- Overall impact vs OCT FCST is \$84K in FY16 and \$277K favorable over five year FCST period.





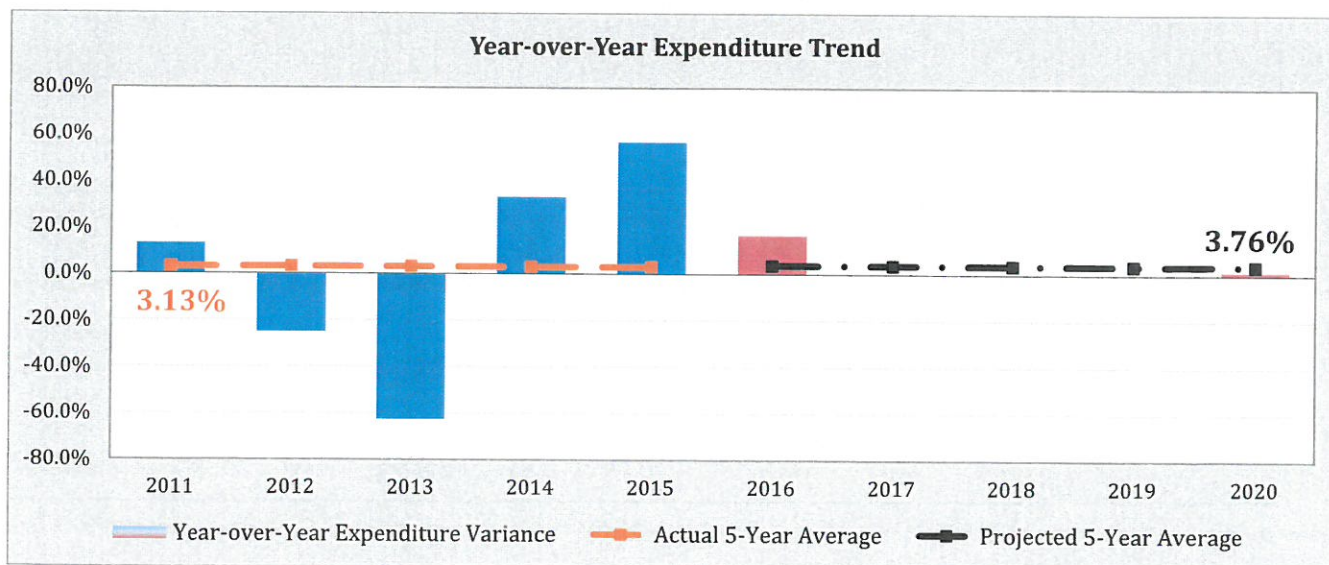
### 5.040 - Total Other Financing Uses

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



**Notes & Assumptions:**

- \$25,000 for CAPA support.
- \$234,325 for House Bill 264 Bonds debt repayment.
- \$23,985 to offset School Funds for workbooks purchased for students receiving free/reduced lunch fees waiver.
- \$25,000 for turf replacement fund due to general fund maintenance savings.
- \$40,000 for temporary advance for startup funds to purchase workbooks for each ensuing school year.
- Overall impact vs OCT FCST of <\$8K> in FY16 and <\$40K> unfavorable over five year FCST period.



## Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers  
F.Y. 2016

|                      |  | Column A            | Column B            | Column C         | Column D     |
|----------------------|--|---------------------|---------------------|------------------|--------------|
|                      |  | Previous            | Current             | Dollar           | Percent      |
|                      |  | Forecast            | Forecast            | Difference       | Difference   |
|                      |  | Amounts For         | Amounts For         | Between          | Between      |
|                      |  | F.Y. 2016           | F.Y. 2016           | Previous         | Previous     |
|                      |  | Prepared on:        | Prepared on:        | and              | and          |
|                      |  | 10/23/2015          | 5/16/2016           | Current          | Current      |
| <b>Revenue:</b>      |  |                     |                     |                  |              |
| 1                    | Real Estate & Property Allocation          | \$36,089,874        | \$36,235,601        | \$145,727        | 0.4%         |
| 2                    | Public Utility Personal Property           | \$1,866,743         | \$1,977,429         | \$110,686        | 5.9%         |
| 3                    | Income Tax                                 | \$0                 | \$0                 | \$0              | n/a          |
| 4                    | State Foundation Restricted & Unrestricted | \$5,610,366         | \$5,570,106         | -\$40,261        | -0.7%        |
| 5                    | Other Revenue                              | \$1,653,600         | \$1,659,329         | \$5,729          | 0.3%         |
| 6                    | Other Non Operating Revenue                | \$40,000            | \$68,031            | \$28,031         | 70.1%        |
| 7                    | <b>Total Revenue</b>                       | <b>\$45,260,583</b> | <b>\$45,510,496</b> | <b>\$249,913</b> | <b>0.6%</b>  |
| <b>Expenditures:</b> |  |                     |                     |                  |              |
| 8                    | Salaries                                   | \$29,140,570        | \$29,272,145        | \$131,575        | 0.5%         |
| 9                    | Fringe Benefits                            | \$9,613,527         | \$9,548,296         | -\$65,231        | -0.7%        |
| 10                   | Purchased Services                         | \$4,681,782         | \$4,661,698         | -\$20,084        | -0.4%        |
| 11                   | Supplies, Debt, Capital Outlay & Other     | \$2,047,782         | \$1,968,768         | -\$79,014        | -3.9%        |
| 12                   | Other Non Operating Expenditures           | \$340,325           | \$348,310           | \$7,985          | 2.3%         |
| 13                   | <b>Total Expenditures</b>                  | <b>\$45,823,986</b> | <b>\$45,799,217</b> | <b>-\$24,769</b> | <b>-0.1%</b> |
| 14                   | <b>Revenue Over/(Under) Expenditures</b>   | <b>-\$563,403</b>   | <b>-\$288,721</b>   | <b>\$274,682</b> | <b>0.6%*</b> |
| 15                   | <b>Ending Cash Balance</b>                 | <b>\$9,540,297</b>  | <b>\$9,814,979</b>  | <b>\$274,682</b> | <b>0.6%*</b> |

\*Percentage Expressed In Terms of Total Expenditures

**Notes:**

While there are changes in both revenue and expenditure projections for FY16 and beyond as indicated in the "Notes & Assumptions" for each category, the overall impact on the FY16 ending cash balance is \$275K favorable to the October 2015 FCST. The additional projected balance is largely caused by the increase in real estate and public utility tax collections, as expenditures remain virtually constant to the prior FCST.

BRECKSVILLE-BROADVIEW HEIGHTS CITY SCHOOL DISTRICT -- CUYAHOGA COUNTY

| Fiscal Year:   | Actual            | FORECASTED        |                    |                    |                    |                    |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2015              | 2016              | 2017               | 2018               | 2019               | 2020               |
| <b>Revenue:</b>  |                   |                   |                    |                    |                    |                    |
| 1.010 - General Property Tax (Real Estate)               | 30,075,103        | 30,676,014        | 30,632,930         | 30,898,033         | 31,033,350         | 31,162,513         |
| 1.020 - Public Utility Personal Property                 | 2,058,553         | 1,977,429         | 1,974,972          | 1,974,972          | 1,974,972          | 1,974,972          |
| 1.030 - Income Tax                                       | -                 | -                 | -                  | -                  | -                  | -                  |
| 1.035 - Unrestricted Grants-in-Aid                       | 5,244,356         | 5,225,851         | 5,229,768          | 5,132,266          | 5,131,155          | 5,126,913          |
| 1.040 - Restricted Grants-in-Aid                         | 762,380           | 344,255           | 344,255            | 344,255            | 344,255            | 344,255            |
| 1.045 - Restricted Federal Grants - SFSF                 | -                 | -                 | -                  | -                  | -                  | -                  |
| 1.050 - Property Tax Allocation                          | 5,741,352         | 5,559,587         | 5,436,186          | 4,314,016          | 4,077,335          | 4,093,629          |
| 1.060 - All Other Operating Revenues                     | 1,812,205         | 1,659,329         | 1,536,000          | 1,510,000          | 1,387,000          | 1,357,000          |
| <b>1.070 - Total Revenue</b>                             | <b>45,693,949</b> | <b>45,442,465</b> | <b>45,154,110</b>  | <b>44,173,542</b>  | <b>43,948,068</b>  | <b>44,059,283</b>  |
| <b>Other Financing Sources:</b>                          |                   |                   |                    |                    |                    |                    |
| 2.010 - Proceeds from Sale of Notes                      | -                 | -                 | -                  | -                  | -                  | -                  |
| 2.020 - State Emergency Loans and Adv                    | -                 | -                 | -                  | -                  | -                  | -                  |
| 2.040 - Operating Transfers-In                           | -                 | 7,929             | -                  | -                  | -                  | -                  |
| 2.050 - Advances-In                                      | 110,000           | 40,000            | 40,000             | 40,000             | 40,000             | 40,000             |
| 2.060 - All Other Financing Sources                      | 151,089           | 20,102            | 10,000             | 10,000             | 10,000             | 10,000             |
| <b>2.070 - Total Other Financing Sources</b>             | <b>261,089</b>    | <b>68,031</b>     | <b>50,000</b>      | <b>50,000</b>      | <b>50,000</b>      | <b>50,000</b>      |
| <b>2.080 - Total Rev &amp; Other Sources</b>             | <b>45,955,038</b> | <b>45,510,496</b> | <b>45,204,110</b>  | <b>44,223,542</b>  | <b>43,998,068</b>  | <b>44,109,283</b>  |
| <b>Expenditures:</b>                                     |                   |                   |                    |                    |                    |                    |
| 3.010 - Personnel Services                               | 29,456,386        | 29,272,145        | 29,355,699         | 29,745,391         | 30,141,317         | 30,573,719         |
| 3.020 - Employee Benefits                                | 9,466,432         | 9,548,296         | 9,917,885          | 10,400,516         | 10,861,504         | 11,359,607         |
| 3.030 - Purchased Services                               | 4,381,510         | 4,661,698         | 4,807,868          | 4,809,585          | 4,901,337          | 4,994,924          |
| 3.040 - Supplies and Materials                           | 980,597           | 1,075,975         | 1,097,495          | 1,119,444          | 1,141,833          | 1,164,670          |
| 3.050 - Capital Outlay                                   | 141,914           | 154,589           | 156,134            | 157,696            | 159,273            | 159,273            |
| 3.060 - Intergovernmental                                | -                 | -                 | -                  | -                  | -                  | -                  |
| <b>Debt Service:</b>                                     |                   |                   |                    |                    |                    |                    |
| 4.010 - Principal-All Years                              | -                 | -                 | -                  | -                  | -                  | -                  |
| 4.020 - Principal - Notes                                | -                 | -                 | -                  | -                  | -                  | -                  |
| 4.030 - Principal - State Loans                          | -                 | -                 | -                  | -                  | -                  | -                  |
| 4.040 - Principal - State Advances                       | -                 | -                 | -                  | -                  | -                  | -                  |
| 4.050 - Principal - HB264 Loan                           | -                 | -                 | -                  | -                  | -                  | -                  |
| 4.055 - Principal - Other                                | -                 | -                 | -                  | -                  | -                  | -                  |
| 4.060 - Interest and Fiscal Charges                      | -                 | -                 | -                  | -                  | -                  | -                  |
| 4.300 - Other Objects                                    | 676,677           | 738,204           | 789,624            | 804,512            | 819,697            | 835,186            |
| <b>4.500 - Total Expenditures</b>                        | <b>45,103,516</b> | <b>45,450,907</b> | <b>46,124,705</b>  | <b>47,037,143</b>  | <b>48,024,960</b>  | <b>49,087,379</b>  |
| <b>Other Financing Uses</b>                              |                   |                   |                    |                    |                    |                    |
| 5.010 - Operating Transfers-Out                          | 298,291           | 308,310           | 309,100            | 309,725            | 310,200            | 315,450            |
| 5.020 - Advances-Out                                     | -                 | 40,000            | 40,000             | 40,000             | 40,000             | 40,000             |
| 5.030 - All Other Financing Uses                         | -                 | -                 | -                  | -                  | -                  | -                  |
| <b>5.040 - Total Other Financing Uses</b>                | <b>298,291</b>    | <b>348,310</b>    | <b>349,100</b>     | <b>349,725</b>     | <b>350,200</b>     | <b>355,450</b>     |
| <b>5.050 - Total Exp and Other Financing Uses</b>        | <b>45,401,807</b> | <b>45,799,217</b> | <b>46,473,805</b>  | <b>47,386,868</b>  | <b>48,375,160</b>  | <b>49,442,829</b>  |
| <b>6.010 - Excess of Rev Over/(Under) Exp</b>            | <b>553,231</b>    | <b>(288,721)</b>  | <b>(1,269,695)</b> | <b>(3,163,326)</b> | <b>(4,377,093)</b> | <b>(5,333,547)</b> |
| 7.010 - Cash Balance July 1 (No Levies)                  | 9,550,469         | 10,103,700        | 9,814,979          | 8,545,284          | 5,381,959          | 1,004,866          |
| 7.020 - Cash Balance June 30 (No Levies)                 | 10,103,700        | 9,814,979         | 8,545,284          | 5,381,959          | 1,004,866          | (4,328,681)        |
| 8.010 - Estimated Encumbrances June 30                   | 323,248           | 325,000           | 325,000            | 325,000            | 325,000            | 325,000            |
| 9.080 - Reservations Subtotal                            | -                 | -                 | -                  | -                  | -                  | -                  |
| <b>10.010 - Fund Bal June 30 for Cert of App</b>         | <b>9,780,452</b>  | <b>9,489,979</b>  | <b>8,220,284</b>   | <b>5,056,959</b>   | <b>679,866</b>     | <b>(4,653,681)</b> |
| <b>Rev from Replacement/Renewal Levies</b>               |                   |                   |                    |                    |                    |                    |
| 11.010 & 11.020 - Income & Property Tax-Renewal          | -                 | -                 | -                  | -                  | -                  | -                  |
| 11.030 - Cumulative Balance of Levies                    | -                 | -                 | -                  | -                  | -                  | -                  |
| <b>12.010 - Fund Bal June 30 for Cert of Obligations</b> | <b>9,780,452</b>  | <b>9,489,979</b>  | <b>8,220,284</b>   | <b>5,056,959</b>   | <b>679,866</b>     | <b>(4,653,681)</b> |
| <b>Revenue from New Levies</b>                           |                   |                   |                    |                    |                    |                    |
| 13.010 & 13.020 - Income & Property Tax-New              | -                 | -                 | -                  | -                  | -                  | -                  |
| 13.030 - Cumulative Balance of New Levies                | -                 | -                 | -                  | -                  | -                  | -                  |
| <b>15.010 - Unreserved Fund Balance June 30</b>          | <b>9,780,452</b>  | <b>9,489,979</b>  | <b>8,220,284</b>   | <b>5,056,959</b>   | <b>679,866</b>     | <b>(4,653,681)</b> |



