

Exhibit T-2
As approved by
Finance & Audit Comm.
04/17/23 +PreK Levy



Shaker Heights Schools

Five Year Forecast Financial Report

May, 2023

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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.



Five-Year Forecast-Basics

- Required two times per year-
May & Nov.
- Last one approved Nov 2022
- Can amend/submit any time
throughout the year



Five-Year Forecast-Basics

- Basic Format-3 yrs of historical & 5 yrs. of projected data-General Fund
- Reflects actual rev. & exp. thru F22
- And projected rev. & exp. F23 thru F27 based upon final F22 and F23 YTD data



Five-Year Forecast-Basics

- To be used as a planning tool in long-term strategic planning
- Designed to identify issues to be addressed in advance
- But one approach to balancing District's finances



Five-Year Forecast-Basics

- Does not reflect the exact layout of future events, as other events will occur that will impact this forecast:
 - Any ongoing impact as well as recovery from COVID-19, especially as relates to learning loss
 - Utilization of Federal ESSER funds





Five-Year Forecast-Basics

- Current & future State Budget Bills & the General Assembly's continuation of the implementation of the Fair School Funding Plan over six years
- Recovery of U.S. & OH economy from COVID-19 and supply chain issues
- COVID-19 impact on real estate markets and valuations
- Other market forces



Five-Year Forecast-Basics

- Only thing for sure, is that most all of these numbers will be different!



Next Projected Operating Levy

- This forecast approved by the Finance & Audit Committee at their 4/17/23 meeting, includes a net \$4.1 million increase in costs for the implementation of PreK, net of estimated reductions in costs due to anticipated staff reductions attributable to projected declining enrollment.





Next Projected Operating Levy

- The Finance & Audit Committee's recommended forecast also reflects the movement of the next operating levy from calendar 2024 to calendar 2025 and increases the millage from 6.9 to 9.9 mills, making it eleven years since the last operating levy was approved in 2014.





Next Projected Operating Levy

- This forecast however, modifies the F&A version to reflect the proposed Nov. 2023 ballot 3.0 mill PreK operating levy (to be combined with the Facilities Bond Issue), to begin collections in calendar 2024 and a further one year delay for the next full operating levy to calendar 2026, to begin collections in calendar 2027.



Next Projected Operating Levy

- Even with these changes, this forecast projects an addition to the District's fund balance of \$3.1 million as of 6/30/27 as compared to last November's forecast
- Note-the adoption of the forecast does not place a levy on the ballot

Historical Finances at a Glance - General Fund

Shaker Heights City SD

FY23 May BCC 05-02-23

\$71,413,009

Cash Balance as of 6/30/22

\$104,395,601

2023 Forecasted Revenues

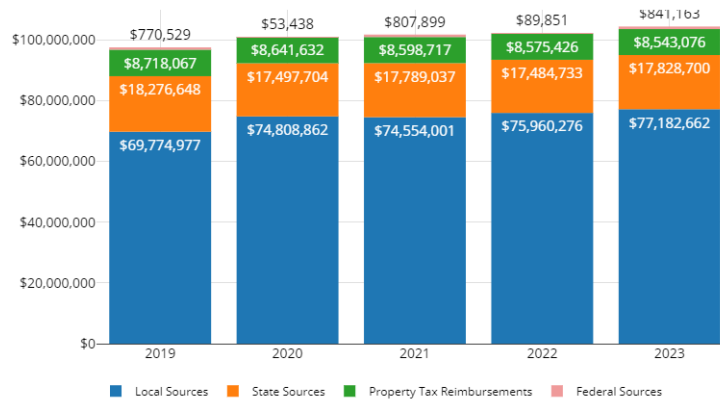
\$103,731,924

2023 Forecasted Expenses

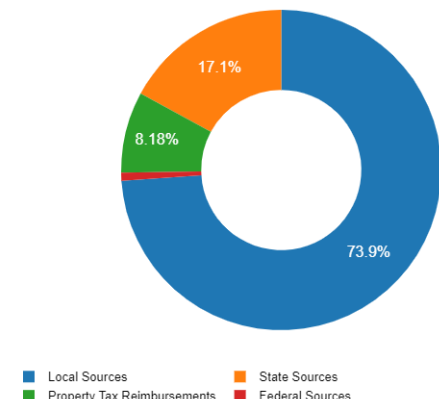
\$72,076,685

Cash Balance as of 6/30/23

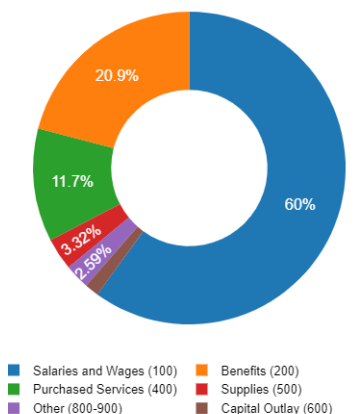
Historical General Fund Revenue by Source



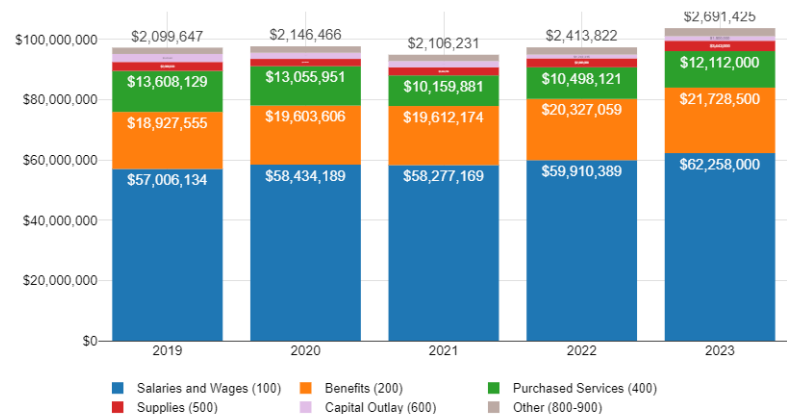
General Fund Current Year Revenue by Source



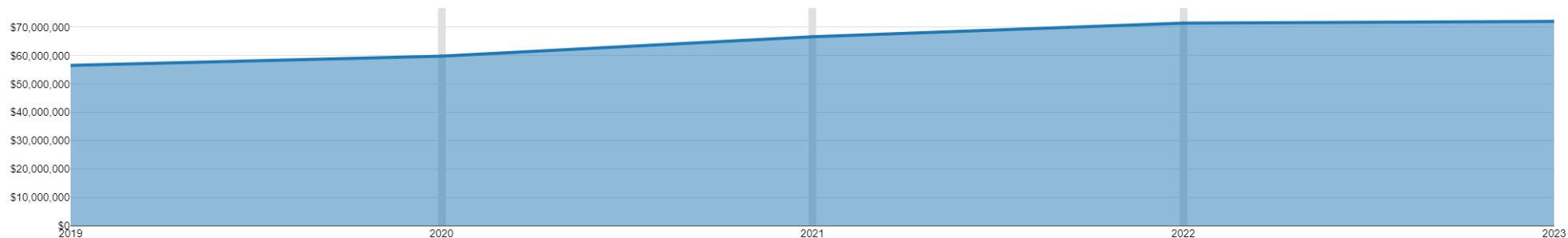
General Fund Current Year Expenses by Object



Historical General Fund Expenses by Object



Historical General Fund Balances



Forecasted Finances at a Glance - General Fund

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Shaker Heights City SD
 FY23 May BCC 05-02-23

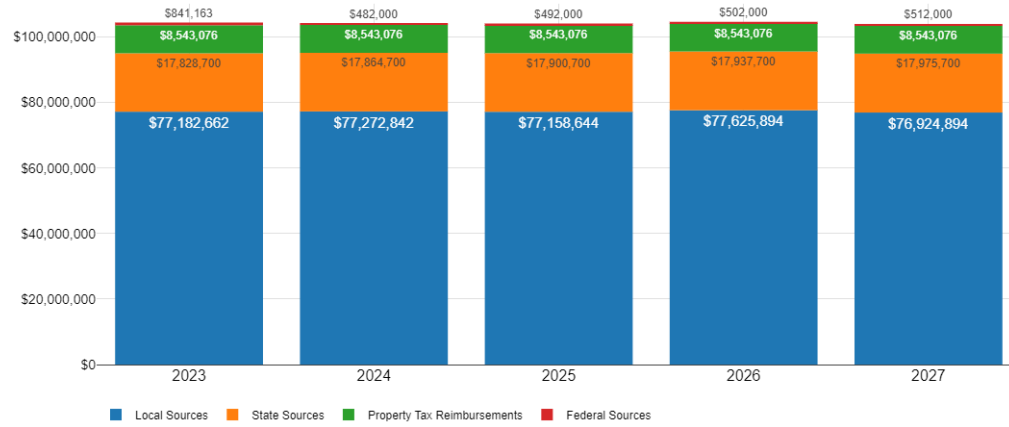
\$71,413,009
 Cash Balance as of 6/30/22

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 2023 Forecasted Revenues

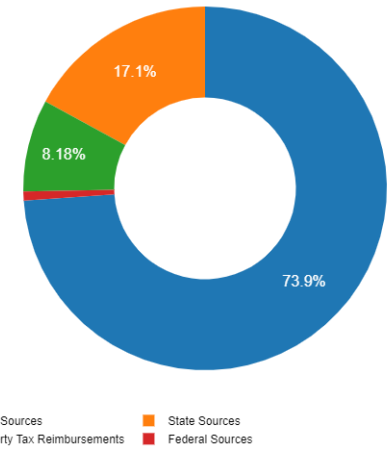
\$103,731,924
 2023 Forecasted Expenses

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 Cash Balance as of 6/30/23

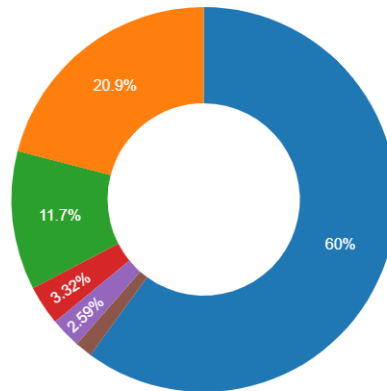
Forecasted General Fund Revenues by Source



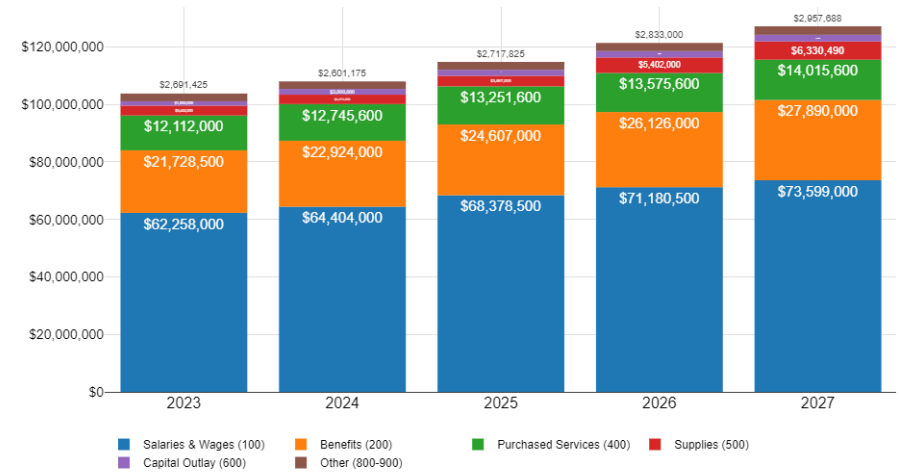
General Fund Current Year Revenues by Source



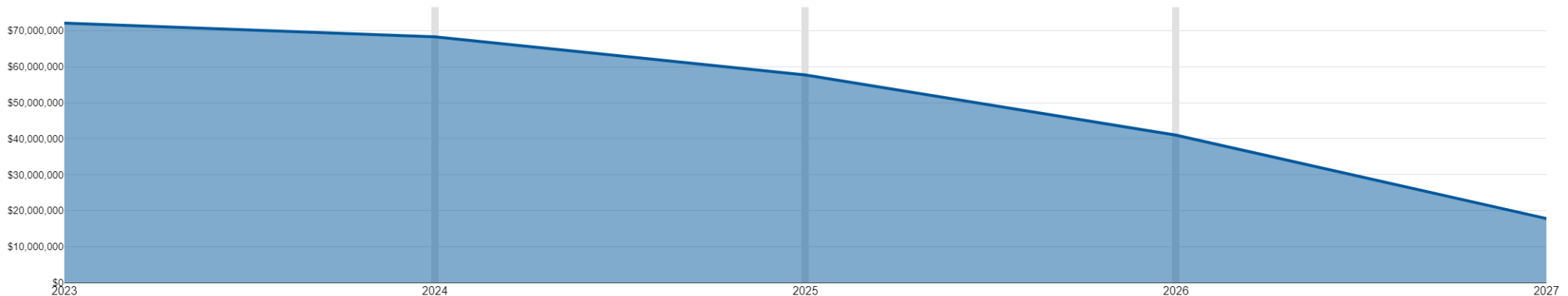
General Fund Current Year Expenses by Object

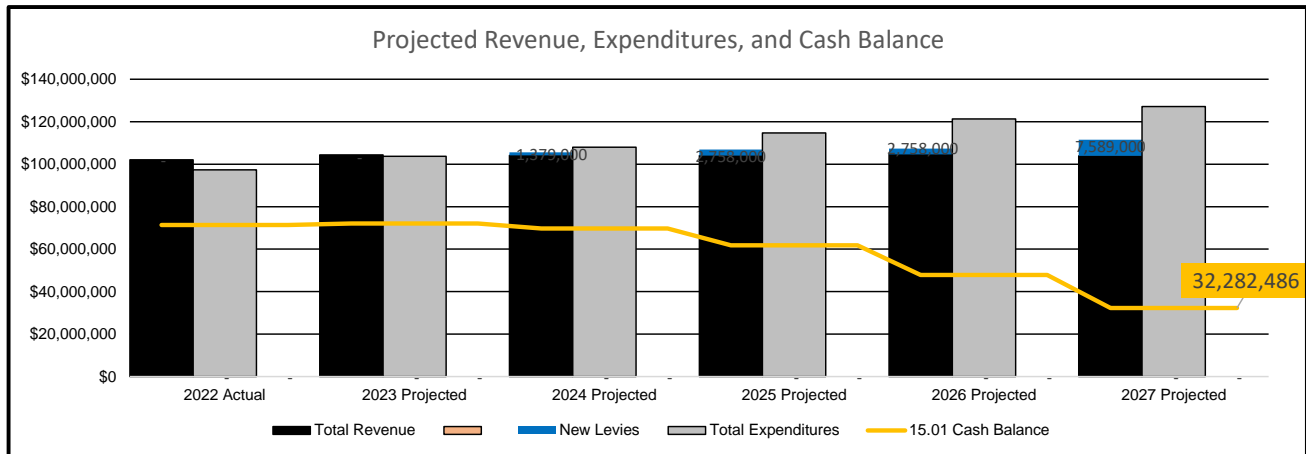


Forecasted General Fund Expenses by Object



Forecasted General Fund Balances





Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	71,413,009	72,076,685	69,670,528	61,801,023	47,845,594
+ Revenue	104,395,601	104,162,618	104,094,420	104,608,670	103,955,670
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	1,379,000	2,758,000	2,758,000	7,589,000
- Expenditures	(103,731,924)	(107,947,775)	(114,721,925)	(121,322,100)	(127,107,777)
= Revenue Surplus or Deficit	663,676	(2,406,157)	(7,869,505)	(13,955,430)	(15,563,108)
Line 7.020 Ending Balance with renewal/new levies	72,076,685	69,670,528	61,801,023	47,845,594	32,282,486

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	663,676	(3,785,157)	(10,627,505)	(16,713,430)	(23,152,108)
Ending Balance w/o Levies	72,076,685	68,291,528	57,664,023	40,950,594	17,798,486

In FY 2023 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$663,676 in FY 2023. By the last year of the forecast, FY 2027, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$23,152,108. The district would need to cut its FY 2027 projected expenses by 18.21% in order to balance its budget without additional revenue.

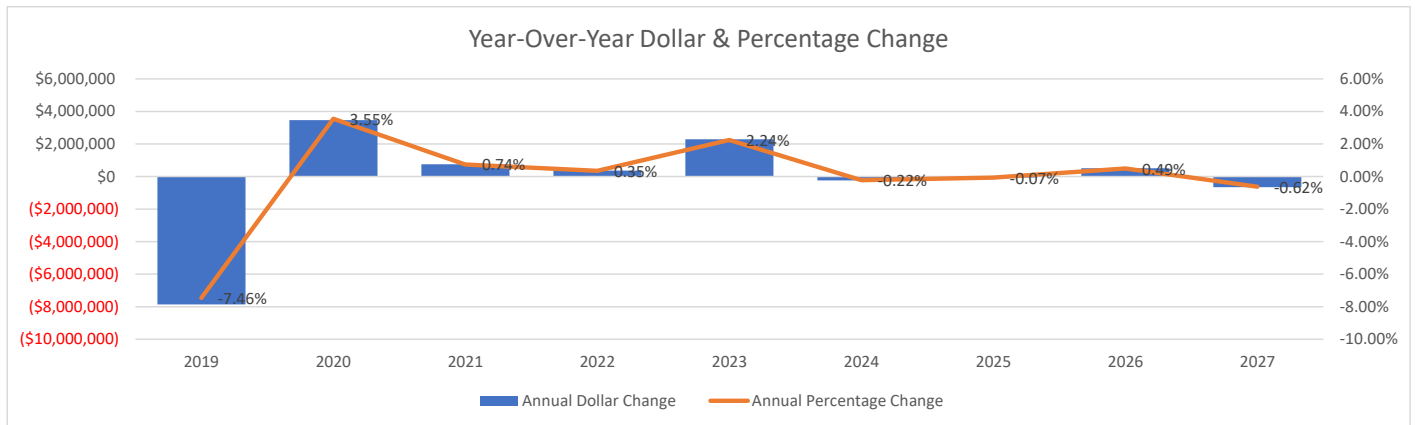
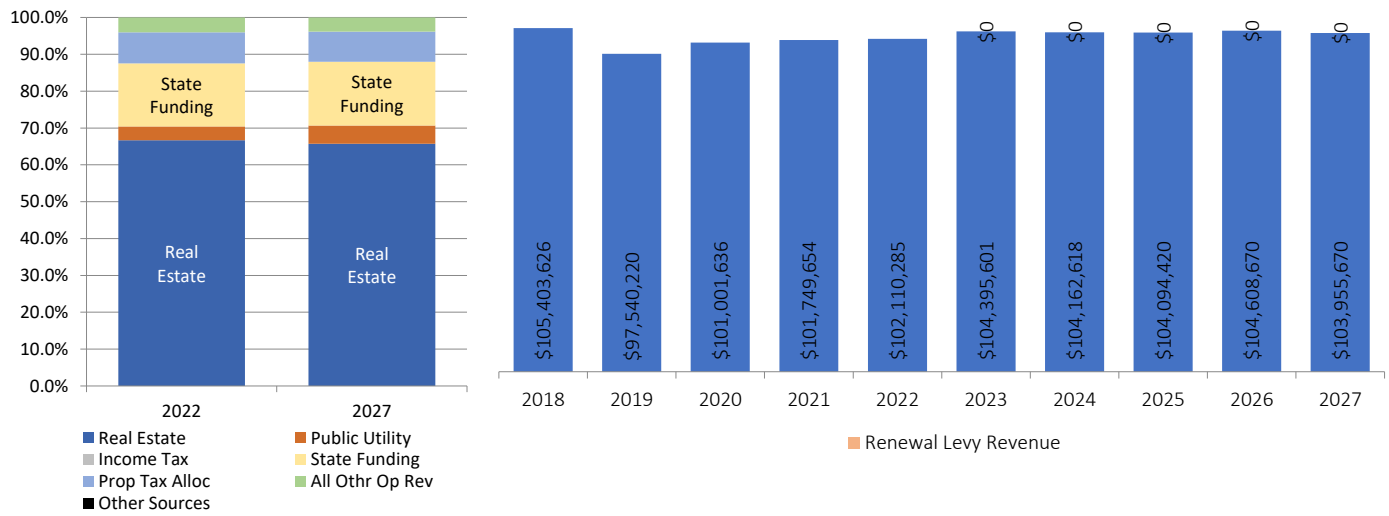
The district's cash balance is positive at year-end in FY 2023 and is projected to worsen by FY 2027. A worsening cash balance can erode the district's financial stability over time.

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of \$1,200,812 in FY 2023. This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a guarantee district in FY 2023.

The Finance & Audit Committee's recommended forecast approved at their April 17, 2023 meeting reflects the movement of the next operating levy from calendar 2024 to calendar 2025 and increases the millage from 6.9 mills to 9.9 mills, making it eleven years since the last operating levy was approved in 2014. This forecast however, reflects the proposed November 2023 ballot 3.0 mill PreK operating levy (to be combined with the Facilities Bond Issue), to begin collections in calendar 2024 and a further one year delay for the next full operating levy to calendar 2026, to begin collections in calendar 2027.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



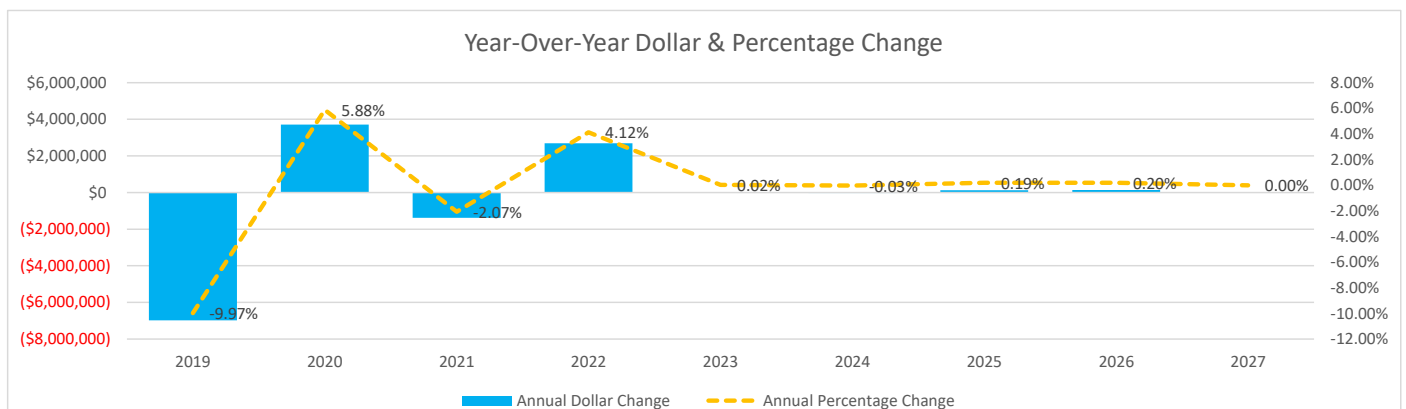
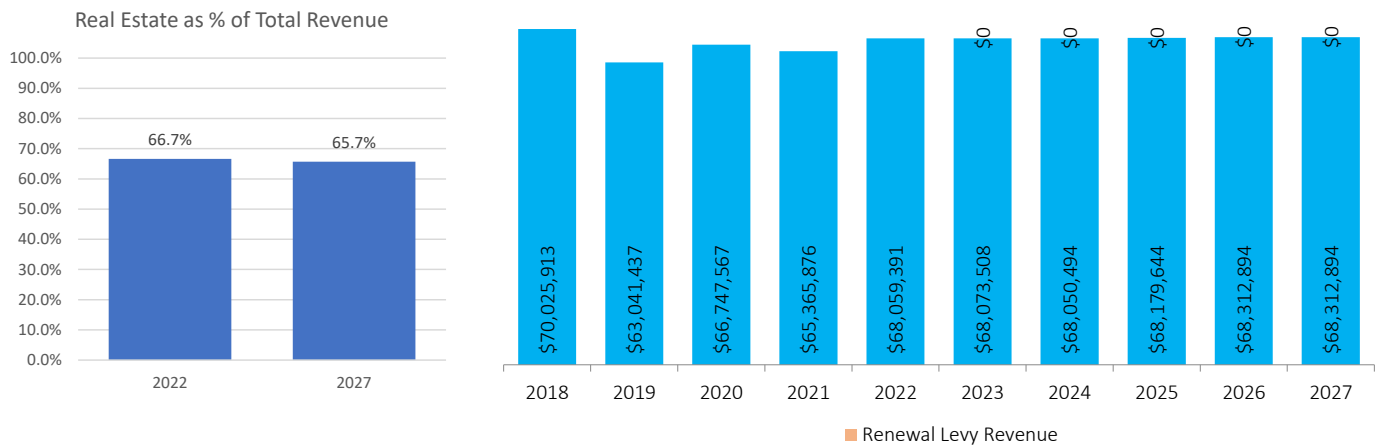
5-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 0.67% or \$677,426 annually during the past 5-Year period and is projected to increase 0.35% or \$369,077 annually through FY2027. Real Estate has the most projected average annual variance compared to the historical average at -\$352,788
Real Estate	403,489	50,701	(\$352,788)	The substantial real estate tax increase in Fiscal 2018, decrease in Fiscal 2019, and increase in Fiscal 2020 is attributable to the accordion effect of the receipt of taxpayer accelerated payments in December 2017 made so as to take advantage of the federal income tax law change that went into effect January 1, 2018.
Public Utility	\$218,282	\$257,938	\$39,656	
Income Tax	\$0	\$0	\$0	
State Funding	(\$134,461)	98,193	\$232,654	
Prop Tax Alloc	(\$45,047)	(\$6,470)	\$38,577	
All Othr Op Rev	\$235,164	(\$31,285)	(\$266,449)	
Other Sources	\$0	\$0	\$0	
Total Average Annual Change	677,426	369,077	(\$308,350)	
	0.67%	0.35%	-0.31%	

Note: Expenditure average annual change is projected to be > \$9,950,014 On an annual average basis, expenditures are projected to grow faster than revenue.

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).



Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2021	916,039,550	55,177,930	81.27	-	100.87	-	99.1%
2022	918,913,040	2,873,490	81.23	(0.04)	100.16	(0.71)	98.6%
2023	912,115,000	(6,798,040)	81.85	0.62	100.98	0.82	98.6%
2024	973,871,000	61,756,000	76.96	(4.89)	94.94	(6.05)	98.6%
2025	973,565,000	(306,000)	77.03	0.06	95.06	0.13	98.6%
2026	972,193,000	(1,372,000)	77.17	0.14	95.29	0.22	98.6%

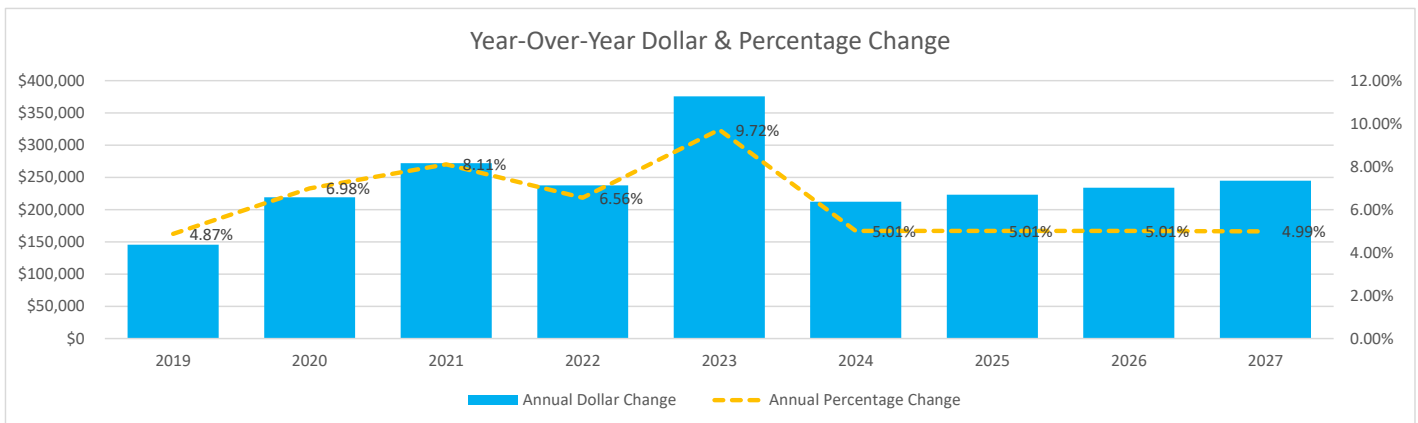
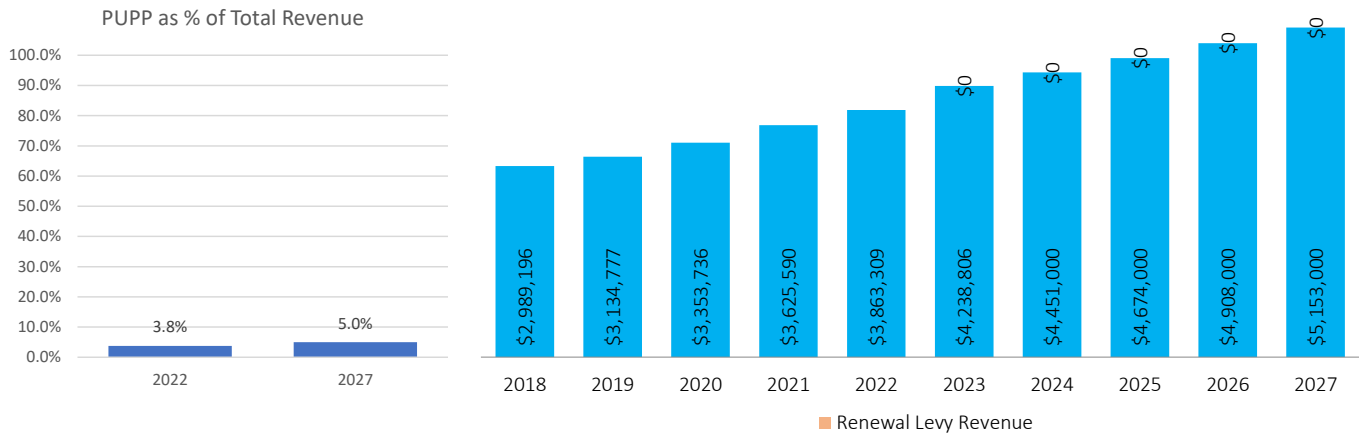
Real estate property tax revenue accounts for 66.65% of total revenue. Class I or residential/agricultural taxes make up approximately 87.33% of the real estate property tax revenue. The Class I tax rate is 81.23 mills in tax year 2022. The projections reflect an average gross collection rate of 98.6% annually through tax year 2026. The revenue changed at an average annual historical rate of 0.61% and is projected to change at an average annual rate of 0.07% through FY 2027.

The substantial real estate tax increase in Fiscal 2018, decrease in Fiscal 2019, and increase in Fiscal 2020 is attributable to the accordion effect of the receipt of taxpayer accelerated payments in December 2017 made so as to take advantage of the federal income tax law change that went into effect January 1, 2018. Key Assumption: total assessed valuation (real prop + Pub.Util P.P.) during the forecast period grows to \$ 1 billion in F25, and that collection rates remain consistent with recent years.

*Projected % trends 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 Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2021	21,544,590	1,369,020	183.43	-		100.0%
2022	23,700,170	2,155,580	183.43	0.00		100.0%
2023	24,885,000	1,184,830	183.43	-		100.0%
2024	26,129,000	1,244,000	183.43	-		100.0%
2025	27,435,000	1,306,000	183.43	-		100.0%
2026	28,807,000	1,372,000	183.43	-		100.0%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 3.78% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2022 is 183.43 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$218,282 and is projected to change at an average annual dollar amount of \$257,938 through FY 2027.

**Projected % trends include renewal levies*



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Key Revenue Assumption State Support

- The Fair School Funding Plan (FSFP) began in F22
- Implemented over six years?
Currently being extended into the 2023-25 biennium budget process
- Driven by a base cost methodology with four components necessary to the education process



Key Revenue Assumption

State Support

- Base Cost calculated for two years using statewide average from historical data
- However, General Assembly did not commit to continuing beyond the current (2021-23) biennium, but is in process of being continued in the 2023-25 biennium budget process



Key Revenue Assumption State Support

- All scholarship transfer payments now funded directly by the State
- No longer passed through the Districts' funding
- Thus revenue is less, but so are expenses



Key Revenue Assumption

State Support

- Scholarship transfer payments include Community School (aka Charter Schools), Ed Choice Vouchers, Autism & Peterson scholarships, and Open Enrollment (Note: previous to the FSFP, Community School transfer payments were posted by the District as a reduction to State Foundation payments)



Key Revenue Assumption State Support

- The last biennial budget bill also incorporated additional restrictions on portions of the funding
- Has resulted in shifts from Unrestricted to Restricted category of revenue

Key Revenue Assumption State Support

- While the District would appear to receive relatively minor net increases in funding under a fully-implemented FSFP, it continues to be funded on a "guarantee" basis that grows from \$2.5 million in F23 to as much as \$7.4 million in F27



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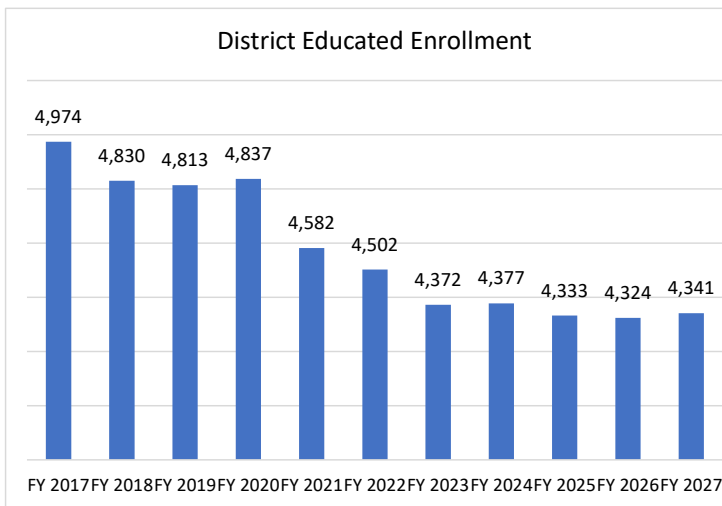
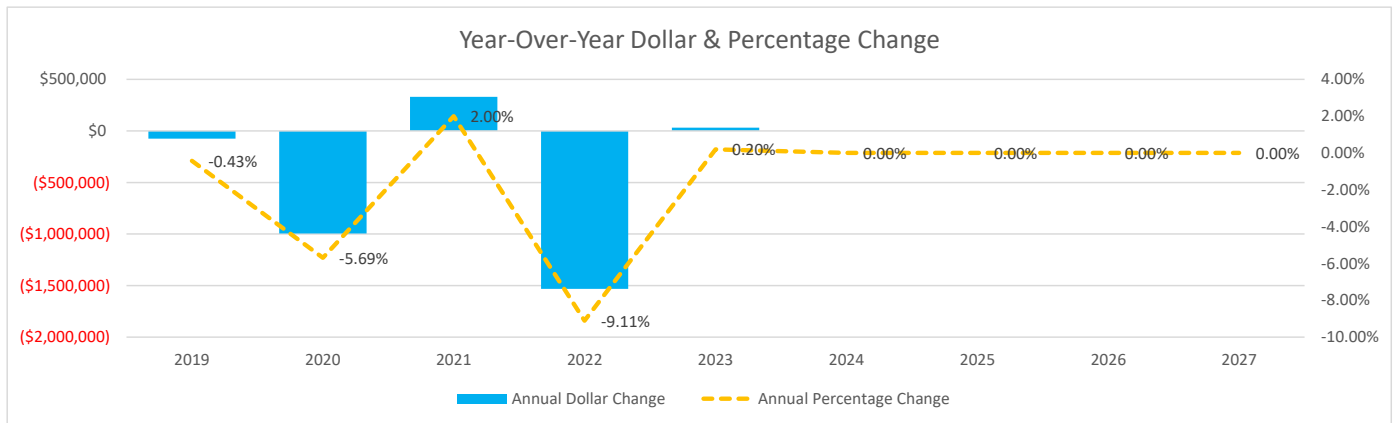
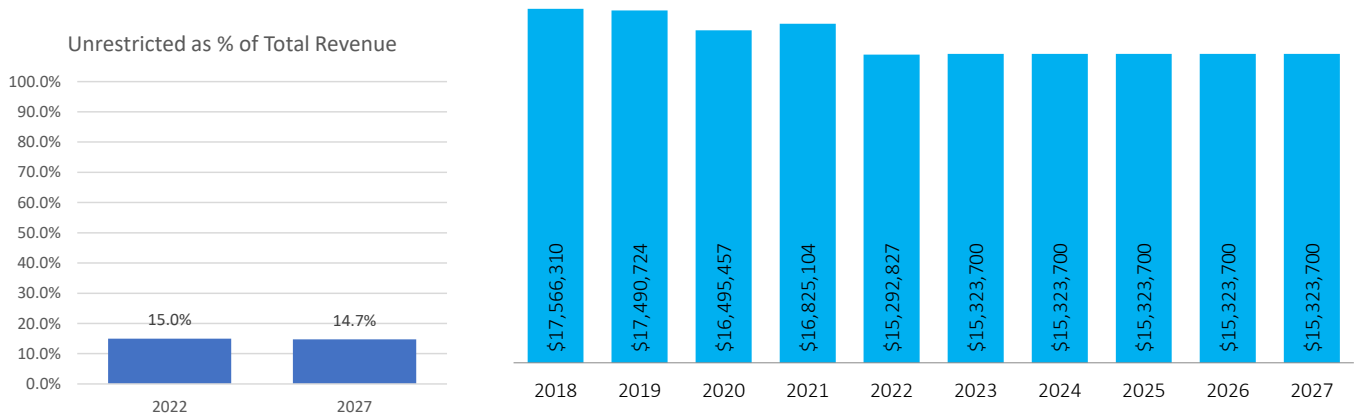
Key Revenue Assumption

State Support

- The “guarantee” amount grows due to a combination of projected declining enrollment and the assumed phase-in of the FSFP over a six-year period
- Assumption during the forecast period is that the new form of a “guarantee” continues

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

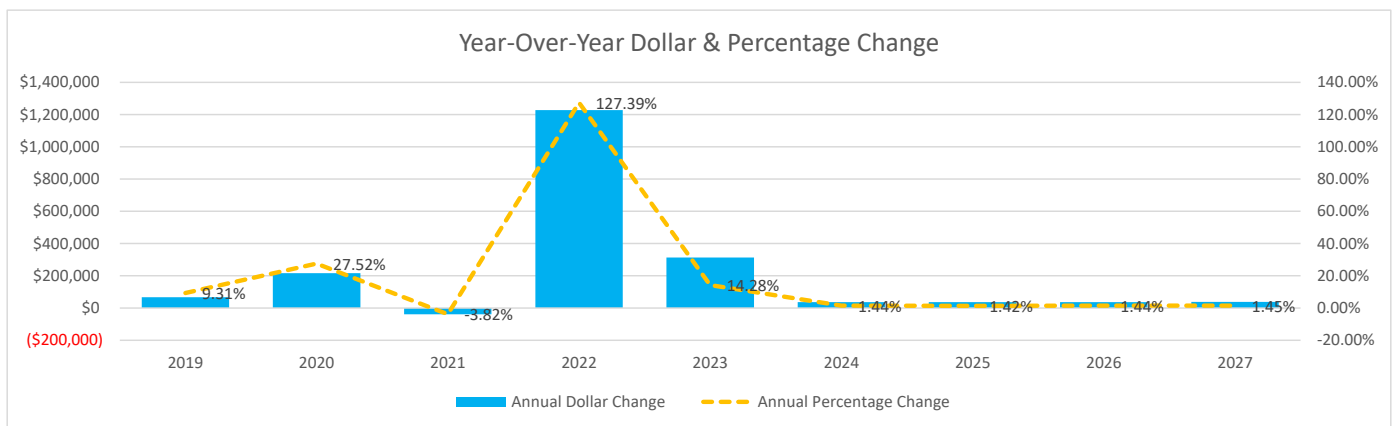
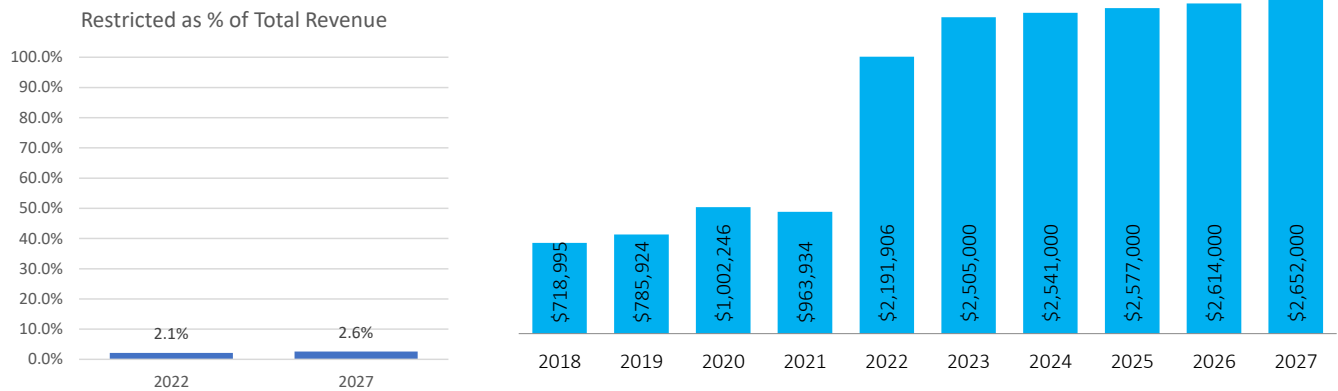
For Shaker Heights City School District the calculated Base Cost total is \$33,754,890 in FY 2023. The state's share of the calculated Base Cost total is \$6,358,587 or \$1,454 per pupil.

For reference: The FSFP change to district educated enrollment could be lower than the district's historical formula funded enrollment but also potentially reduces tuition cost. In FY 2021, the district had approximately \$1,838,573 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.

The District's funding under the new FSFP includes \$2.5 million in "transitional & other aid guarantees" in F23, which continue to grow to an estimated \$7.4 million in F27.

1.040 & 1.045 - Restricted Grants-in-Aid

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

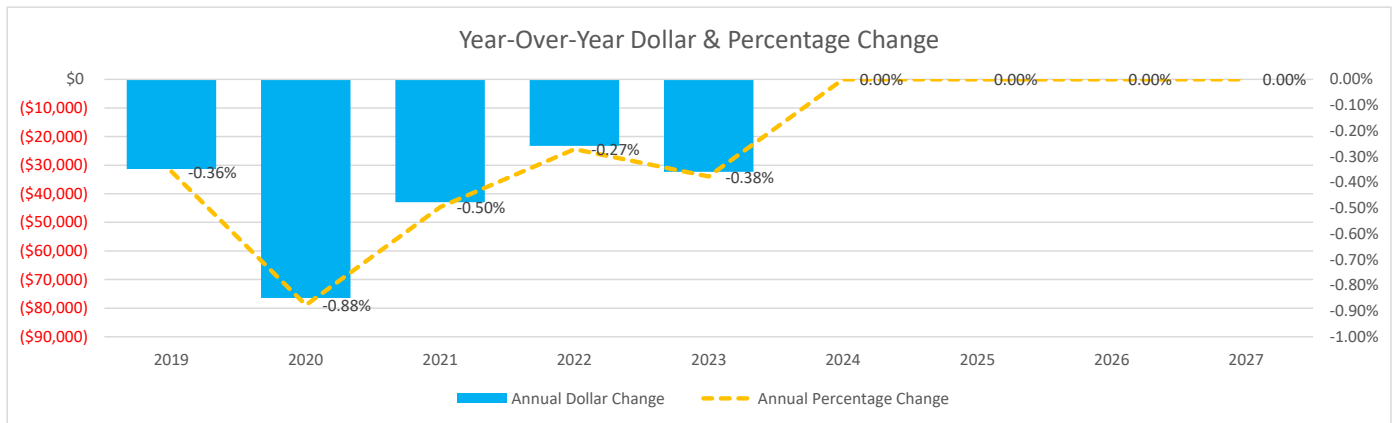
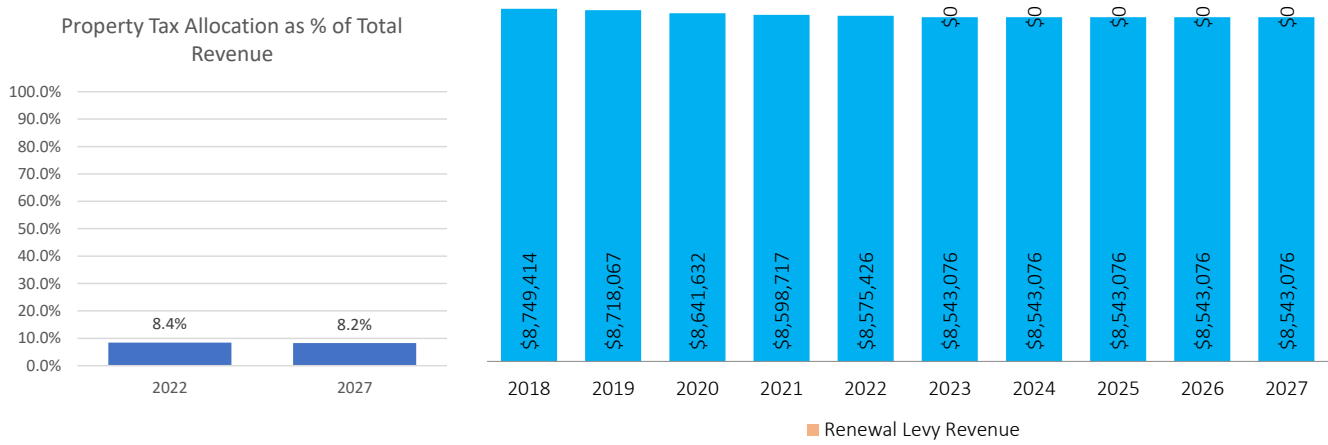


Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$468,661 and is projected to change annually on average by \$92,019. Restricted funds represent 2.15% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$519,420. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

Note-The pre-F22 amounts above reflect reclass of certain Restricted Aid items different from the District's normal presentation. The post F21 amounts above reflect the new "restricted" funding amounts in accordance with the new FSP.

1.050 - Property Tax Allocation

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

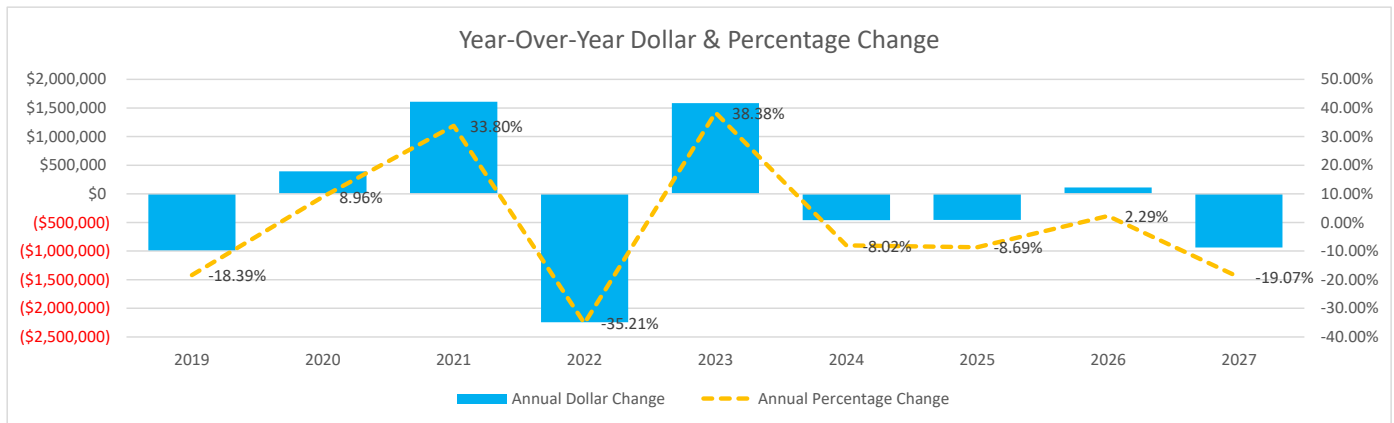
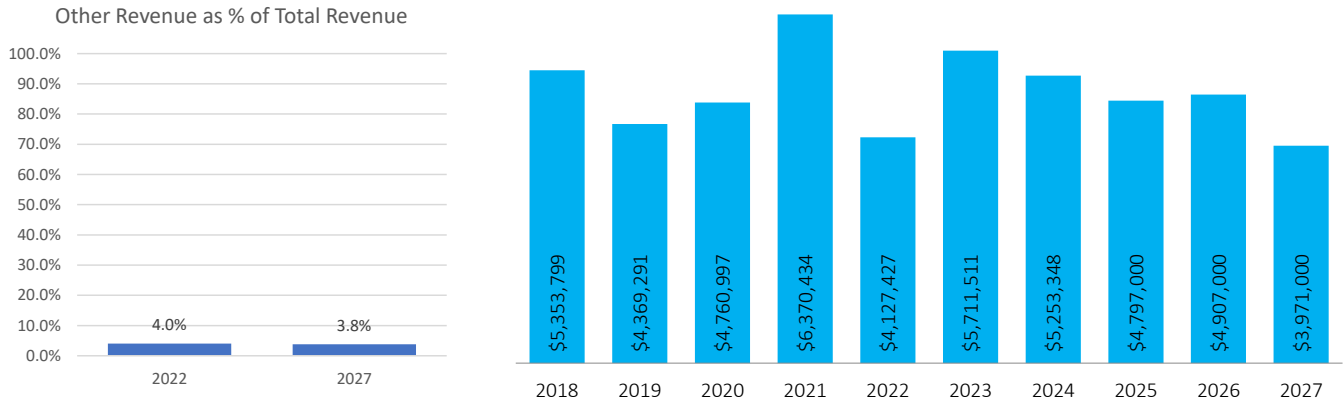


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2023, approximately 11.2% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.6% 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.

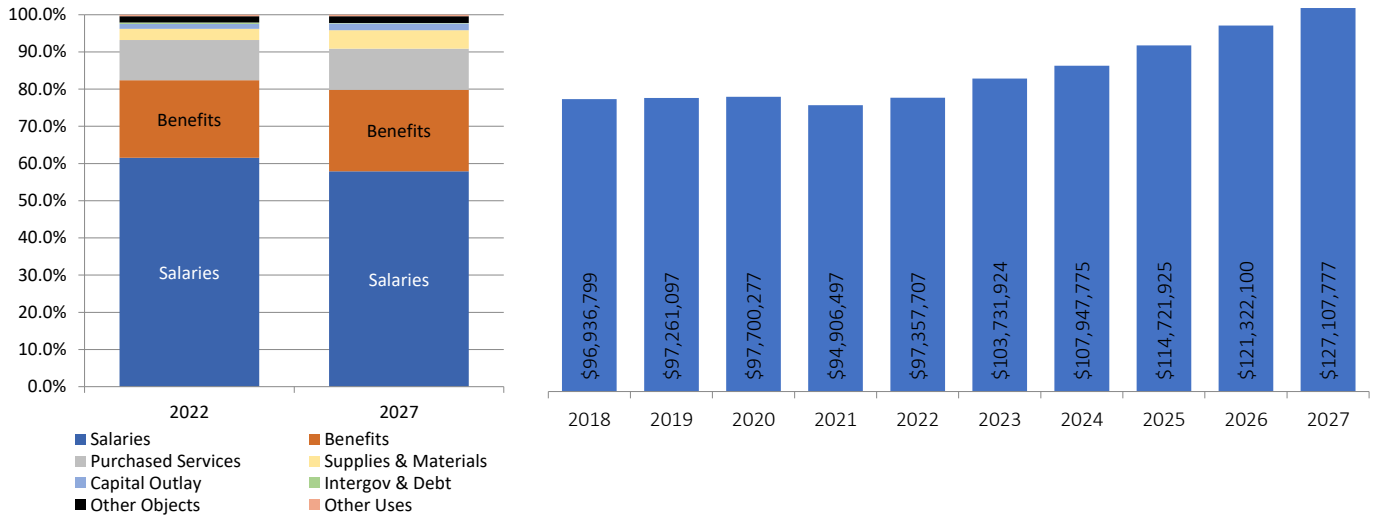


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$235,164. The projected average annual change is -\$31,285 through FY 2027. The FSFP includes per pupil funding for any open enrollment in students the district is educating. This revenue, if any, was recorded in 'other revenue' prior to FY 2022. Fiscal year 2022 and beyond will not include any open enrollment in revenue. The district did not post any revenue code 1227 open enrollment in revenue in FY 2021.

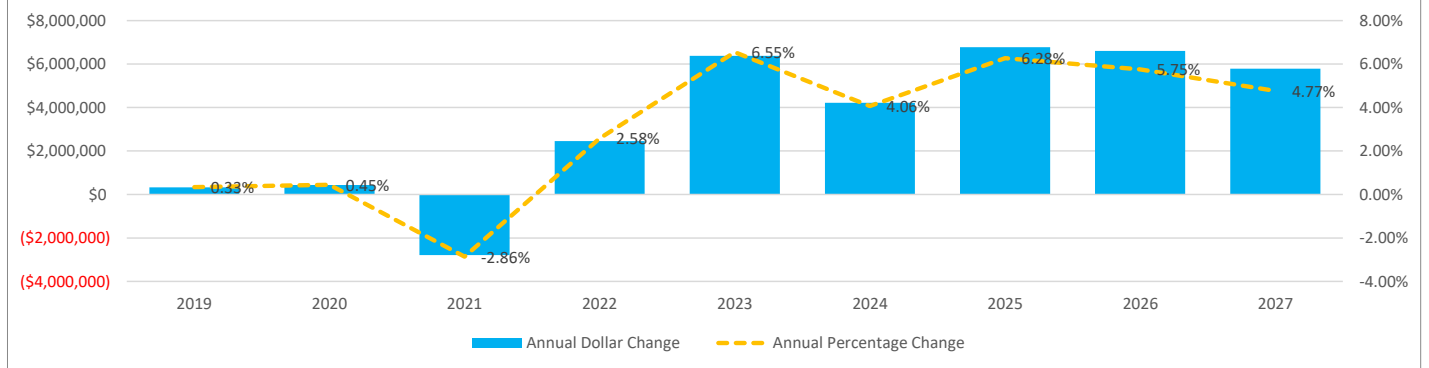
Year-to-year fluctuations during the forecast period are attributable to various periodic and/or non-recurring payments. The substantial increase in Fiscal 2018 and subsequent decrease in Fiscal 2019 is due to the \$1.7 million receipt in December 2017 from the bond issue proceeds that reimbursed the General Fund for its expenditures for the Middle School roof project during the summer of 2017. The increase in Fiscal 2021 revenues includes a \$1.6 million Bureau of Workers' Compensation COVID-19 rebate, combined with a \$1.1 million property valuation settlement agreement payment partially offset by the \$0.4 million non-recurring County rebate of appraisal fees received in Fiscal 2020 and a significant reduction in interest income due to the precipitous reduction in interest rates due to the Coronavirus Pandemic, which are now experiencing an increase due to the Federal Reserve's Open Market Committee's actions to address inflation. Fiscal years beyond F23 do not include any new projected revenues for property valuation settlement agreement payments due to the 2022 passage of House Bill No. 126 which goes into effect for Tax Year 2022.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



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

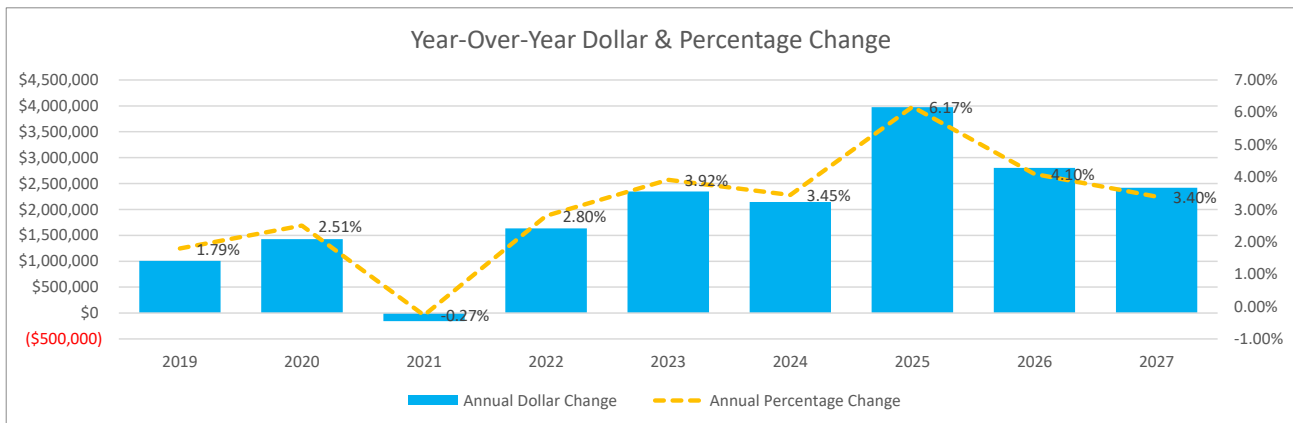
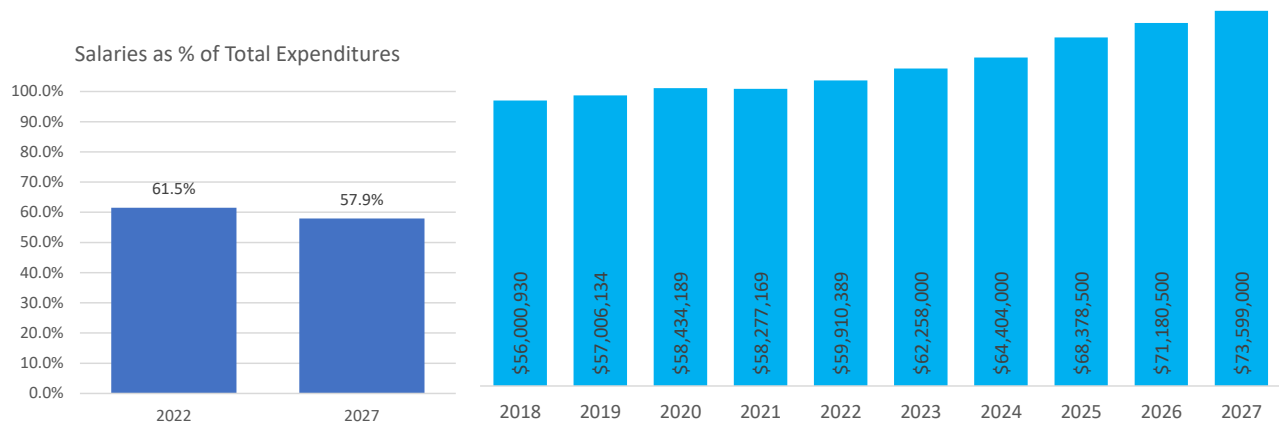
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Salaries	1,170,342	2,737,722	\$1,567,380	Total expenditures increased 1.07% or \$1,039,717 annually during the past 5-Year period and is projected to increase 6.11% or \$5,950,014 annually through FY2027. Salaries has the largest projected average annual variance compared to the historical average at \$1,567,380. Expenditures reflect the salary & wage growth in accordance with the collective bargaining agreements, replacement savings from retirees and other terminations, expected increases in related fringe benefits and other District operating expenditures. Total Sal.&Wage exp. incr. beg. in F25 by an annualized \$2 million/yr due to expected return to Gen.Fund of positions currently funded by ESSER. Also, a net incr. of exp. beg. in F26 for a net incr. for rollout of PreK less reductions in staffing due to declining proj.enrollment.
Benefits	\$361,526	\$1,512,588	\$1,151,062	
Purchased Services	(\$433,995)	\$703,496	\$1,137,491	
Supplies & Materials	(\$14,605)	\$672,498	\$687,103	
Capital Outlay	(\$119,032)	\$214,937	\$333,969	
Intergov & Debt	\$77,115	(\$40,777)	(\$117,893)	
Other Objects	\$32,541	\$126,550	\$94,009	
Other Uses	\$21,000	\$23,000	\$2,000	
Total Average Annual Change	\$1,039,717	\$5,950,014	\$4,910,297	
	1.07%	6.11%	5.04%	

Note: Revenue average annual change is projected to be > \$369,077

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.



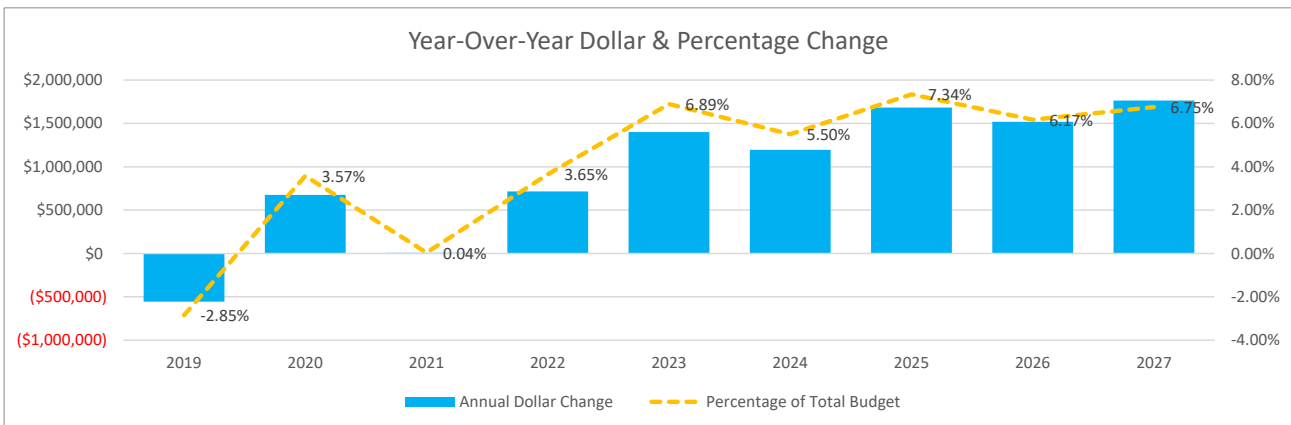
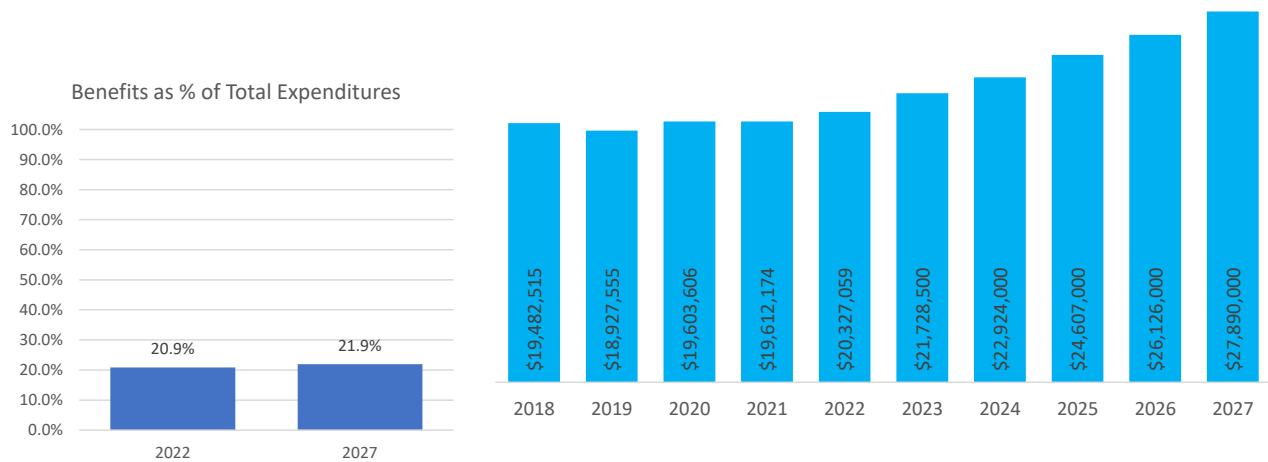
Salaries represent 61.54% of total expenditures and increased at a historical average annual rate of 2.02% or \$1,170,342. This category of expenditure is projected to grow at an annual average rate of 4.03% or \$2,737,722 through FY 2027. The projected average annual rate of change is 2.01% more than the five year historical annual average.

Reflects economic provisions of latest collective bargaining agreements, including SHTA, SHTA-Support Teachers (now combined with SHTA), OAPSE-Clerical, OAPSE-Security, OAPSE-Paraprofessionals, and Local 200-Custodial & Bus Drivers three-year contracts. SHTA & SHTA-ST approved a three-year contract through December 2024 with annual contractual increases of 3.0%, 2.25%, and 2.5% effective 1/1/22, 1/1/23, and 1/1/24, respectively; OAPSE-Security, OAPSE-Paraprofessionals, and OAPSE-Clerical each approved three-year contracts through June 30, 2025 with annual contractual increases of 2.5%, 2.25%, and 2.5% effective 7/1/22, 7/1/23, and 7/1/24, respectively (in addition to salary schedule market adjustments in two of the three agreements); Local 200-Custodial & Bus Drivers approved a three-year contract through June 30, 2025 with annual contractual increases of 2.5%, 2.25%, and 2.5% effective 7/1/22, 7/1/23, and 7/1/24, respectively (in addition to salary schedule market adjustments for bus drivers). Also reflects replacement savings from retirements and other terminations, as well as added positions during the historical period.

Major Growth Rates Used for Salaries & Wages beyond the expiration of the current CBA's: assumed 2.0% base increases plus steps.

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 20.88% of total expenditures and increased at a historical average annual rate of 1.85%. This category of expenditure is projected to grow at an annual average rate of 6.13% through FY 2027. The projected average annual rate of change is 4.29% more than the five year historical annual average.

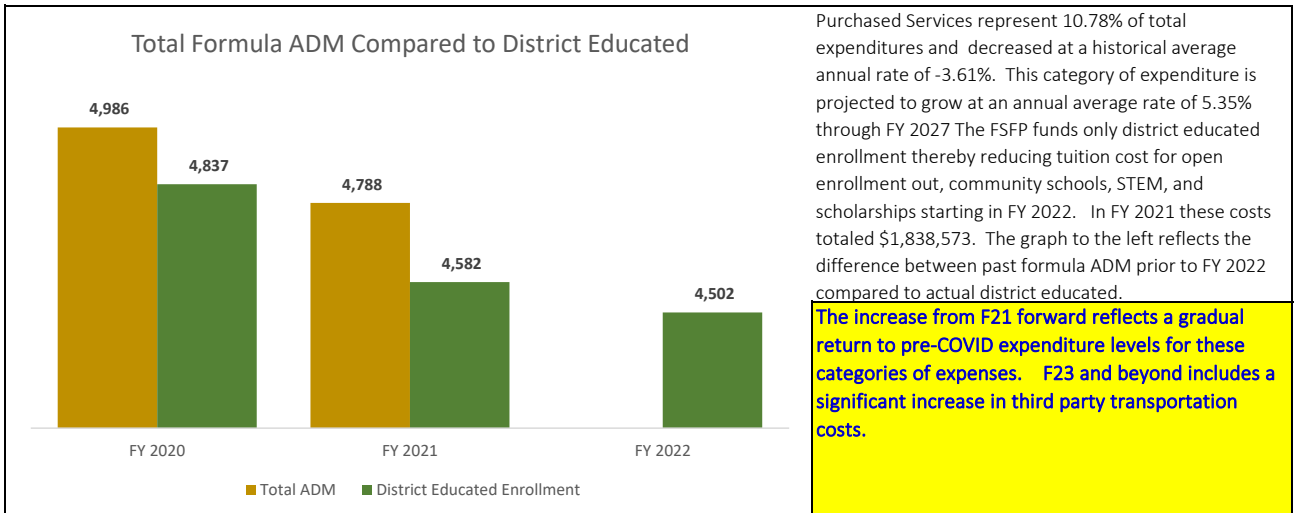
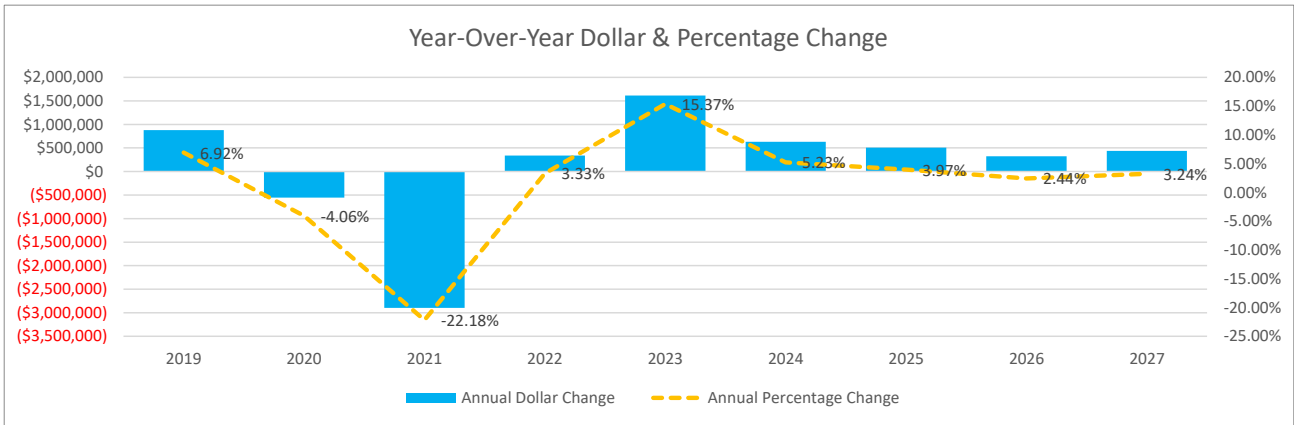
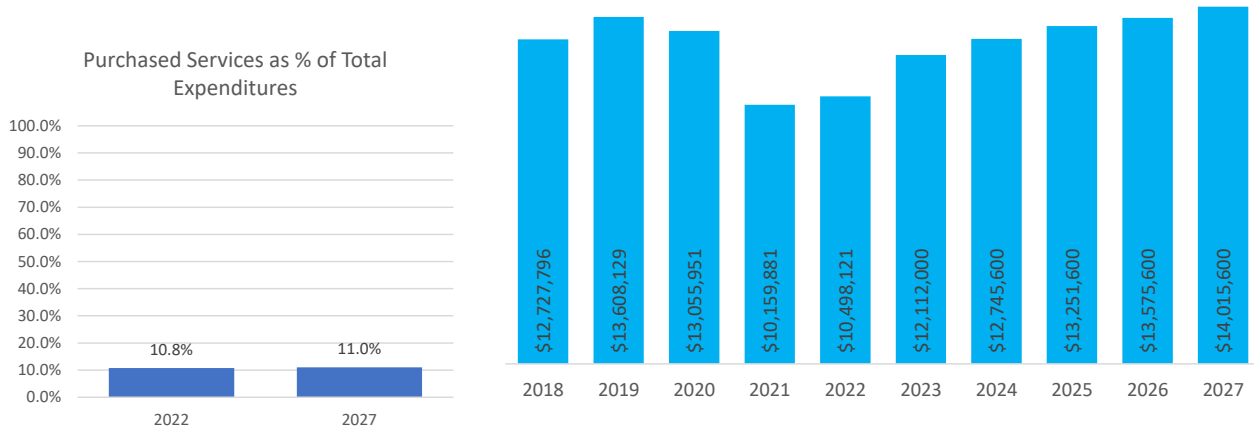
Major Growth Rates Used

The following fringe benefits are a fixed % of actual salaries:

Retirement is 14% for certificated wages and up to 16% for classified wages; Medtax is 1.45% of paid wages; and Workers' Comp is a % of paid wages, previously 0.75%, lowered to 0.25% beginning in F2020 and to 0.00% in F2021 due to continuing rebates from the BWC under the Billion & a Half \$'s program; the COVID-19 Rebates in calendar 2020, and rebates associated with our "Group Retro" program. Due to favorable experience combined with a healthy self-insurance reserve, there was no increase in the health insurance rates effective 1/1/19 and again at 1/1/20, however, a 5% increase was implemented effective 1/1/21. Due to changing utilization patterns, both the health and prescription drug rates were increased 10% effective both 1/1/22 and 1/1/23. Health costs beyond 2023 are (upon advice from the District's insurance consultants) forecasted to grow at annual rates as follows: F24 and beyond: 8.0% (before reflecting CBA changes in employee shared premium %'s).

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.

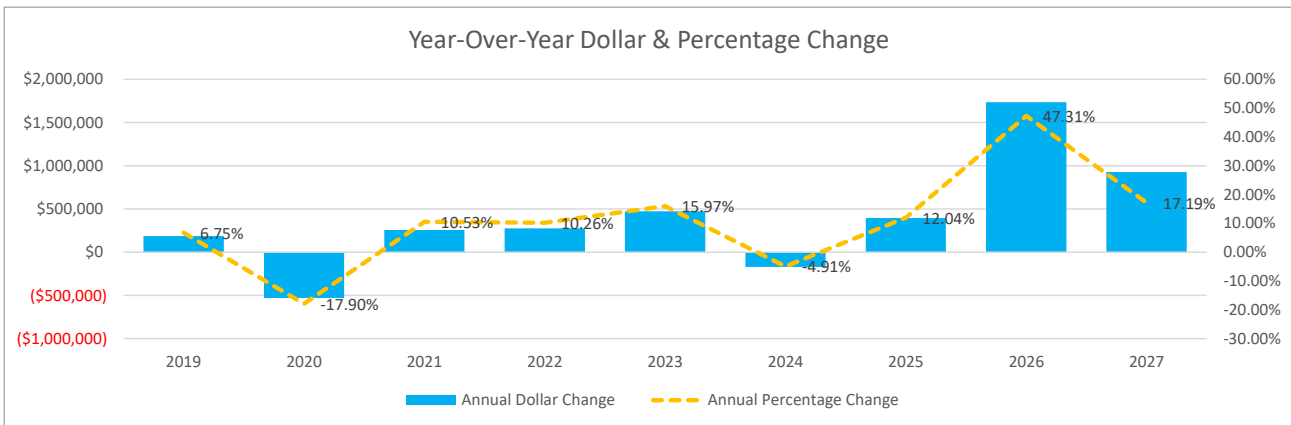
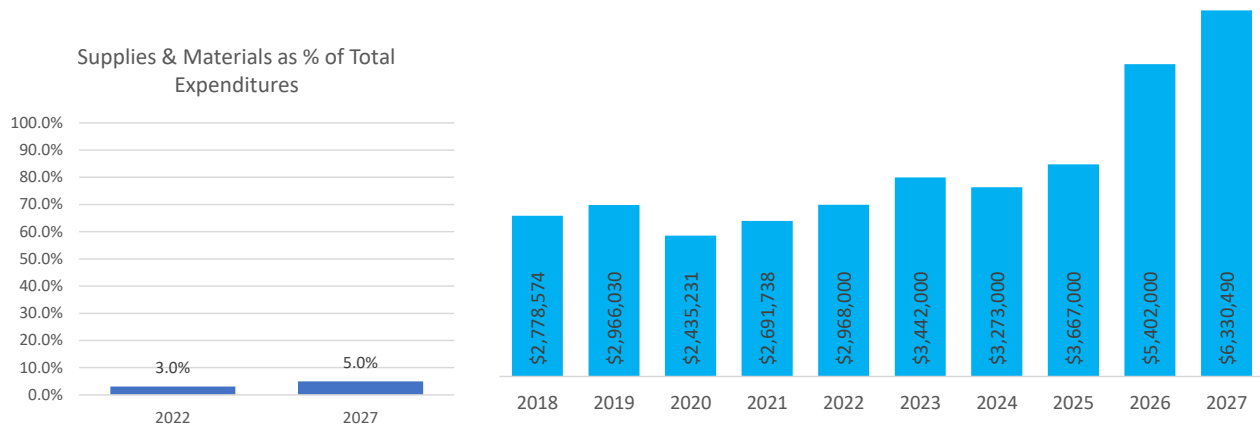


Purchased Services represent 10.78% of total expenditures and decreased at a historical average annual rate of -3.61%. This category of expenditure is projected to grow at an annual average rate of 5.35% through FY 2027. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. In FY 2021 these costs totaled \$1,838,573. The graph to the left reflects the difference between past formula ADM prior to FY 2022 compared to actual district educated.

The increase from F21 forward reflects a gradual return to pre-COVID expenditure levels for these categories of expenses. F23 and beyond includes a significant increase in third party transportation costs.

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 3.05% of total expenditures and decreased at a historical average annual rate of -0.53%. This category of expenditure is projected to grow at an annual average rate of 15.20% through FY 2027. The projected average annual rate of change is 15.73% more than the five year historical annual average.

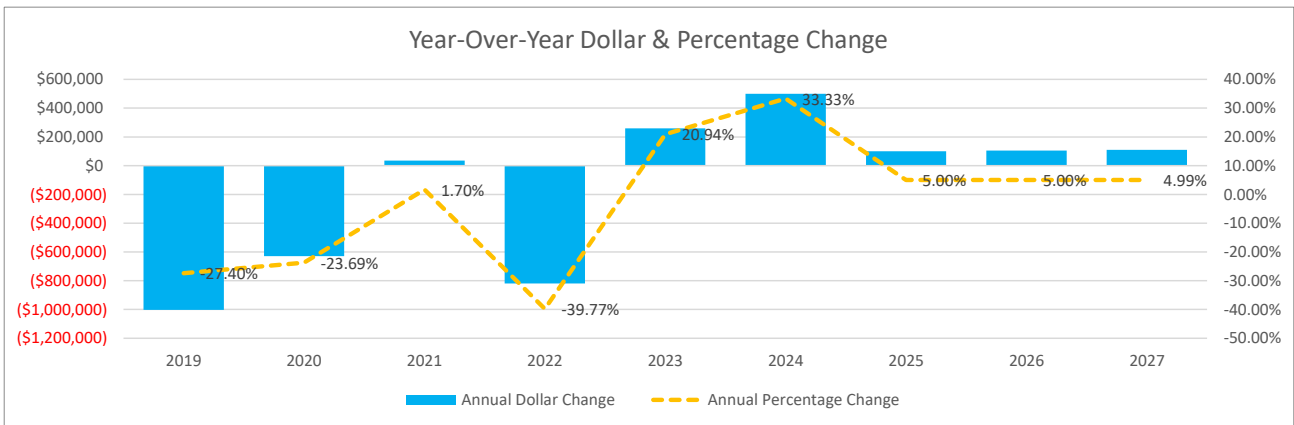
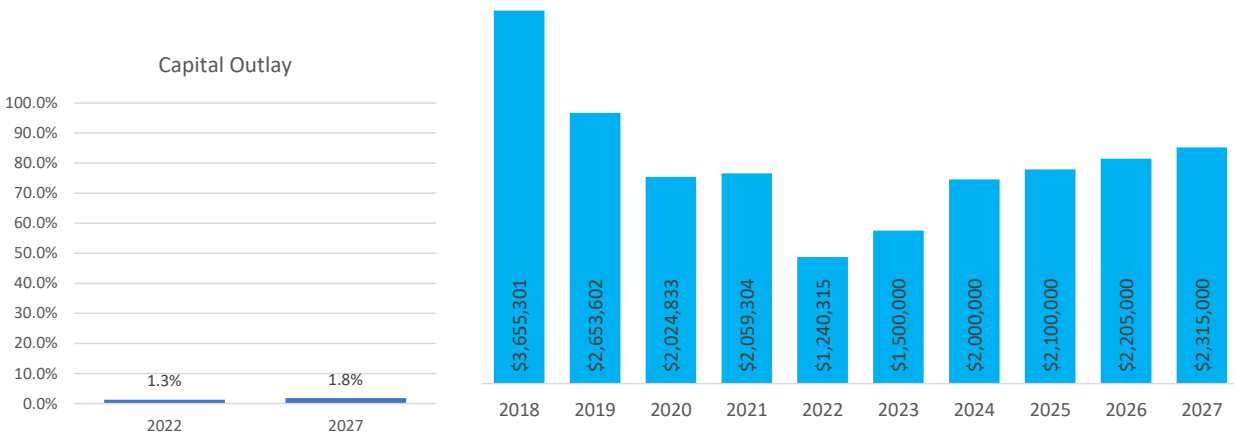
Major Growth Rates Used:

Bus Fuel 5% on F22 actual pricing (including an additional allotment to cover any major price fluctuations beyond current levels); Also reflects projected cyclical textbook replacements in Fiscal 2025.

F26 and F27 includes a net \$1.8 million and \$2.7 million, respectively, of added costs reflecting the increase in costs for the implementation of PreK, net of estimated reductions in costs due to anticipated staff reductions attributable to projected declining enrollment.

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.

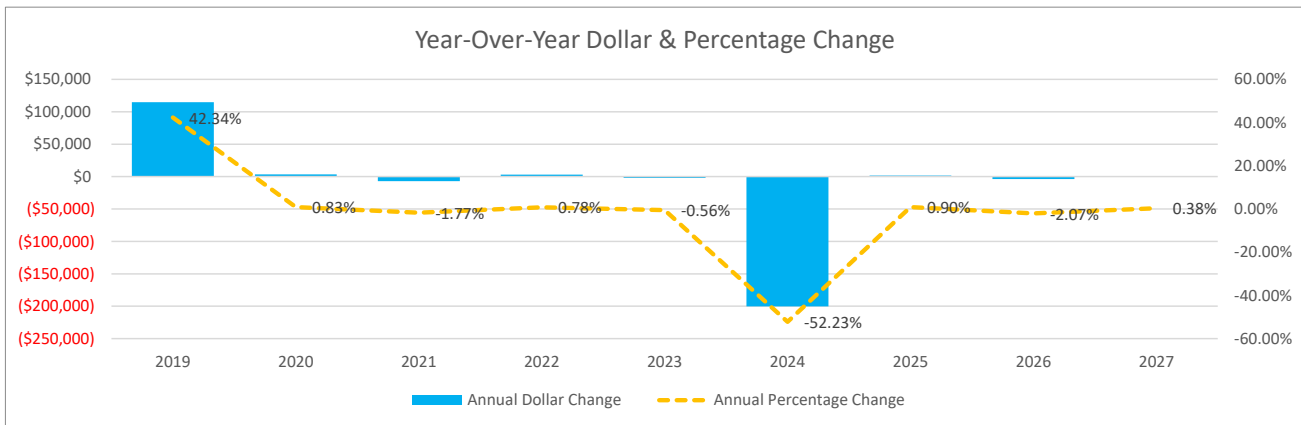
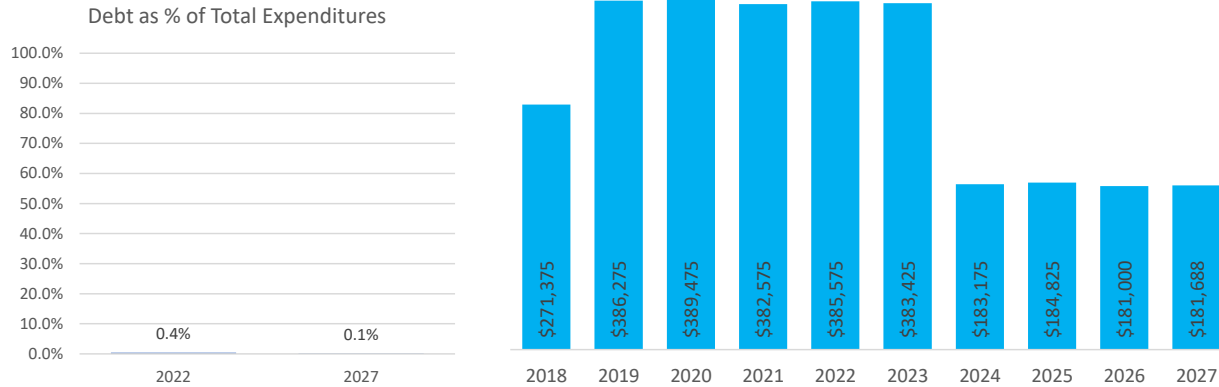


Capital Outlay represent 1.27% of total expenditures and decreased at a historical average annual amount of -\$119,032. This category of expenditure is projected to grow at an annual average rate of \$214,937 through FY 2027. The projected average annual change is more than the five year historical annual average.

Assumes a 5% growth in capital outlay expenditures. Fiscal 2018 includes the non-recurring impact of the General Fund paying for the Middle School roof project in the summer of 2017. This expenditure was reimbursed in December 2017 from the proceeds of the first bond issuance and was reflected in All Other Operating Revenues in Fiscal 2018. Fiscal 2019 included numerous information technology upgrades and the initial investment for the District's one-to-one device initiative that was rolled out in the Fall of 2019. Fiscal 2022 lower due to final usage of remaining Fund 004 Capital Projects funds, with a return to expected growing ongoing spending levels in Fiscal 2023 and beyond until the full facilities plan is fully implemented.

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.

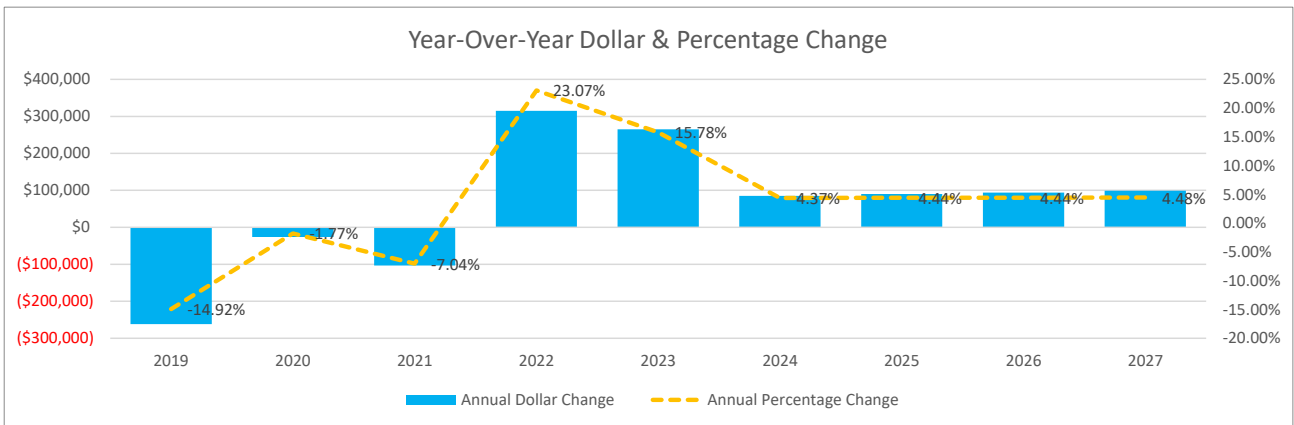
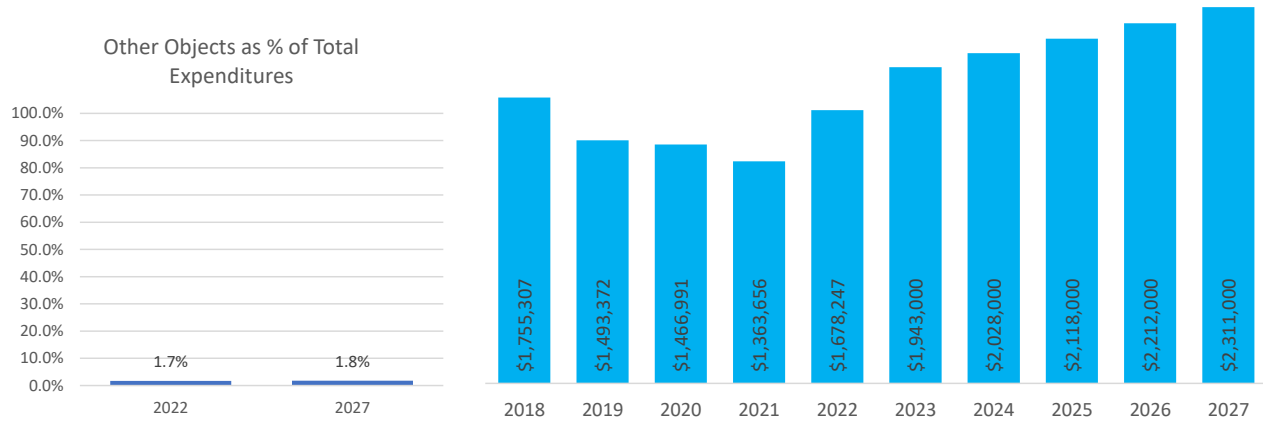


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

Expenses in this category reflect unvoted debt service repayments. The increase in Fiscal 2019 is due to the General Fund assumption of the bus bond payments due to the exhaustion of the non-bond portion of funds available in the Capital Fund 004 that were previously used to make such payments. The final payments for the ten-year unvoted debt issued in connection with the High School stadium improvements and the bus notes are scheduled for Fiscal 2023, thus resulting in a reduction in debt service in Fiscal 2024, leaving only the H.B.#264 debt payments which conclude in F2028.

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.

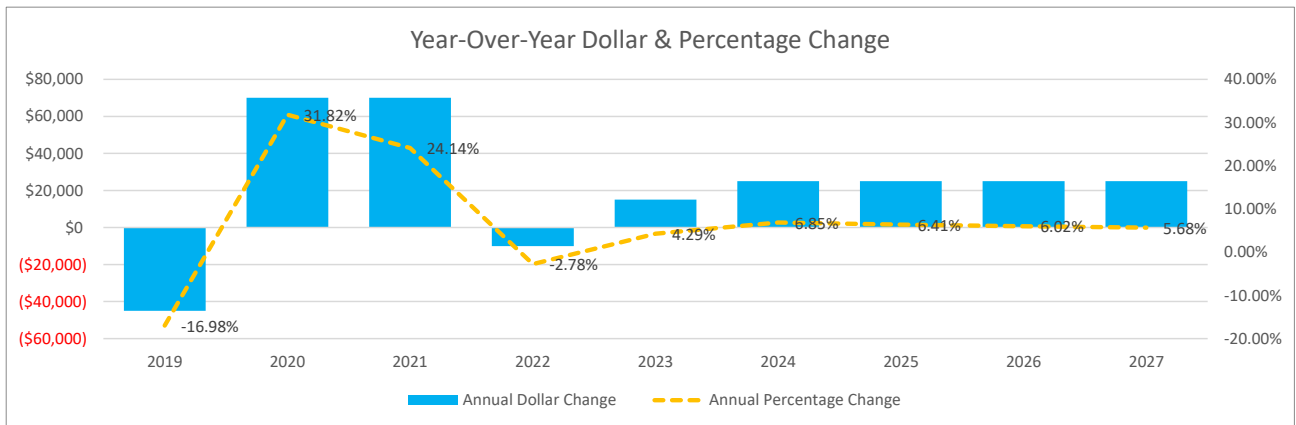
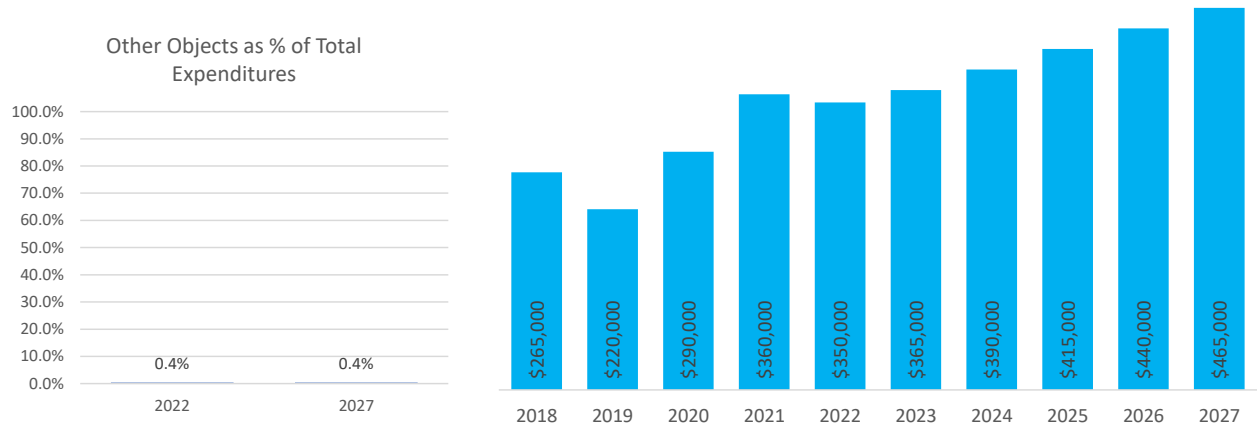


Other Objects represent 1.72% of total expenditures and increased at a historical average annual rate of 2.10%. This category of expenditure is projected to grow at an annual average rate of 5.96% through FY 2027. The projected average annual rate of change is 3.87% more than the five year historical annual average.

Assumes a 5% growth in most of these expenditures which primarily consist of County Auditor & Treasurer fees (for collecting the District's property taxes). The increase in Fiscal 2018 was attributable to election expenses charged for the bond issue on the May 2017 ballot. The increase in Fiscal 2022 & Fiscal 2023 are attributable to higher liability insurance costs as well as higher County Treasurer and Auditor fees (including unusually high delinquencies and associated collection fees).

5.040 - Total Other Financing Uses

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

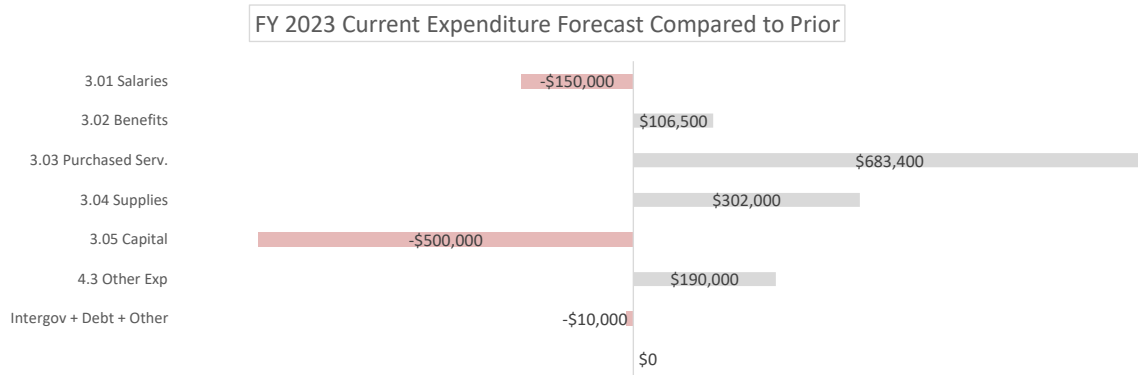
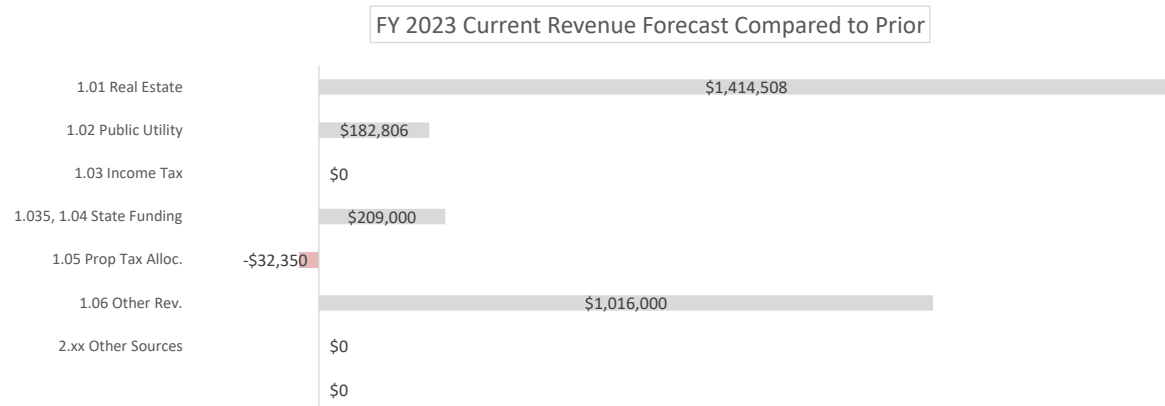


	2022	2023	2024	FORECASTED		
				2025	2026	2027
Transfers Out	350,000	365,000	390,000	415,000	440,000	465,000
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

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 2022 the district had no advances-out and has no advances-out forecasted through FY 2027. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2027. 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.

This category includes transfers to other funds, primarily Fund 300 for District athletics.

FY 2023 Current Forecast Compared to Previous Filed Forecast



Summary Analysis of Current Compared to Last Filed Forecast			
Previous Filed Forecast: 11/2022		FY 2023 Impact	
	Net FY 2023 Revenue Variance	\$2,789,964	
	Net FY 2023 Expenditure Variance	\$621,899	
	Net FY 2023 Impact on Ending Cash Balance	\$2,168,064	Favorable
	Percentage of Budget	2.09%	

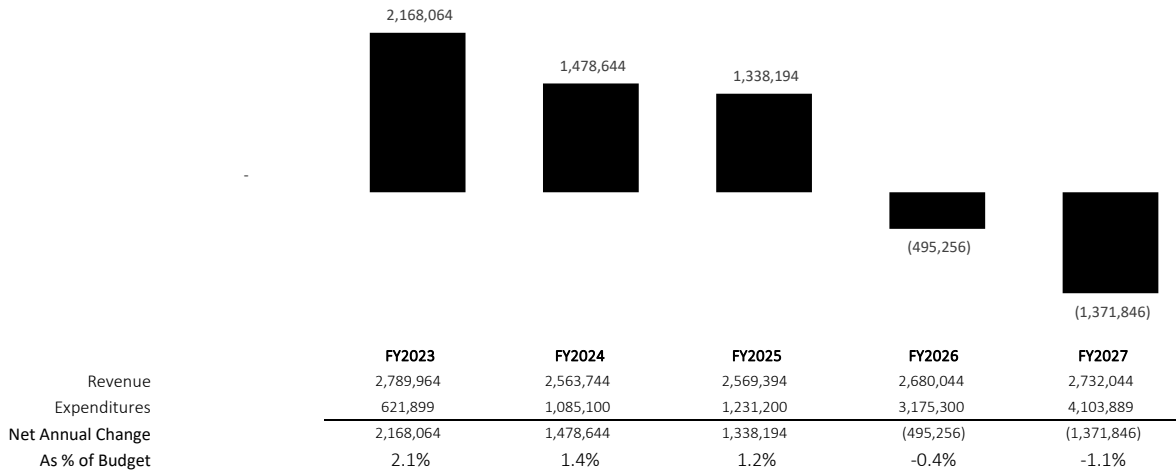
May 2023 vs. Nov 2022 for F23: A net \$2.8 million or 2.75% favorable variance in total revenues primarily consisting of: a \$1.4 million favorable variance in Property Tax receipts and a \$0.2 million favorable variance in Public Utility Tangible Personal Property tax collections; and a \$1.0 million favorable variance for Other Revenues consisting of: \$0.6 million increased projected investment earnings due to rising interest rates; and a \$0.5 million increase in property tax valuation settlement payments due to negotiated final settlement agreements.

A net \$0.6 million or 0.6% unfavorable variance in total expenditures primarily consisting of a \$0.7 million increase in Purchased Services due to a \$0.7 million increase in third-party transportation costs, partially offset by other net differences.

The combination of the revenue and expenditure variances nets to a favorable variance of \$2.2 million or 2.09% of the budget from the Nov 2022 forecast for F23.

Current Five Year Forecast Change to Net Operating Revenue (Line 6.01) Compared to Last Filed Forecast
Current Over/(Under) Prior

Current Net Annual Revenue & Expenditure Changes Compared to Last Filed Forecast



5-Year Cumulative Change FY 2023 - 2027			
5 Yr Cumulative Revenue Change		5 Yr Cumulative Expenditure Change	
1.01 Real Estate	9,141,134	3.01 Salaries	(823,000)
1.02 Pub Utility	1,010,806	3.02 Benefits	624,500
1.03 Income Tax	-	3.03 Purchased Serv.	4,670,400
1.035,1.040 State	809,000	3.04 Supplies	5,705,489
1.05 Prop Tax Alloc.	(161,750)	3.05 Capital	(931,000)
1.060 All Other	2,535,999	4.3 Other Exp	1,020,999
2.xx Other Sources	-	Intergov + Debt + Other	(50,000)
Cumulative Revenue Change	13,335,189	Cumulative Expenditure Change	10,217,388

Net Cumulative Five-Year Change **\$3,117,801 Favorable**
Net Cumulative Cash Change as % of Budget **0.54%**
Net Cumulative Change in Levy Reservation **\$0**

Note: Net Cumulative Five-Year Change W/Renewal Levy Reservation Variance **\$3,117,801**

May 2023 vs. Nov 2022 for the 5-year period: When compared to the November 2022 forecast, the overall position of the District has improved increasing Fund Balance by \$1.6 million as of the end of Fiscal 2027. Significant changes over the five-year period as compared to the Nov 2022 forecast include:

Revenue net favorable variances of \$13.3 million primarily consist of: \$2.7 million for higher investment earnings due to increasing interest rates; \$1.3 million increase in State Foundation payments; and \$10.1 million increase in property tax collections (\$1.0 million of which is attributable to an increase in projected Public Utility Personal Property).

Expenditure net unfavorable variances of \$10.2 million primarily consist of: a net \$0.2 million decrease in Salaries & Wages and Fringe Benefits; a \$4.7 million increase in Purchased Services, including a \$3.7 million increase in third-party transportation costs and a \$1.4 million increase in Repairs & Maintenance costs, partially offset by decreases in other purchased services categories; a \$5.7 million increase in Textbooks, Materials & Supplies including \$1.5 million increase in Textbooks and \$4.1 million increase due to an increase in costs for the implementation of PreK, net of estimated reductions in costs due to anticipated staff reductions attributable to projected declining enrollment; a \$0.9 million decrease in Capital Outlay; and a \$1.0 million increase in All Other Objects. The combination of the revenue and expenditure variances net to a \$3.1 million or 0.54% net income favorable variance for the five-year period, reduced by a net \$0.0 million increase in encumbrances, netting to a \$3.1 million increase in Fund Balance (before new levies) as of the end of Fiscal 2027.

Shaker Heights City School District

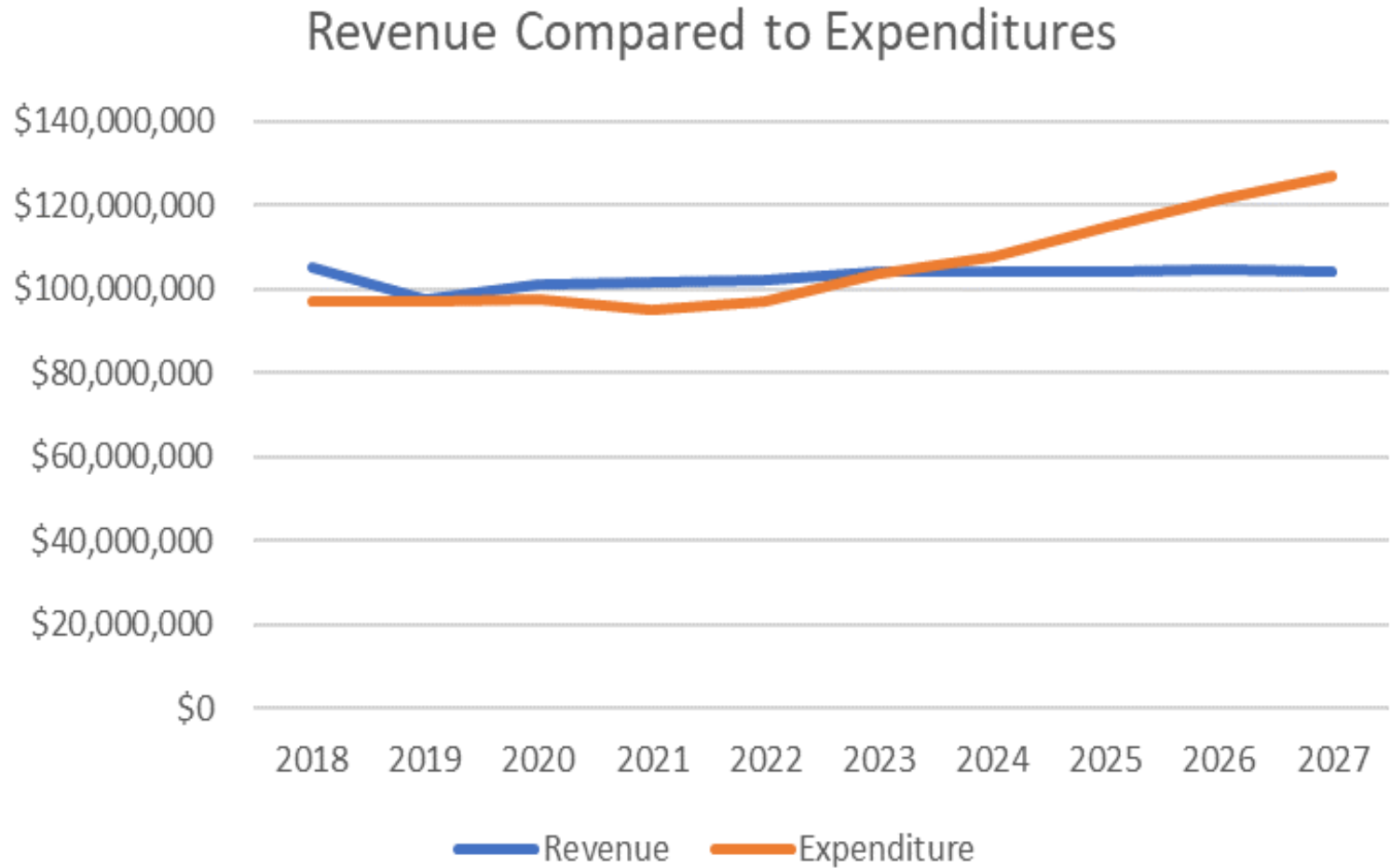
Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2022	2023	2024	2025	2026	2027
Revenue:						
1.010 - General Property Tax (Real Estate)	68,059,391	68,073,508	68,050,494	68,179,644	68,312,894	68,312,894
1.020 - Public Utility Personal Property	3,863,309	4,238,806	4,451,000	4,674,000	4,908,000	5,153,000
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	15,292,827	15,323,700	15,323,700	15,323,700	15,323,700	15,323,700
1.040 - Restricted Grants-in-Aid	2,191,906	2,505,000	2,541,000	2,577,000	2,614,000	2,652,000
1.050 - Property Tax Allocation	8,575,426	8,543,076	8,543,076	8,543,076	8,543,076	8,543,076
1.060 - All Other Operating Revenues	4,127,427	5,711,511	5,253,348	4,797,000	4,907,000	3,971,000
1.070 - Total Revenue	102,110,285	104,395,601	104,162,618	104,094,420	104,608,670	103,955,670
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	-	-	-	-	-	-
2.060 - All Other Financing Sources	-	-	-	-	-	-
2.070 - Total Other Financing Sources	-	-	-	-	-	-
2.080 - Total Rev & Other Sources	102,110,285	104,395,601	104,162,618	104,094,420	104,608,670	103,955,670
Expenditures:						
3.010 - Personnel Services	59,910,389	62,258,000	64,404,000	68,378,500	71,180,500	73,599,000
3.020 - Employee Benefits	20,327,059	21,728,500	22,924,000	24,607,000	26,126,000	27,890,000
3.030 - Purchased Services	10,498,121	12,112,000	12,745,600	13,251,600	13,575,600	14,015,600
3.040 - Supplies and Materials	2,968,000	3,442,000	3,273,000	3,667,000	5,402,000	6,330,490
3.050 - Capital Outlay	1,240,315	1,500,000	2,000,000	2,100,000	2,205,000	2,315,000
Intergovernmental & Debt Service	385,575	383,425	183,175	184,825	181,000	181,688
4.300 - Other Objects	1,678,247	1,943,000	2,028,000	2,118,000	2,212,000	2,311,000
4.500 - Total Expenditures	97,007,707	103,366,924	107,557,775	114,306,925	120,882,100	126,642,777
Other Financing Uses						
5.010 - Operating Transfers-Out	350,000	365,000	390,000	415,000	440,000	465,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	350,000	365,000	390,000	415,000	440,000	465,000
5.050 - Total Exp and Other Financing Uses	97,357,707	103,731,924	107,947,775	114,721,925	121,322,100	127,107,777
6.010 - Excess of Rev Over/(Under) Exp	4,752,578	663,676	(3,785,157)	(10,627,505)	(16,713,430)	(23,152,108)
7.010 - Cash Balance July 1 (No Levies)	66,660,431	71,413,009	72,076,685	68,291,528	57,664,023	40,950,594
7.020 - Cash Balance June 30 (No Levies)	71,413,009	72,076,685	68,291,528	57,664,023	40,950,594	17,798,486
		Reservations				
8.010 - Estimated Encumbrances June 30	5,336,074	5,336,074	5,336,074	5,336,074	5,336,074	5,336,074
9.080 - Reservations Subtotal	353,070	353,070	353,070	353,070	353,070	353,070
10.010 - Fund Bal June 30 for Cert of App	65,723,865	66,387,541	62,602,384	51,974,879	35,261,450	12,109,342
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	65,723,865	66,387,541	62,602,384	51,974,879	35,261,450	12,109,342
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	1,379,000	2,758,000	2,758,000	7,589,000
13.030 - Cumulative Balance of New Levies	-	-	1,379,000	4,137,000	6,895,000	14,484,000
15.010 - Unreserved Fund Balance June 30	65,723,865	66,387,541	63,981,384	56,111,879	42,156,450	26,593,342
Ending Fund Bal. as % of Total Expend.-pre levy	67.5%	64.0%	58.0%	45.3%	29.1%	9.5%
Sal&Wages as % of Total Expend.-pre levy	61.5%	60.0%	59.7%	59.6%	58.7%	57.9%
Fringe Benefits as % of Total Expend.-pre levy	20.9%	20.9%	21.2%	21.4%	21.5%	21.9%
Ending Fund Bal. as % of Total Expend.-with levy	67.5%	64.0%	59.3%	48.9%	34.7%	20.9%

OTHER FINANCIAL ANALYSIS

Revenue compared to Expenditures

(without New Levies)

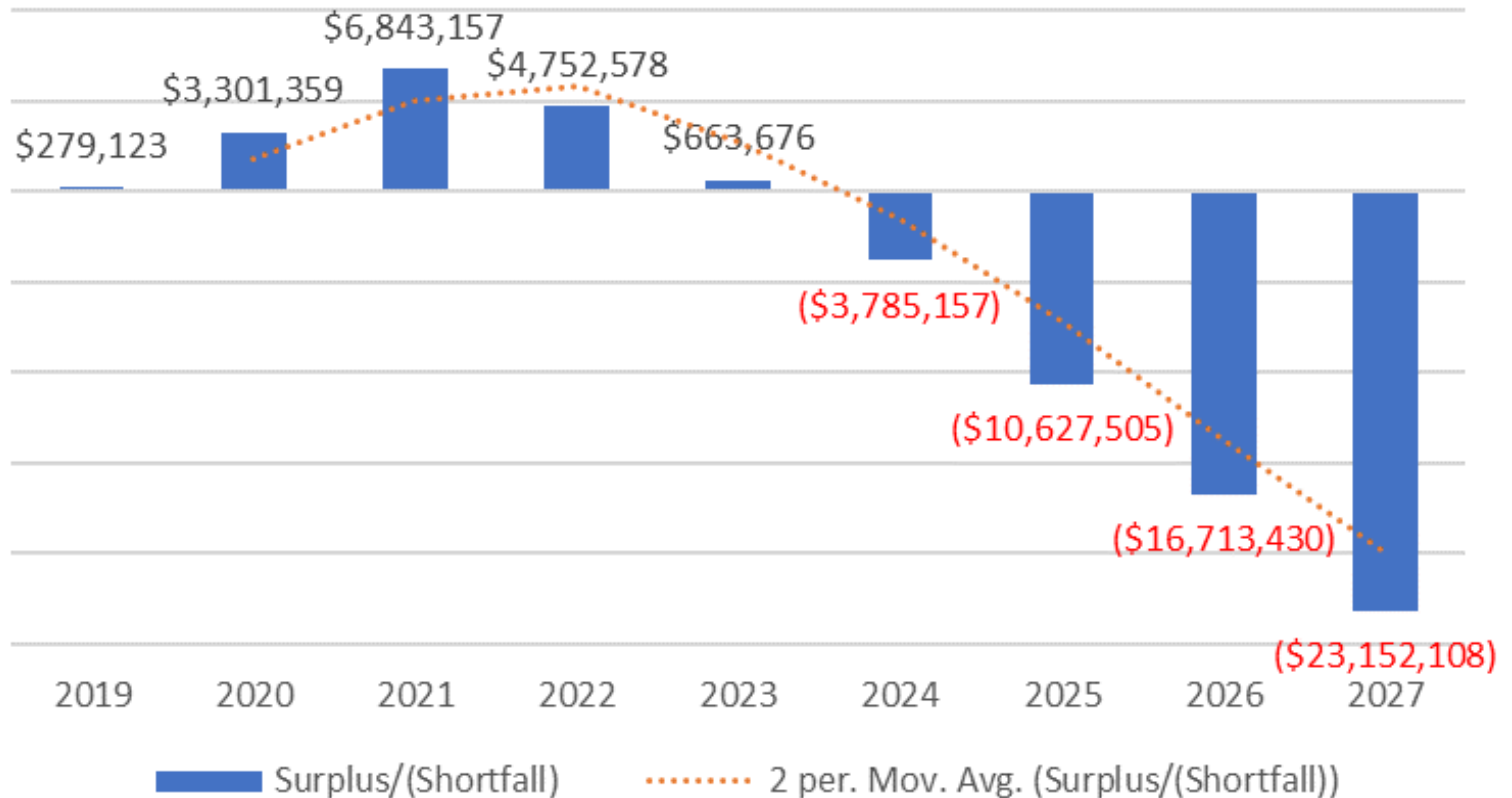




Net Income Surplus/Deficit

(without new levies)

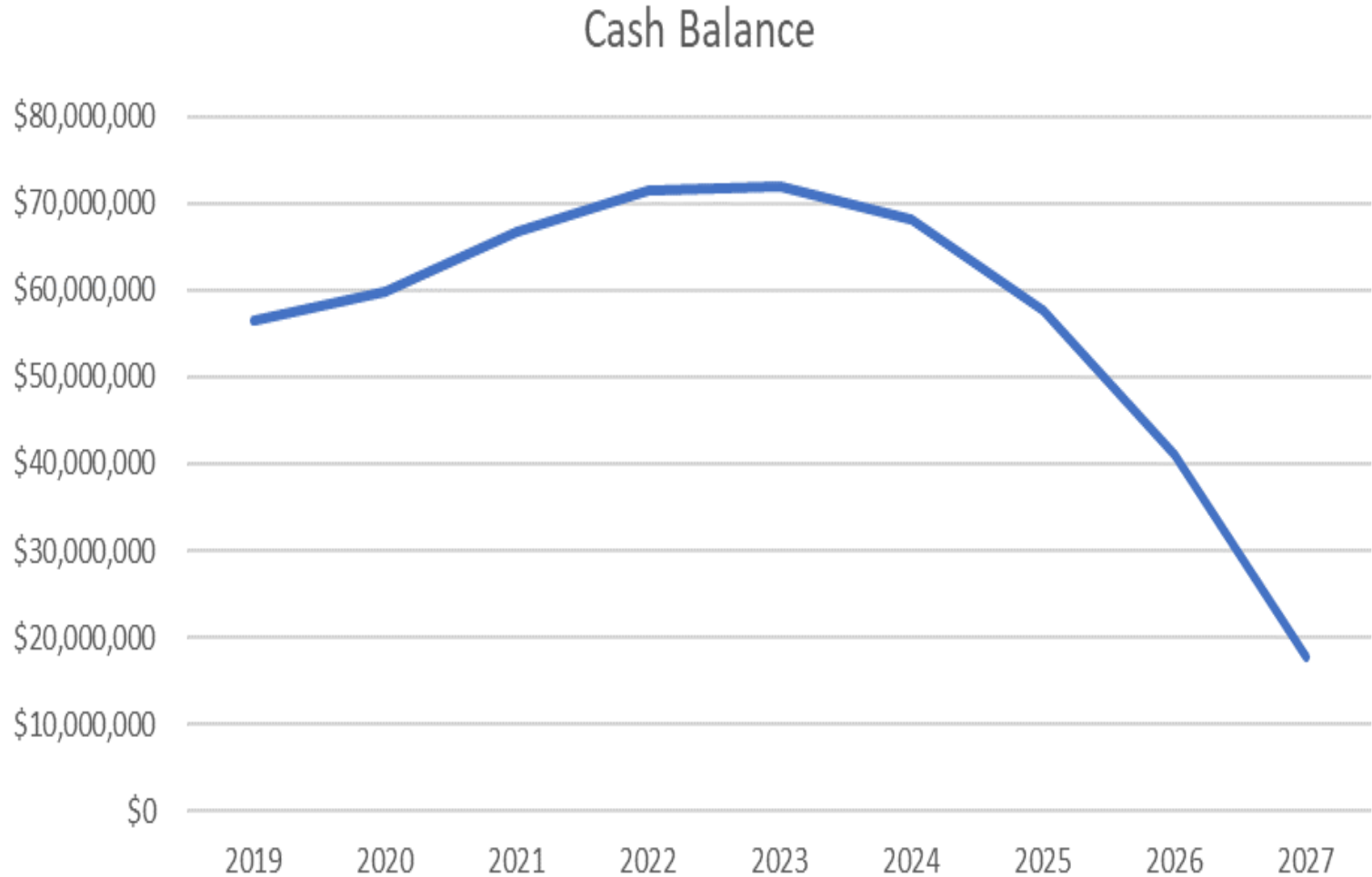
Annual Revenue Surplus/(Shortfall) by FY



CASH BALANCES



Yearend Cash Balances



ENROLLMENT





Enrollment Projection Report

Grade	History									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Kindergarten	346	376	364	334	330	309	305	333	266	310
1	370	350	378	375	348	343	313	330	309	304
2	368	353	353	380	348	340	339	316	318	316
3	410	374	361	353	395	347	332	345	307	340
4	402	396	377	354	345	392	370	342	331	311
5	414	412	414	372	372	348	402	374	320	321
6	407	409	423	409	372	373	361	428	375	329
7	439	403	417	408	414	367	370	368	416	350
8	422	457	431	422	388	407	379	372	367	372
9	520	496	496	469	439	412	451	426	373	396
10	413	464	455	454	427	409	402	441	396	369
11	428	408	458	443	441	417	391	381	429	376
12	405	382	383	431	408	400	396	367	379	413
Total K-12	5,344	5,280	5,310	5,204	5,027	4,864	4,811	4,823	4,586	4,507
Annual Change		-1.2%	0.6%	-2.0%	-3.4%	-3.2%	-1.1%	0.2%	-4.9%	-1.7%



Comparative Analytics

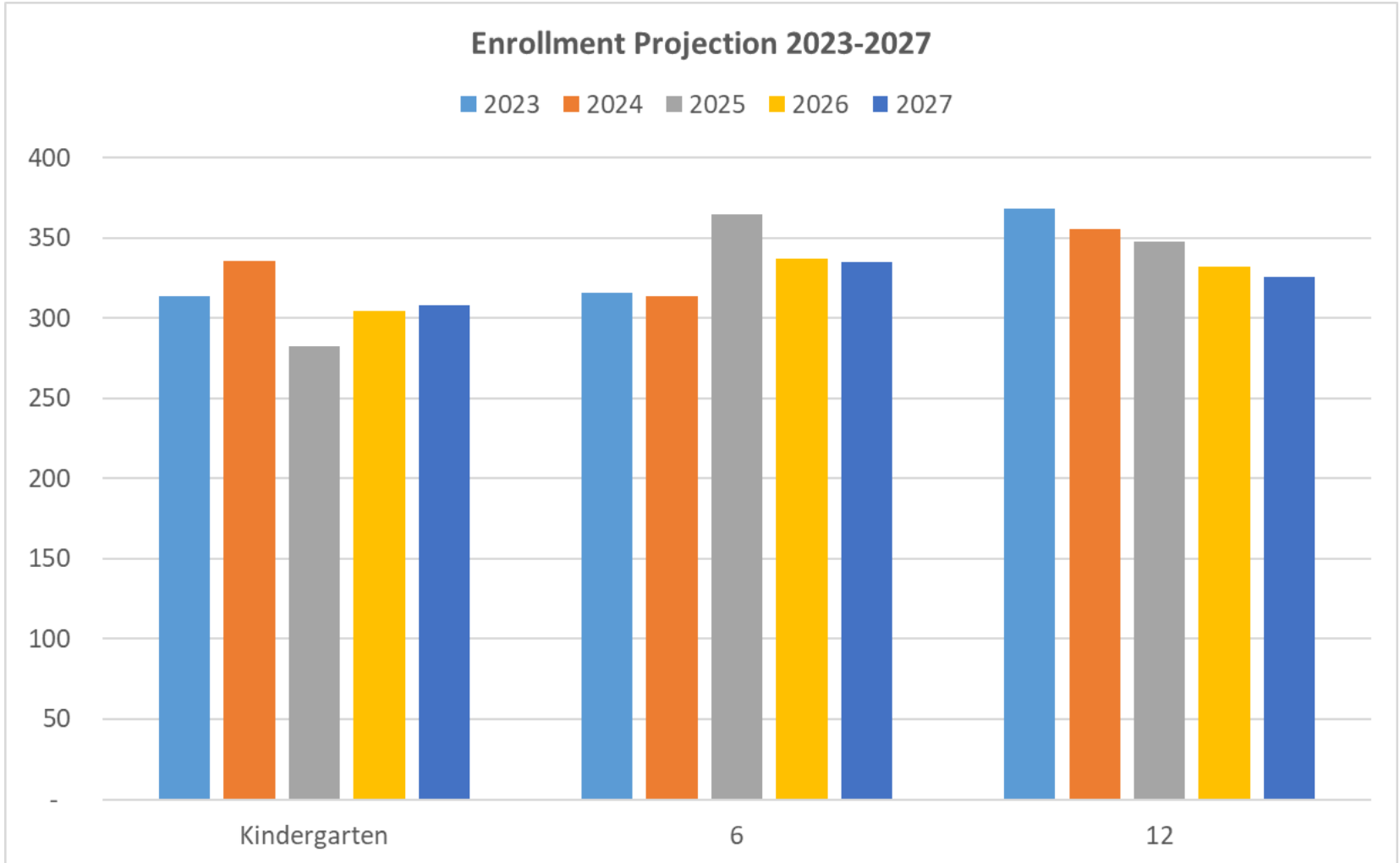
— formerly 5Sight —

Survival Rate	Calculated Survival Rates								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	101.2%	100.5%	103.0%	104.2%	103.9%	101.3%	108.2%	92.8%	114.3%
2	95.4%	100.9%	100.5%	92.8%	97.7%	98.8%	101.0%	96.4%	102.3%
3	101.6%	102.3%	100.0%	103.9%	99.7%	97.6%	101.8%	97.2%	106.9%
4	96.6%	100.8%	98.1%	97.7%	99.2%	106.6%	103.0%	95.9%	101.3%
5	102.5%	104.5%	98.7%	105.1%	100.9%	102.6%	101.1%	93.6%	97.0%
6	98.8%	102.7%	98.8%	100.0%	100.3%	103.7%	106.5%	100.3%	102.8%
7	99.0%	102.0%	96.5%	101.2%	98.7%	99.2%	101.9%	97.2%	93.3%
8	104.1%	106.9%	101.2%	95.1%	98.3%	103.3%	100.5%	99.7%	89.4%
9	117.5%	108.5%	108.8%	104.0%	106.2%	110.8%	112.4%	100.3%	107.9%
10	89.2%	91.7%	91.5%	91.0%	93.2%	97.6%	97.8%	93.0%	98.9%
11	98.8%	98.7%	97.4%	97.1%	97.7%	95.6%	94.8%	97.3%	94.9%
12	89.3%	93.9%	94.1%	92.1%	90.7%	95.0%	93.9%	99.5%	96.3%

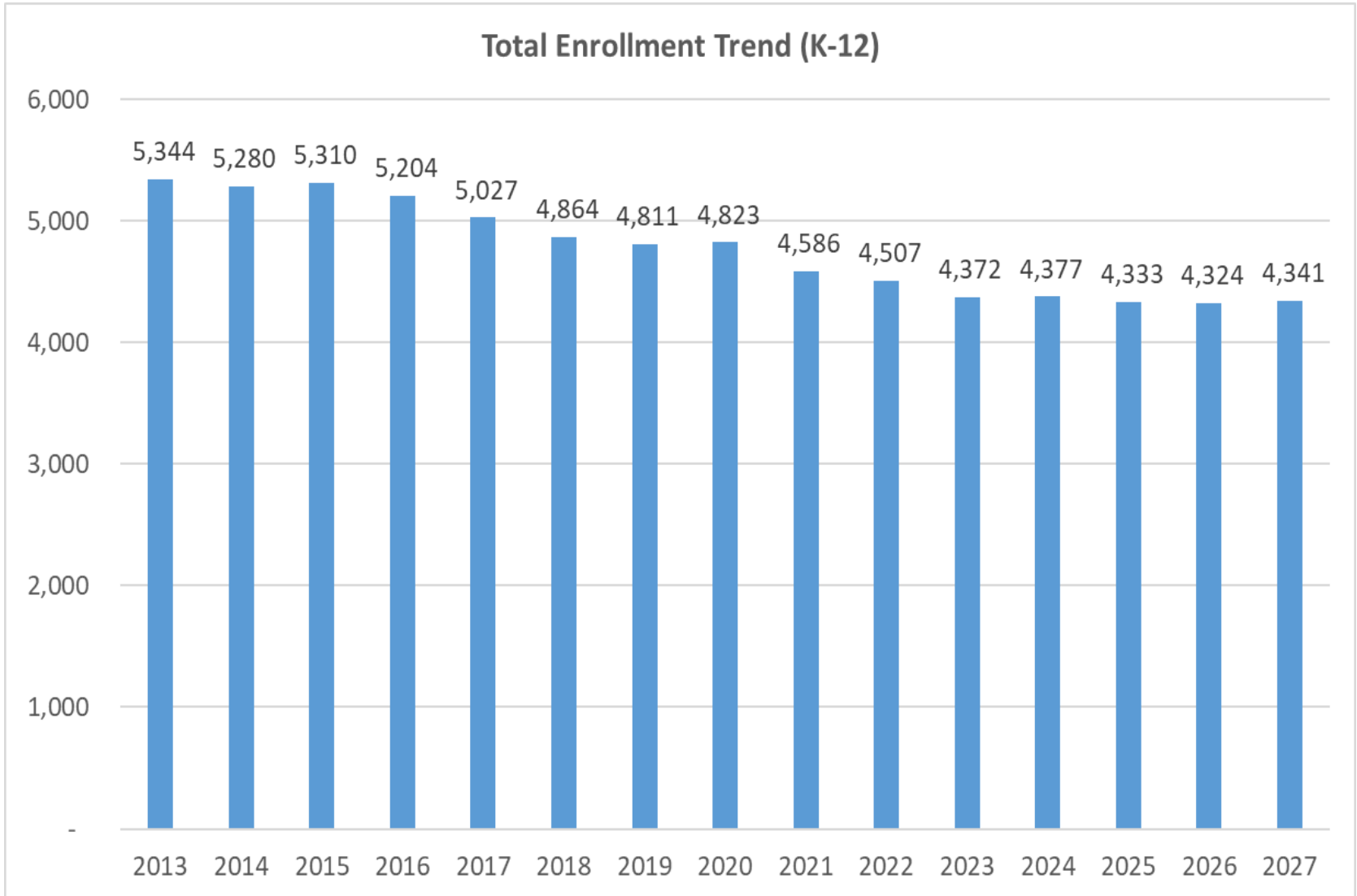


	Projected					
	2023	2024	2025	2026	2027	2028
Kindergarten	314	336	283	304	308	305
1	323	339	362	305	328	333
2	304	325	340	365	307	331
3	312	310	331	347	373	314
4	350	323	321	343	360	386
5	301	351	323	321	344	361
6	316	314	365	337	335	359
7	316	310	307	358	331	329
8	334	309	302	300	350	323
9	376	369	340	334	331	386
10	384	369	361	333	327	325
11	374	366	350	343	319	311
12	368	355	348	332	326	303
Total K-12	4,372	4,377	4,333	4,324	4,341	4,367
Annual Change	-3.0%	0.1%	-1.0%	-0.2%	0.4%	0.6%

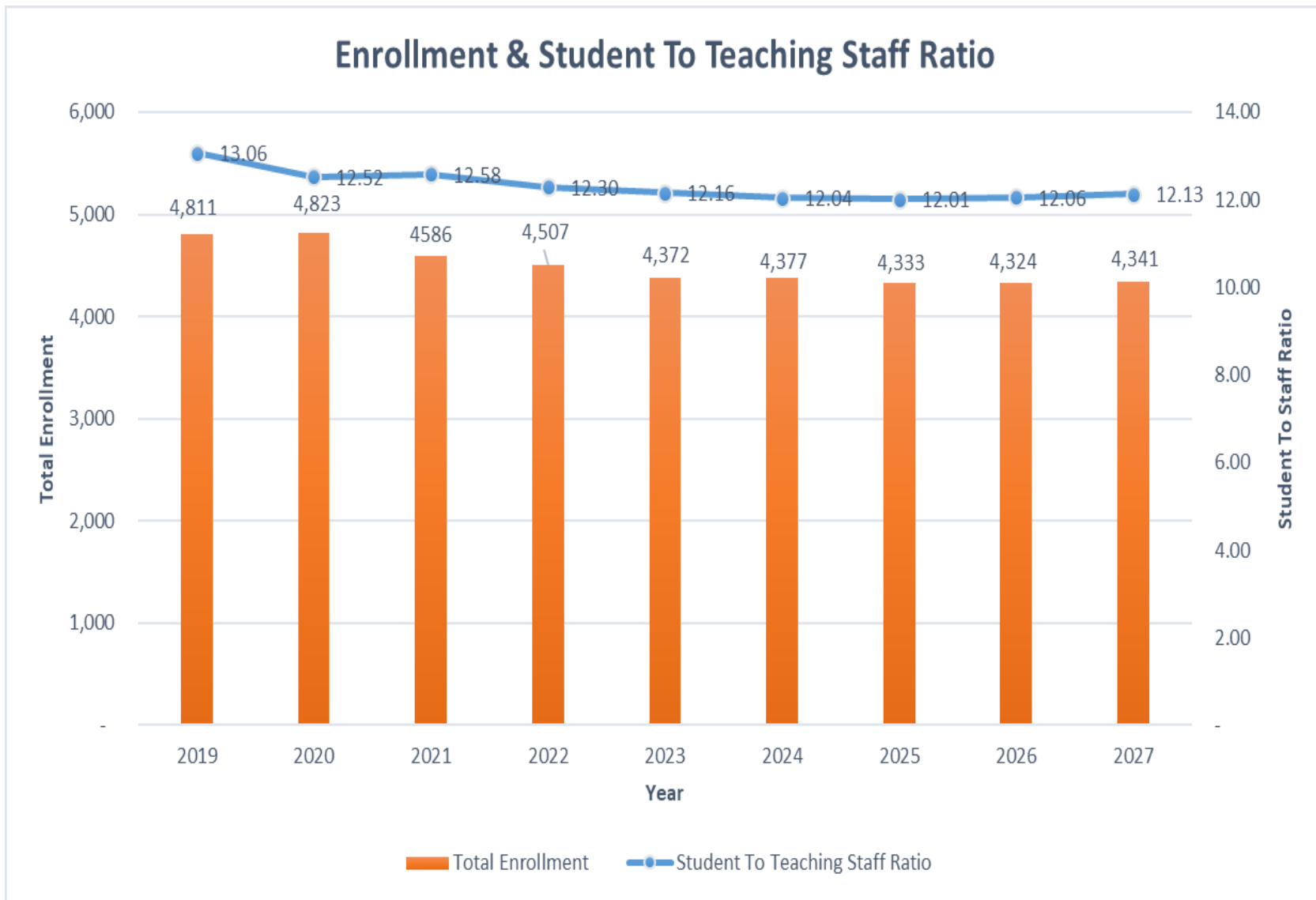
Enrollment



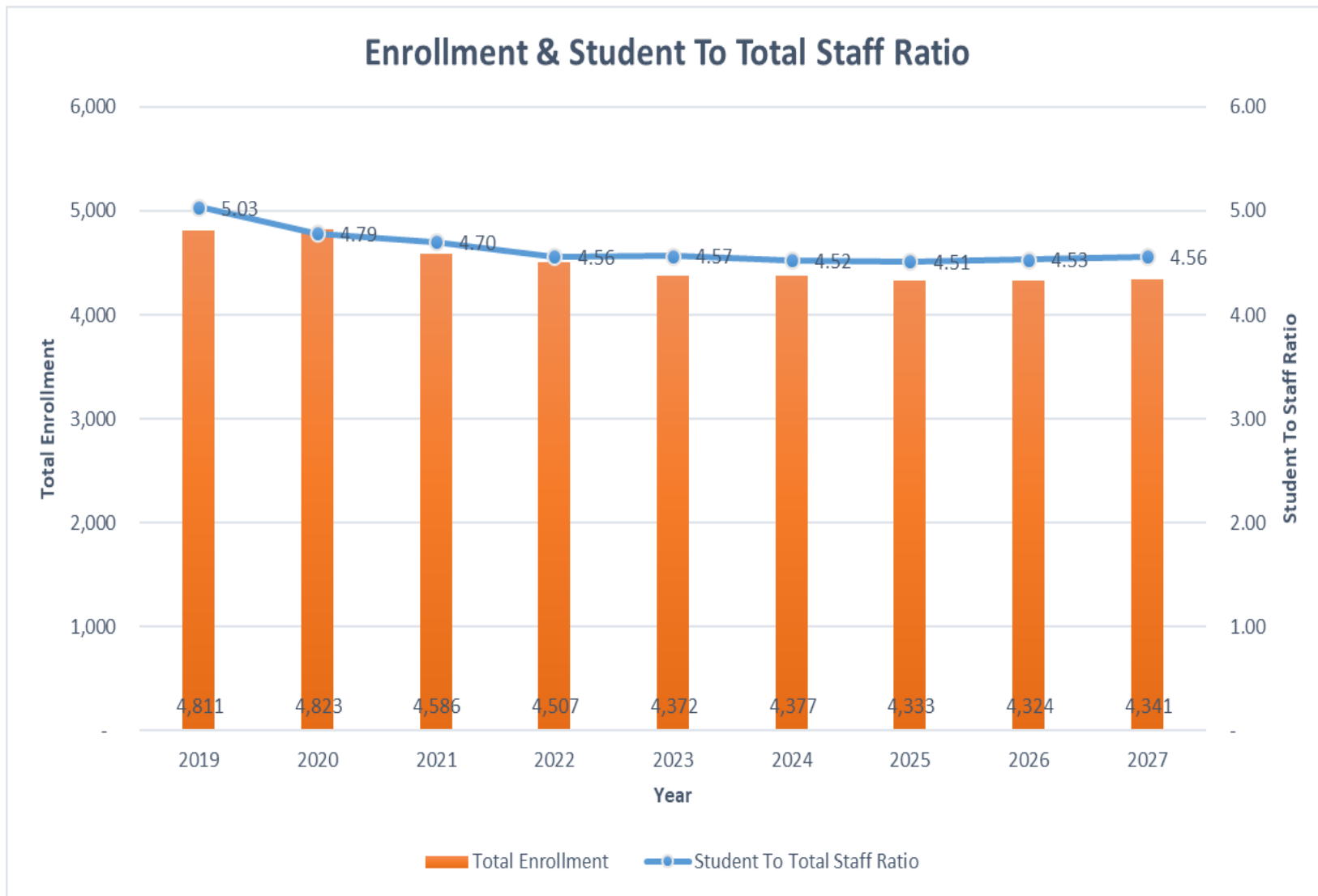
Enrollment



Enrollment & Teaching Staff



Enrollment & Total Staff



Enrollment

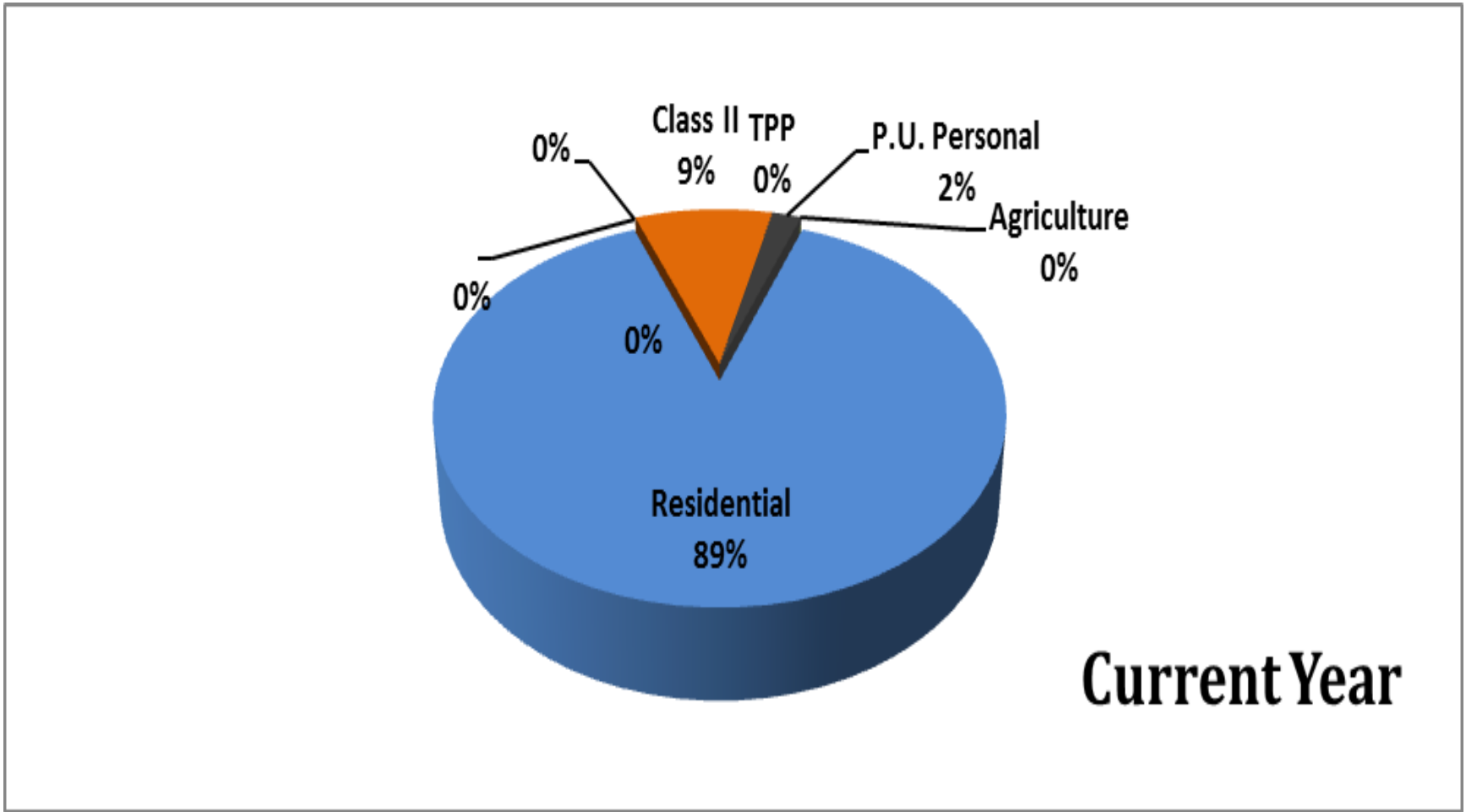
Progression of 2016 by Grade Enrollment Projected thru 12th Grade										
Grade	2021	2022	2023	2024	2025	2026	2027	2028		
K								334	<-KG class in	2016
1							375	348	<-1st grade in	2017
2						380	348	340	<-2nd grade in	2018
3					353	395	347	332	<-3rd grade in	2019
4				354	345	392	370	342	<-4th grade in	2020
5			372	372	348	402	374	320	<-5th grade in	2021
6		409	372	373	361	428	375	329	<-6th grade in	2022
7	408	414	367	370	368	416	350	316	<-Proj. 7th grd in	2023
8	388	407	379	372	367	372	334	309	<-Proj. 8th grd in	2024
9	412	451	426	373	396	376	369	340	<-Proj. 9th grd in	2025
10	402	441	396	369	384	369	361	333	<-Proj. 10th grd in	2026
11	381	429	376	374	366	350	343	319	<-Proj. 11th grd in	2027
12	379	413	368	355	348	332	326	303	<-Proj. 12th grd in	2028

ASSESSED VALUATION

Assessed Valuation-0.54% increase

Tax Collection Yr.2022_(update)=\$937.6 million

Tax Collection Yr.2023 = \$942.6 million





Questions?

