



Garfield Heights City School District

# Five Year Forecast Financial Report

May, 2018

## Table of Contents

	<u>PAGE #</u>
<b>Table of Contents</b>	<b>2</b>
<b>Executive Summary</b>	<b>3</b>
<b>Revenue Overview</b>	<b>4</b>
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - Property Tax Allocation	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
<b>Expenditures Overview</b>	<b>13</b>
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
<b>Forecast Compare</b>	<b>22</b>
<b>Five Year Forecast</b>	<b>23</b>
<b>Three Year Forecast</b>	<b>24</b>

### 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.

**Five Year Forecast - Simplified Statement**

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Beginning Balance	807,016	1,271,082	1,248,709	320,854	(791,468)
+ Revenue	44,772,263	45,142,717	45,711,109	46,957,224	48,280,344
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(44,308,198)	(45,165,090)	(46,638,964)	(48,069,546)	(49,681,434)
<b>= Revenue Surplus or Deficit</b>	<b>464,066</b>	<b>(22,373)</b>	<b>(927,855)</b>	<b>(1,112,322)</b>	<b>(1,401,090)</b>
Ending Balance	1,271,082	1,248,709	320,854	(791,468)	(2,192,558)
Revenue Surplus or Deficit w/o Levies	464,066	(22,373)	(927,855)	(1,112,322)	(1,401,090)
Ending Balance w/o Levies	1,271,082	1,248,709	320,854	(791,468)	(2,192,558)

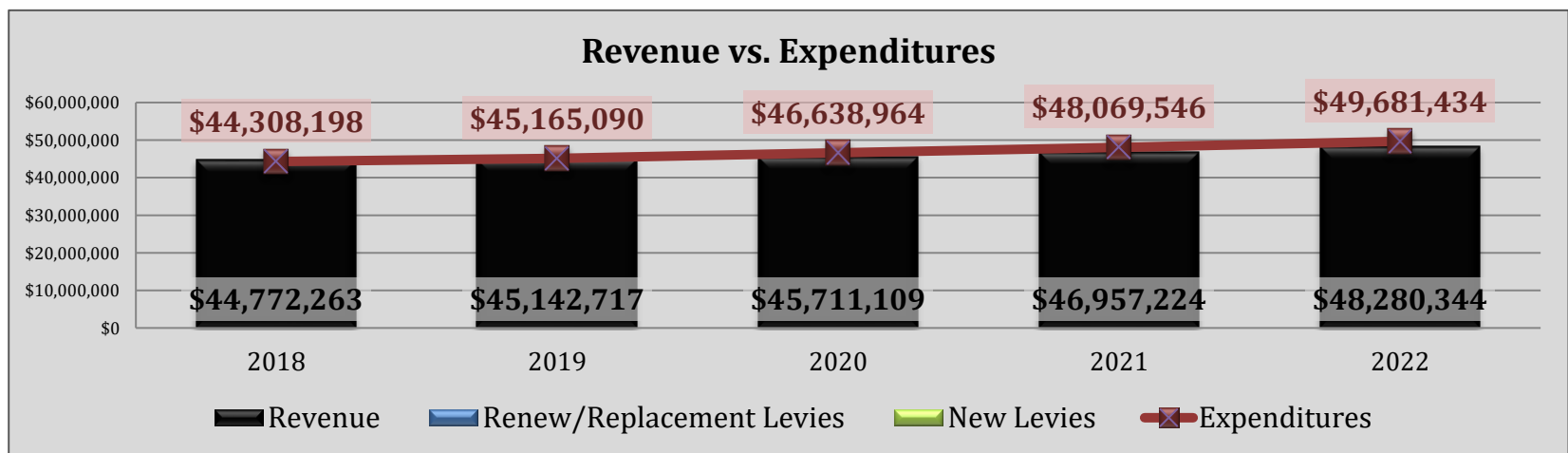
**Summary:**

For projected fiscal years 2019 through 2022, the forecast shows Revenue Deficits for these fiscal years. Carryover balances remains positive in Fiscal Years 2018, 2019 and 2020. The district will need to begin to address the potential revenue deficit position during the next few fiscal years.

ADM estimates are included in the forecast and assumes no significant change in enrollment. The District continues to closely monitor enrollment numbers to assess the academic needs of our students and the impact on state funding to the district.

The Notes & Assumptions explained in more detail by revenue and expenditure areas in this report are key variables to the projections and the decisions necessary to balance the budget. The assumptions are those that management believes are significant to the forecast. However, because circumstances and conditions assumed in projections frequently do not occur as expected, and are based on information existing at the time projections are prepared, there will usually be differences between projected and actual results.

A new state biennium budget was passed on June 2017 that affects Fiscal Years 2018 and 2019. The State Legislature's passed biennium budget (HB49) significantly reduced the states basic foundation funding aid to the school district over what was forecasted for 2018 and 2019. That reduction amounted to over \$950,000 in less revenues over this two year period than what was previously forecasted. The future of state funding for public schools is still unknown beyond 2019. The state funding for schools in the next biennium budget could have a significant impact on forecasted fiscal years 2020 and 2021.



## Revenue Overview

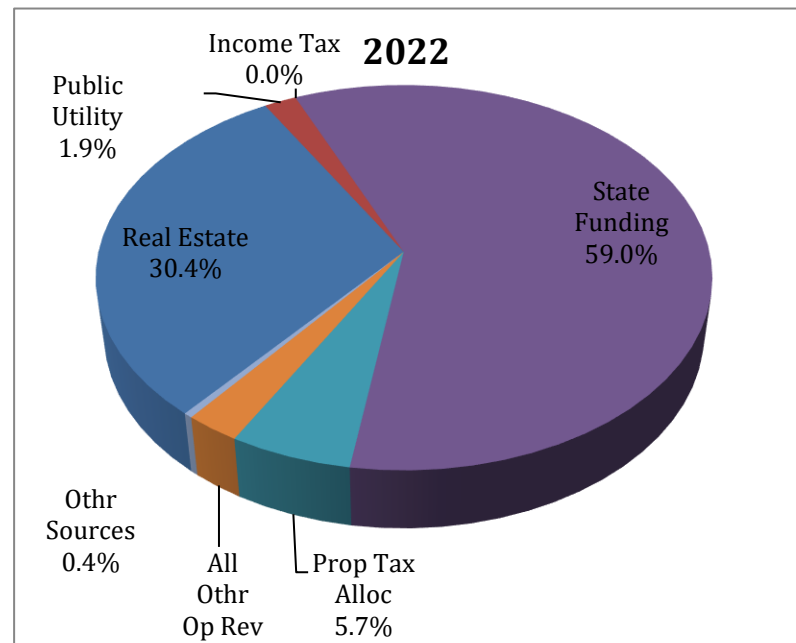
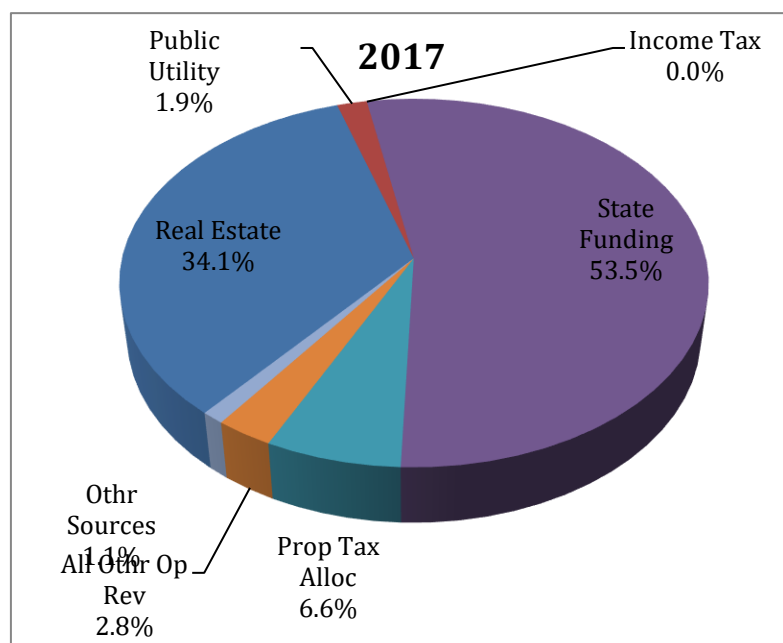
	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	
<b>Revenue:</b>							
1.010-Real Estate	5.70%	5.24%	-6.43%	0.58%	0.26%	0.26%	-0.02%
1.020-Public Utility	12.86%	9.99%	4.61%	-0.23%	0.26%	0.26%	2.98%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	5.25%	5.51%	3.01%	5.05%	5.00%	5.06%	4.73%
1.040-Restricted Aid	293.51%	-32.73%	1.89%	0.00%	0.00%	0.00%	-6.17%
1.045-Restr Federal SFSF	-91.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	4.42%	2.64%	-1.53%	-1.51%	-1.64%	-1.67%	-0.74%
1.060-All Other Operating	4.85%	5.64%	49.33%	-35.33%	0.00%	0.00%	3.93%
1.070-Total Revenue	5.35%	4.20%	0.76%	1.26%	2.74%	2.83%	2.36%
2.070-Total Other Sources	10.89%	-64.28%	17.43%	0.00%	0.00%	0.00%	-9.37%
2.080-Total Rev & Other Srcs	5.06%	3.45%	0.83%	1.26%	2.73%	2.82%	2.22%

Total Revenues and Other Financing Sources are projected to increase annually by an average of 2.20% over the forecasted years 2018 through 2022 as compared to 5.06% average over the previous five years .

With over 59% of the district's funding coming from the State of Ohio (State Funding, Restricted Aid and Property Tax Allocation), the state's biennial budget and economic outlook is a major factor in projecting future revenues.

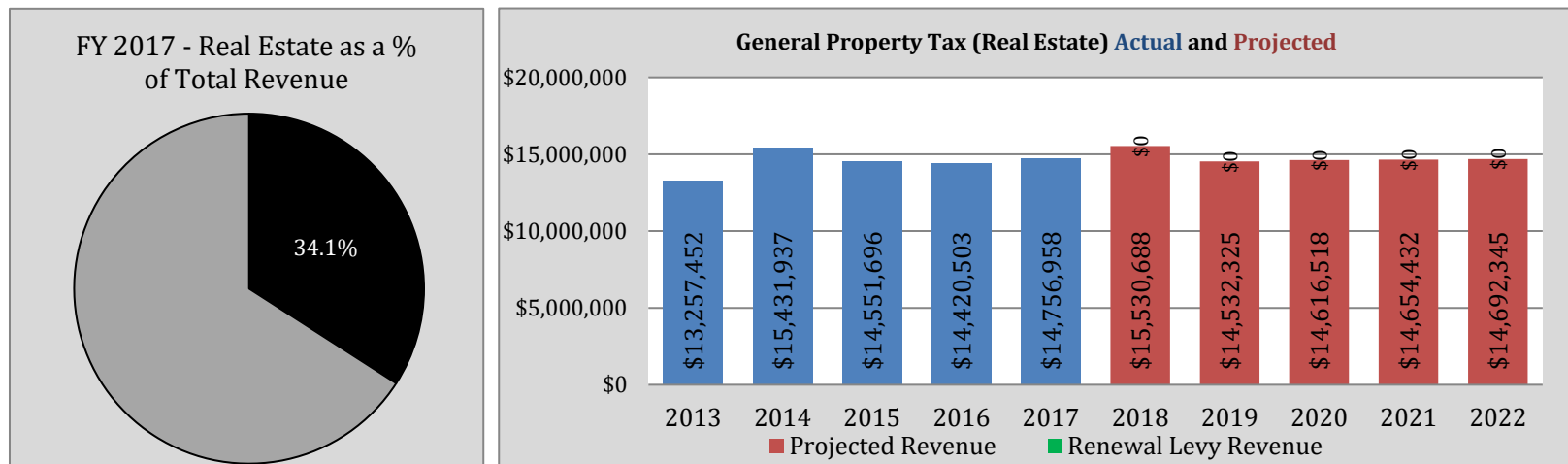
The next major revenue source is real estate taxes of which generates 31% of the district's total revenues. Reverse HB920 and Emergency Levies which are dollar amount driven have played a significant role in mitigating the valuation loss. Collection of delinquent taxes over the past few years have also contributed to steady property tax revenues. While we have tried to project these collection amounts based on past history, we do not always know who or when someone is going to pay their delinquent tax amount.

The District passed a combination ten year renewal tax levy in November 2016.



### 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).



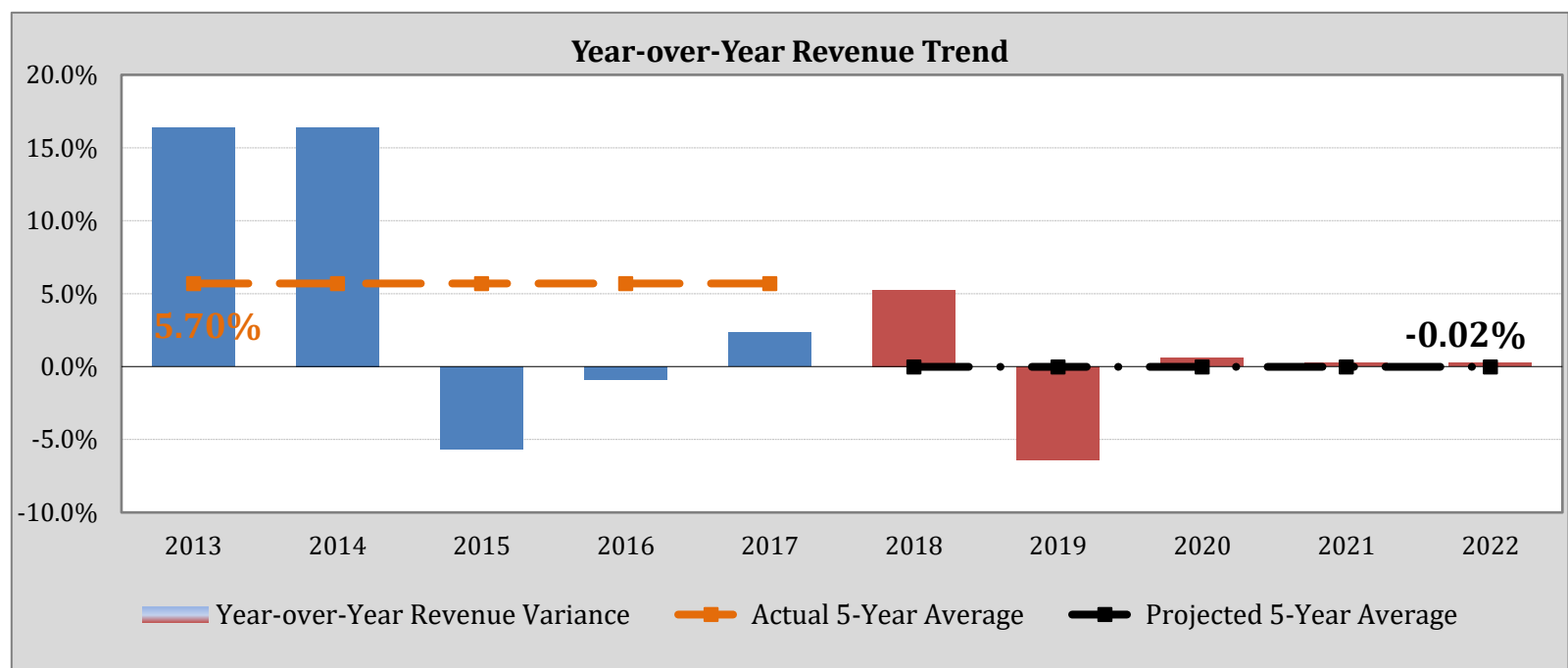
General Property Tax is the second highest revenue source of the district. The General Property tax consists of real estate taxes of both Residential (Class I) and Commercial/Industrial (Class II). Of these two, residential property tax makes 76% while Commercial/Industrial is 24% of these revenues. There are four major components that affect the district's real estate property tax revenues: Taxable Values, Tax Rates, Collection Rates and Delinquency Collections.

**Taxable Values** - For tax years 2017 collectable in 2018, the district saw another reduction of .5% for Residential and a .4% reduction a for Commercial/Other. As for the next reappraisal in tax year 2018, the district is projecting a slight increase of 2% for Residential and 1.74% for Commercial/Other.

**Tax Rates** - Based on the valuation reduction and the Emergency Levies, the tax rate is calculated at 66.04 mills for Residential and 59.90 mills for Commercial/Other.

**Collection Rates** - The district had a collection rate 89.8% in 2017 and are projecting a 88% collection rate for residential and 89% collection rate for commercial in the forecasted fiscal years. This is due from the change in tax laws and homeowners paying their real estate taxes in full during 2017 due receive the full year tax credit.

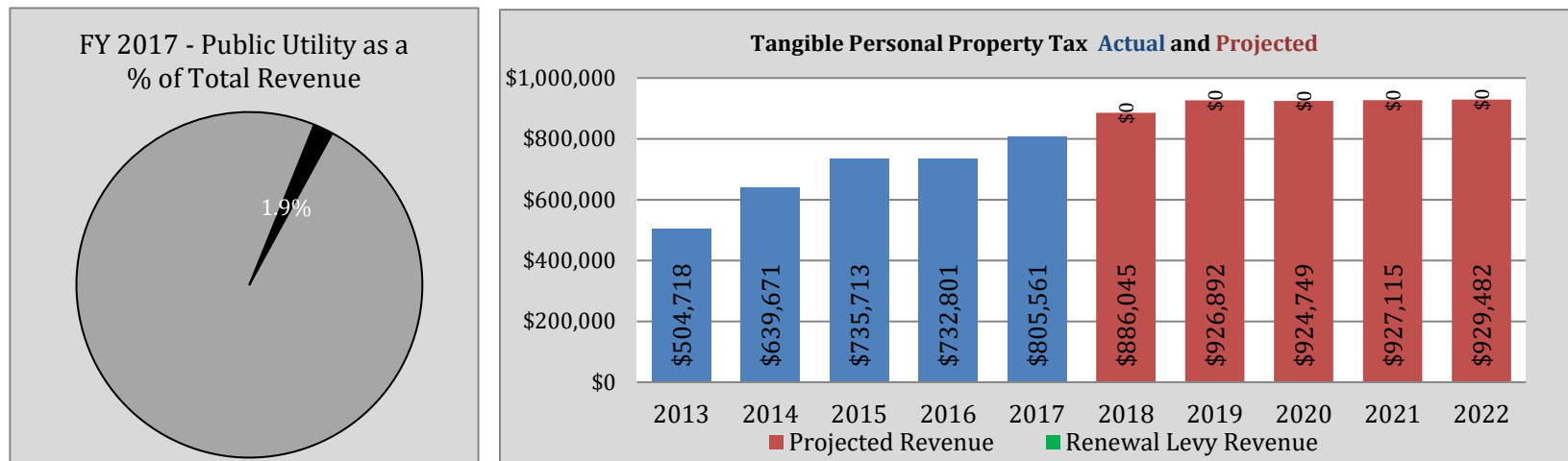
**Delinquency collections** in fiscal year 2017 was \$1.15 million and is projected to collect \$850,000 annually for fiscal years 2018 through 2022.



\*Projected % trends include renewal levies

### 1.020 - Public Utility Personal Property

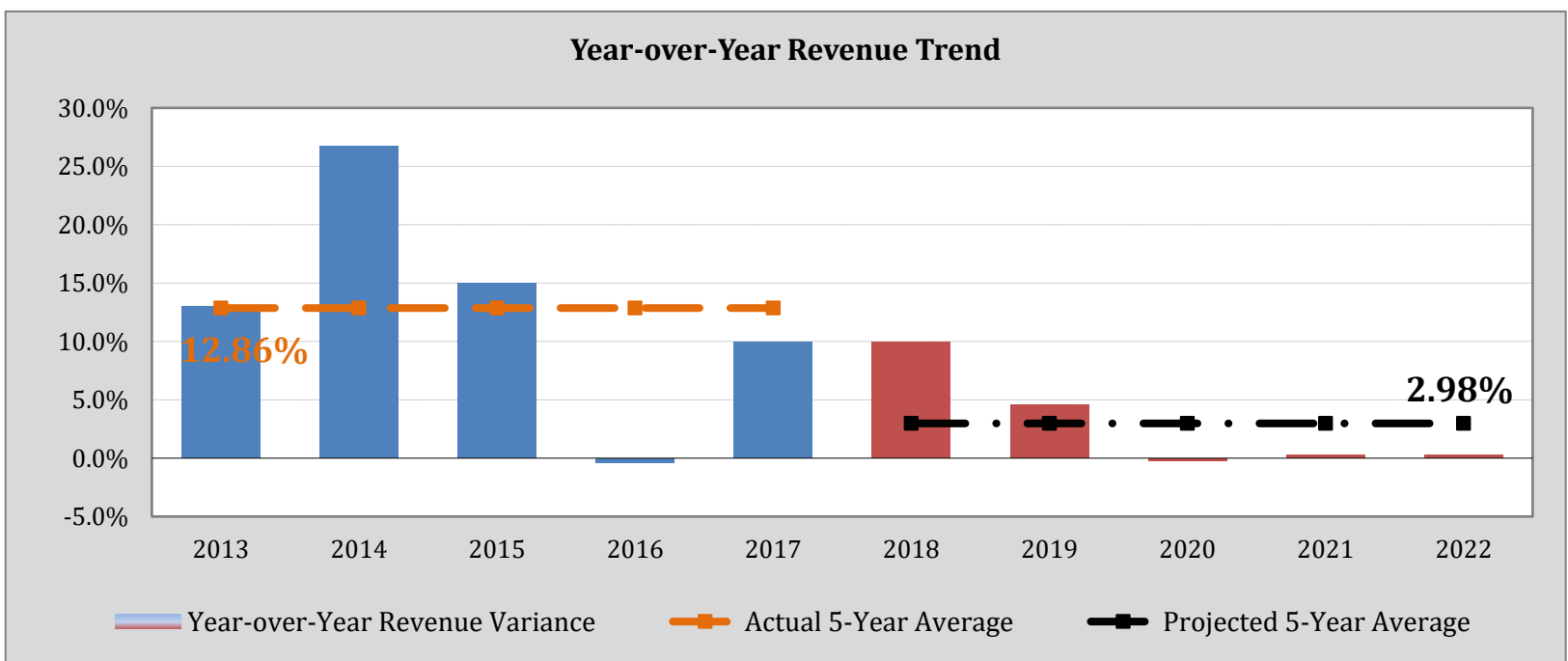
Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Public Utility Personal Property (PUPP) tax revenues is generated from telephone, natural gas, electric and water lines and equipment.

The PUPP valuation increased \$863,390 in Calendar Year 2017 to an overall valuation of \$12,926,630. We will not know the PUPP valuation for 2018 until later in the calendar year. Therefore, along with the corresponding revenues generated from PUPP are projected to be flat lined for forecasted years 2019 through 2022.

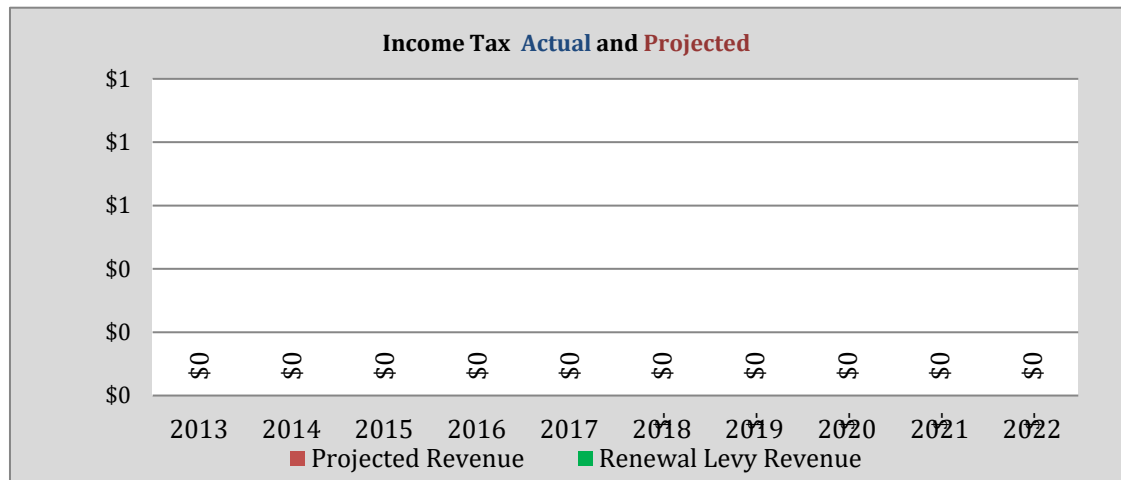
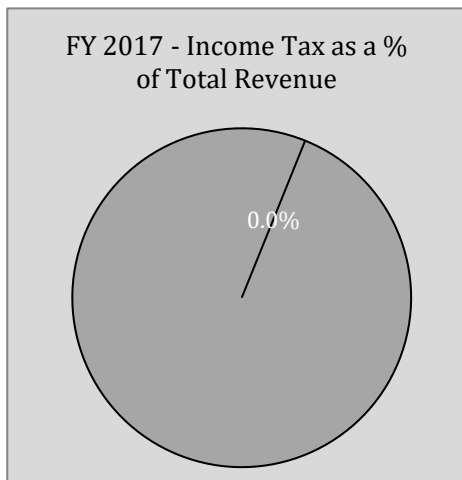
PUPP valuations are assessed at the full tax rate and are not forecasting any amount for delinquency collections.



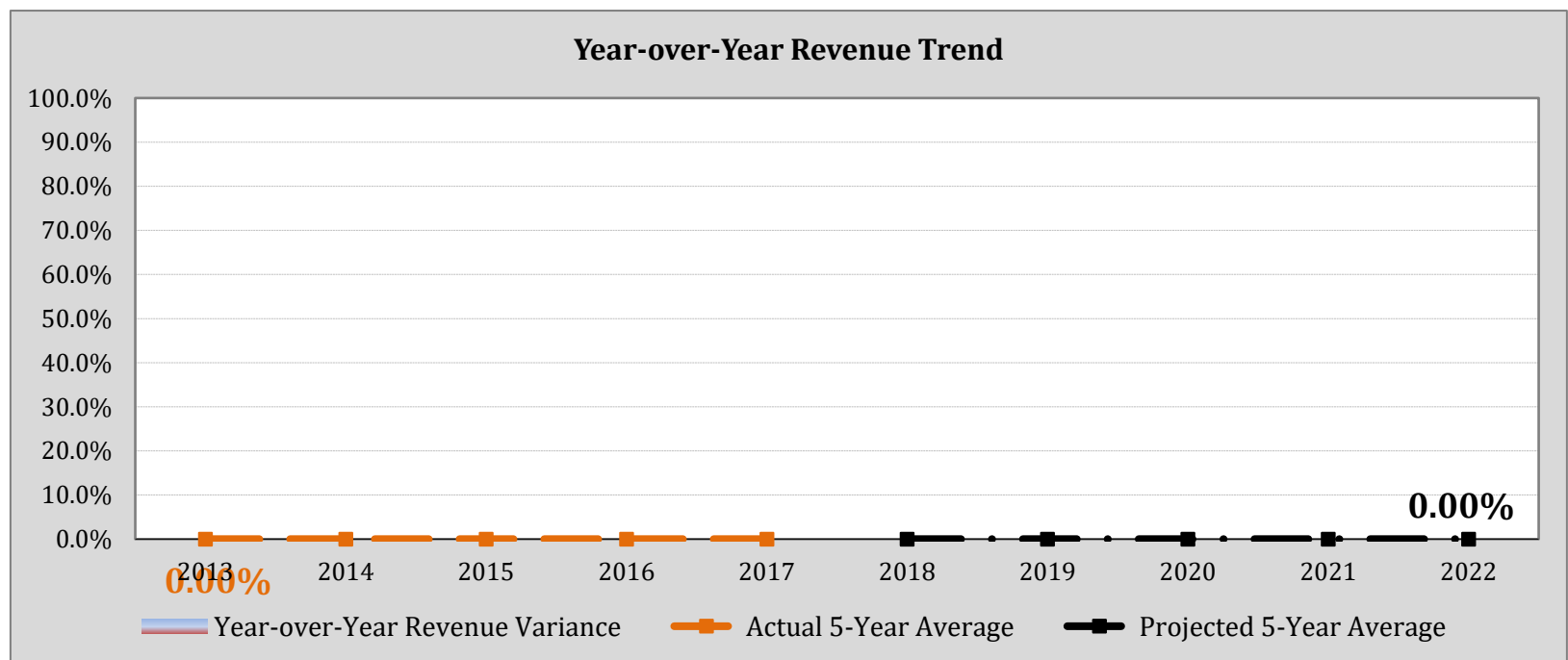
\*Projected % trends include renewal levies

### 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.



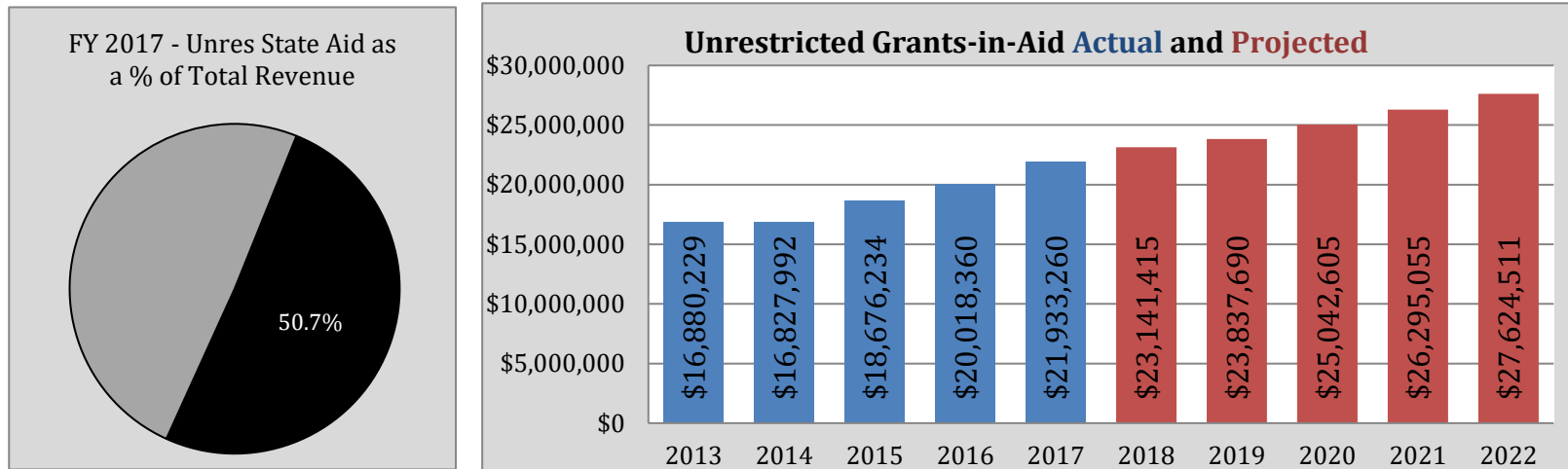
The district does not have an income tax.



\*Projected % trends include renewal levies

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



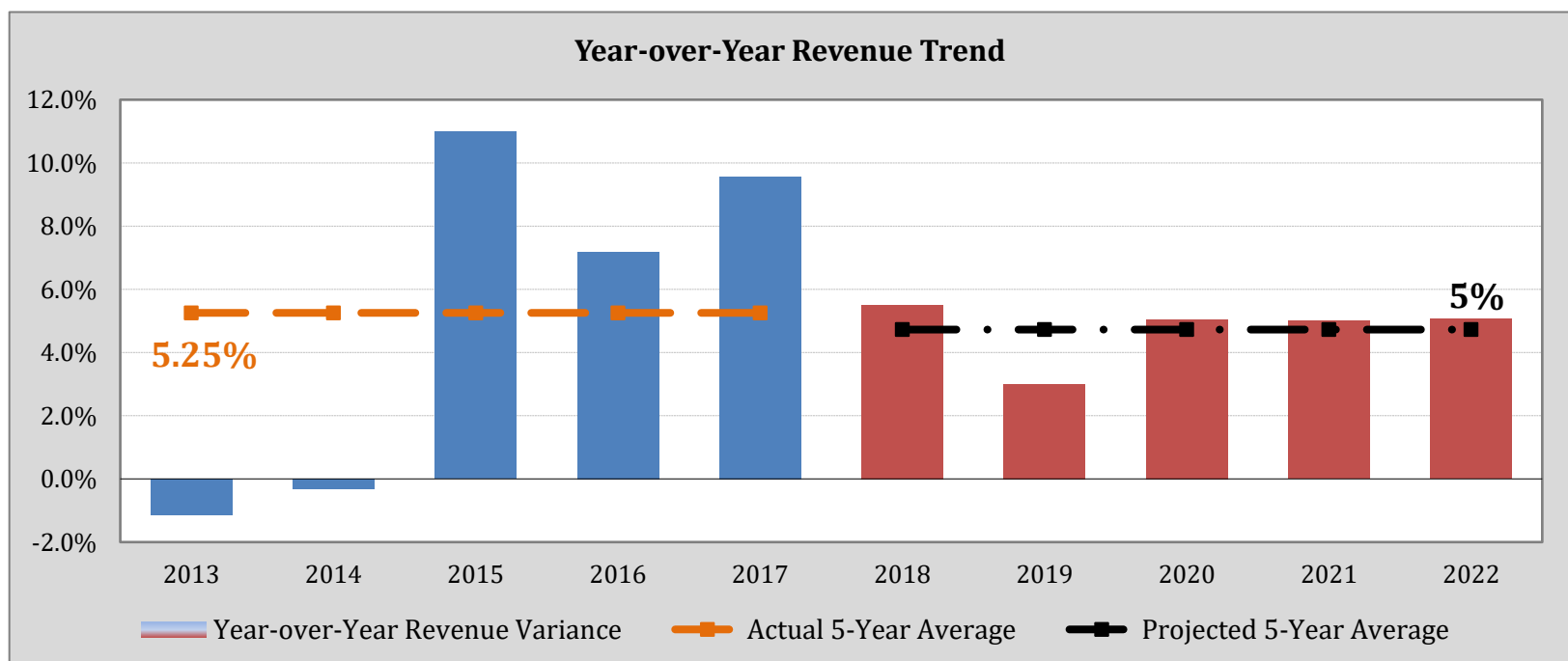
Unrestricted Grants-In-Aid is the largest revenue source of the district at 53.6% if you include the Economic Disadvantage Aid (Restricted) as part of the state's overall funding formula.

The Unrestricted Grants-in-Aid revenue amount shown for fiscal year 2018 is the amount calculated by the State Legislature under the two year budget bill which expires June 30, 2019. Also included is the Preschool, Special Education Transportation, and Casino Revenue. These amounts are not projected to change significantly in the forecasted fiscal years.

Under the State's current funding formula, the district is considered a "CAP" district. While the current funding formula showed the district qualifying for a higher amount of state aid, the biennial budget (18-19) calls for a CAP on the funding amount of 3% each fiscal year. That means that the district would receive a maximum increase of 3% in state aid from the previous year if the funded formula amount exceeds the CAP amount.

For projected years 2020 through 2022, the district is assuming that the same funding formula will be in place and that it will remain a CAP district. We are projecting a CAP increase of 5% in each of the forecasted fiscal years.

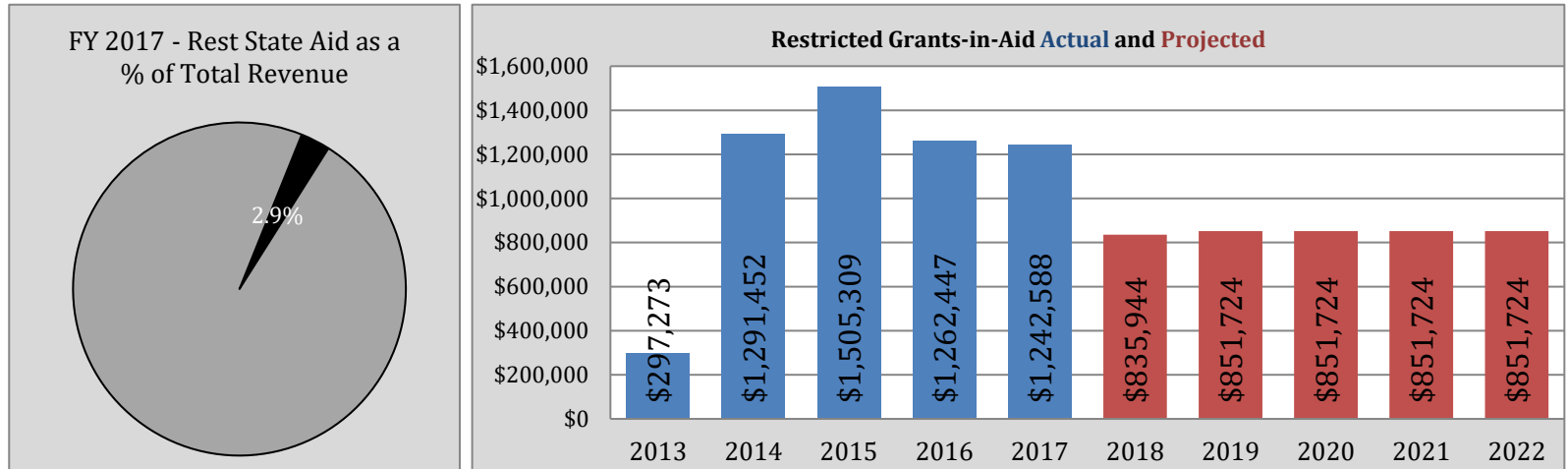
Casino Revenues are an 'Other Unrestricted State Grant-In-Aid. The projected rate moving forward will be \$49.50 per pupil amount as established by State Legislature.





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

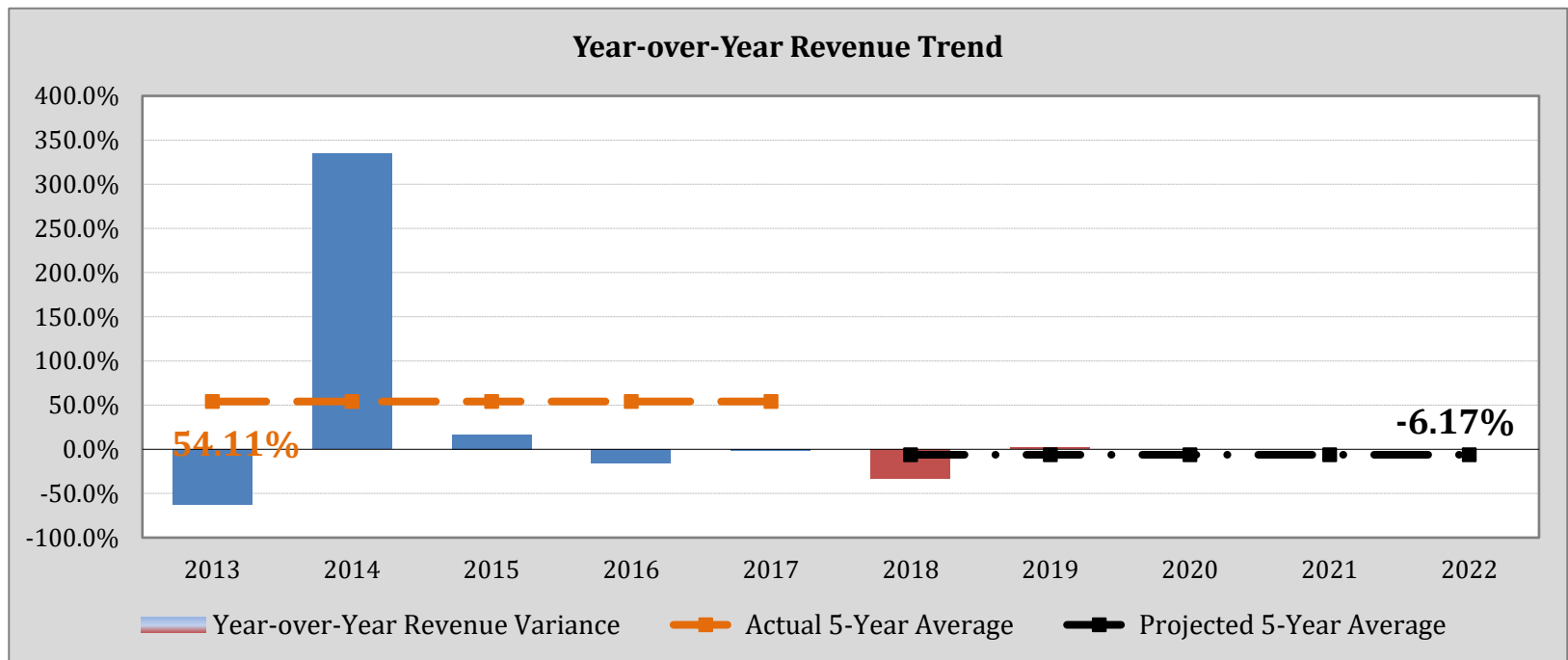
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



An additional component of the State’s current funding formula is Economic Disadvantage Aid. This formula amount is deemed restricted by the Ohio Department of Education and the calculated formula amount is reflected here. For the forecasted amounts in Economic Disadvantage Aid, the district is using the state's FY 2018-19 budget and the same assumptions as with the State Basic Aid. This amount also follows under the CAP increase of 3% for 2018-19 and 5% increase in the CAP for forecasted fiscal years 2020 through 2022..

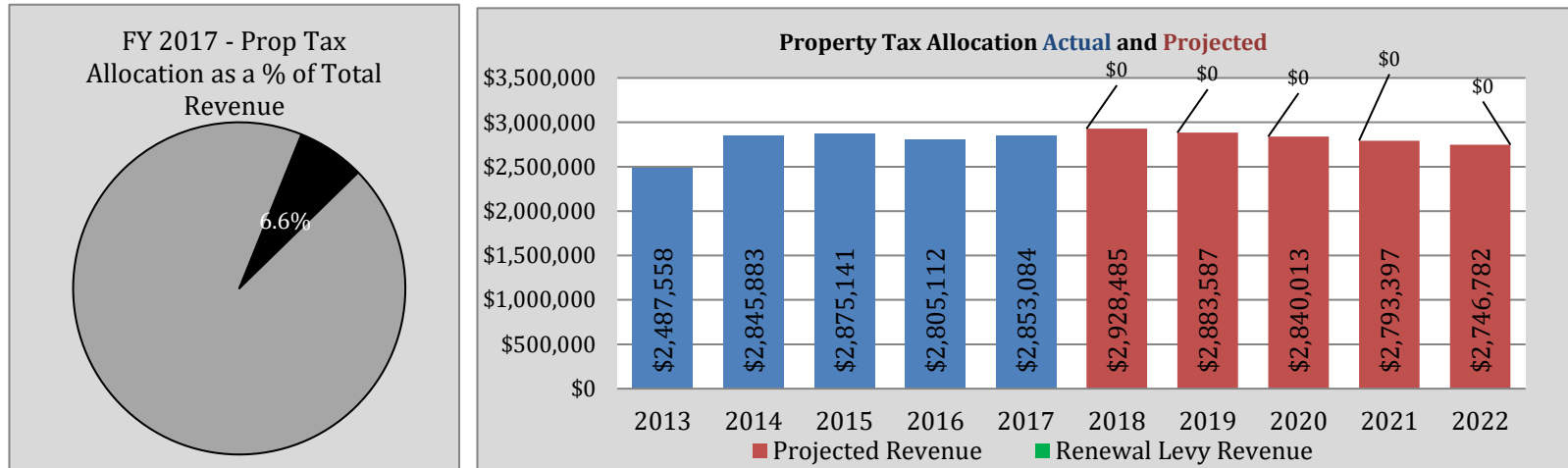
The District also receives restricted state aid in the form of career/technical aid and catastrophic aid reimbursement.

Both of these payments are projected to remain flat over forecasted fiscal years 2018 through 2022.



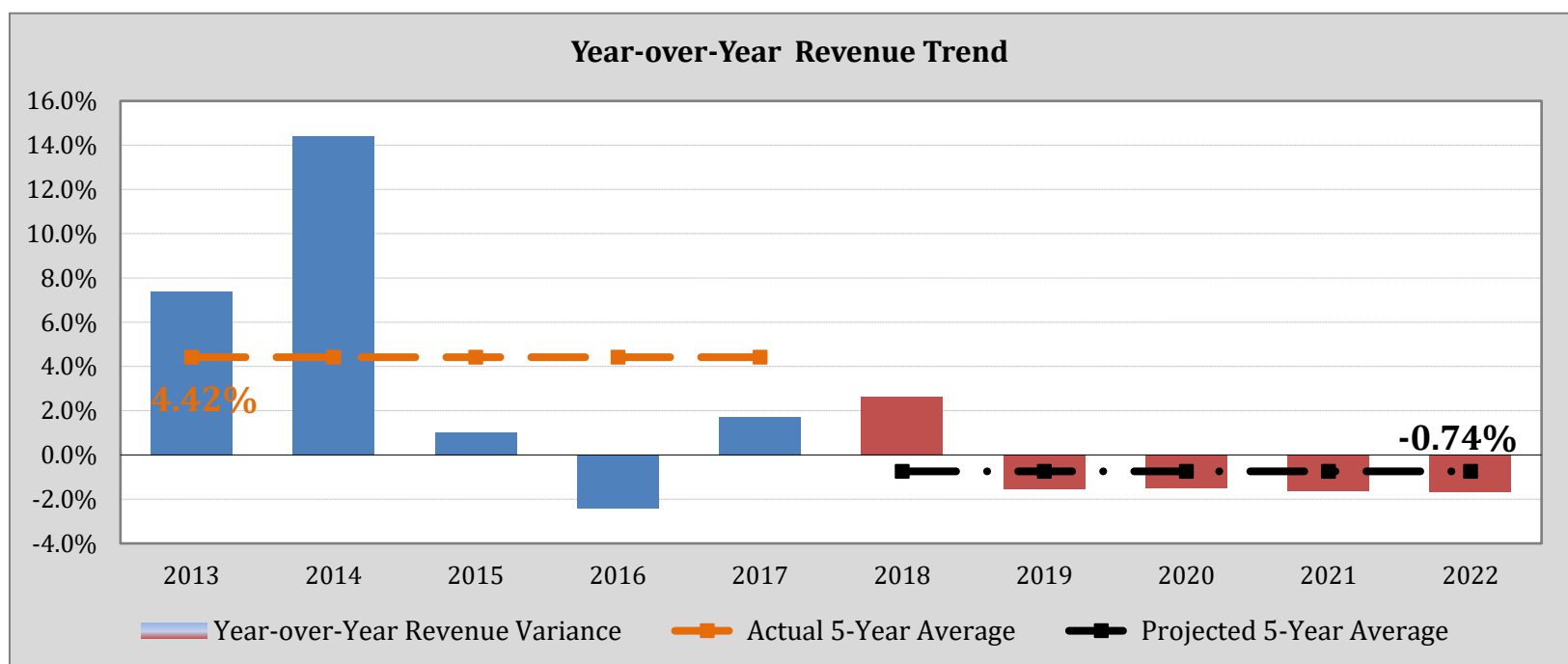
### 1.050 - Property Tax Allocation

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



The Property Tax Allocation revenues are the district's third largest revenue source at 6.6%. A major portion of the Property Tax Allocation is generated from the Homestead and Rollback payments received from the State of Ohio. These payments are based on the relationship to actual real estate property tax collections. From the forecasted overall general property revenues, 7.17% is being used to calculate the homestead exemption, while 11.6% is being used to calculate the rollback amounts for each of the forecasted years 2018 through 2022. These percentages are in following historical trends.

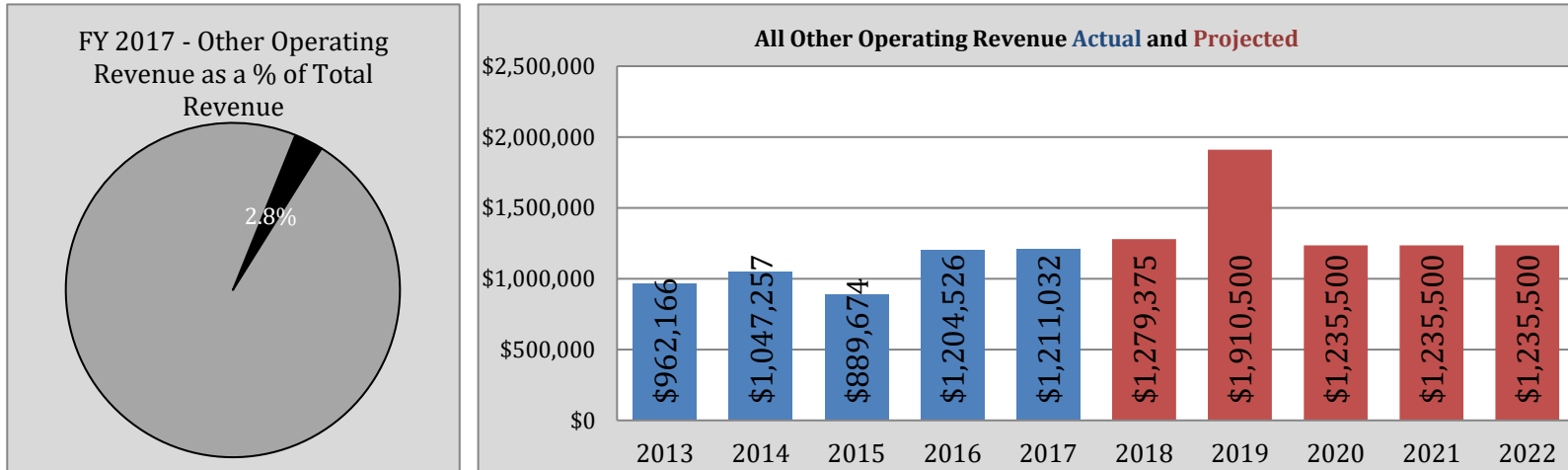
The State of Ohio was holding harmless school district's who lost revenues from Tangible Personal Property (TPP) tax elimination (House Bill 66). The forecasted amounts were determined using a formula and spreadsheet developed by the Ohio Department of Education and the Ohio Department of Taxation. However, under the current state budget bill (House Bill 153), the district had a significant amount of their TPP reimbursement phased out in prior years. The remaining amounts are being phased out through the forecasted fiscal years 2018 through 2022.



\*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.



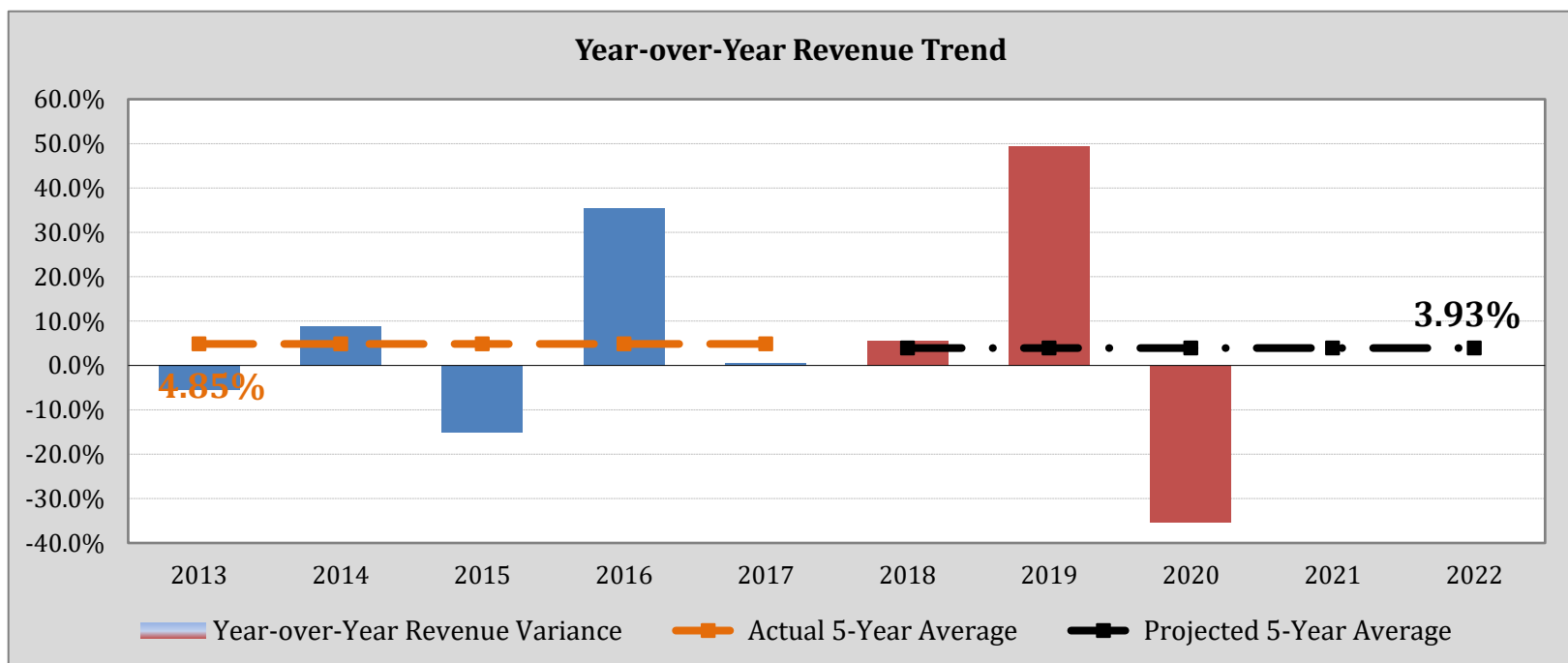
The "All Other Operating Revenues" makes up a very small portion of the district's overall revenues (2.8%) and consists of Tuition payments, Earnings on Investments, Pay-to-Participate Fees, Building Rentals, Medicaid Reimbursement, CityView TIF payments and **a one time payment of \$700,000 from the City of Garfield Heights in 2019 for shared income taxes owed from abated properties.**

In fiscal year 2017, tuition made up 36% of this revenue area and revenues amounted to \$434,535. Based on current collections, the revenues are projected at \$492,000 in fiscal year 2018 and then at a conservative \$445,000 annually in the forecasted fiscal years 2019 through 2022.

Medicaid reimbursement in 2017 was \$209,982. The projected annual amounts in the forecasted fiscal years is \$210,000 annually assuming that the legislation does not eliminate this reimbursement.

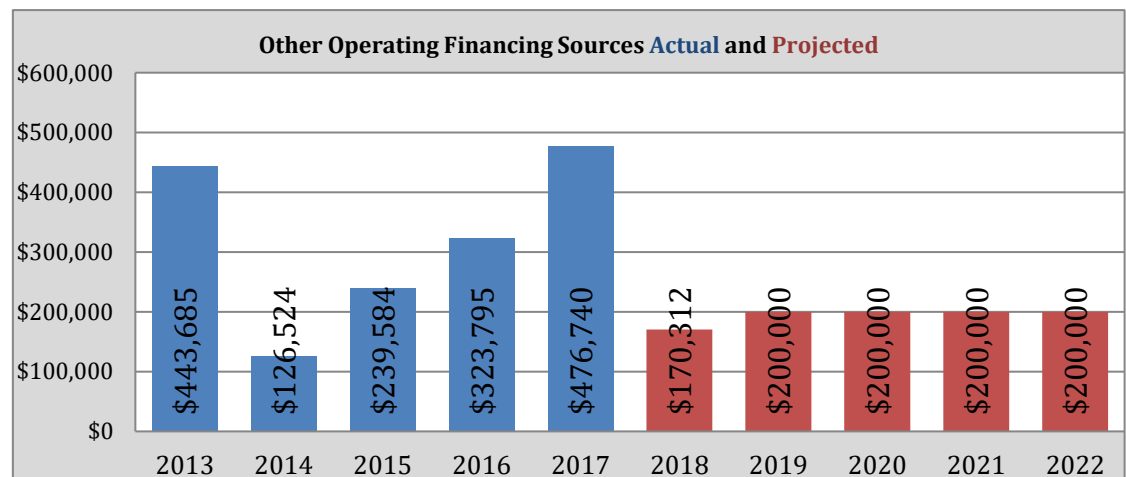
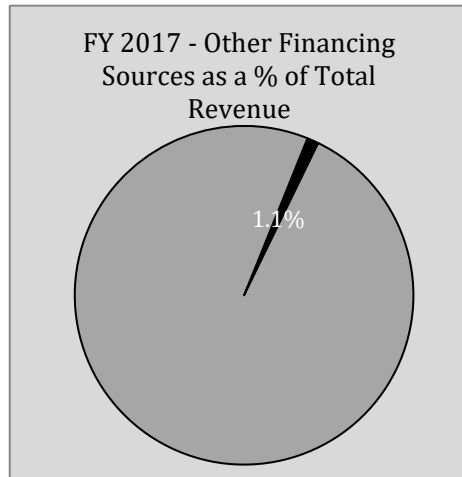
In fiscal year 2018, the district received \$433,375 as their share from the CityView Tax Increment Finance (TIF) agreement. The amounts being forecasted is \$400,000 annually for fiscal years 2019 through 2022. However, these amounts may change dramatically as CityView is no longer in receivership.

Earnings on Investments, Fees, Rentals and Miscellaneous are all projected to remain flat lined in forecasted fiscal years base



## 2.070 - Total Other Financing Sources

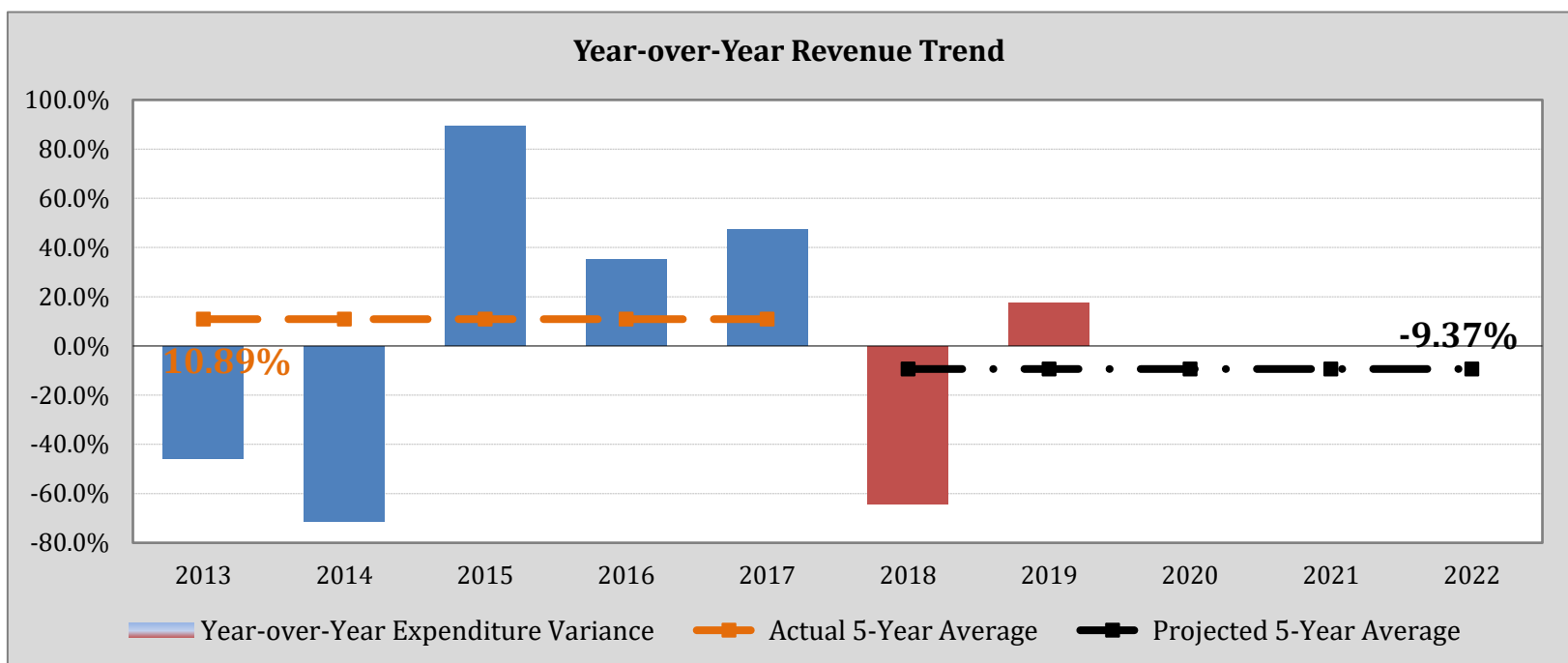
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



No significant transfer-in are projected in the forecasted fiscal years.

Advances-In amounts shown in the forecasted years are based on the previous fiscal year's initial Advances-Out.

Other financing sources (Refunds of Prior Year Expenditures) are projected at \$0 in the forecasted fiscal years due to the random nature that they are received and minimal impact dollar amount.



## Expenditures Overview

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	
<b>Expenditures:</b>							
3.010-Salaries	2.87%	1.74%	2.52%	2.18%	2.12%	2.07%	2.13%
3.020-Benefits	3.66%	6.44%	5.06%	6.03%	6.33%	6.45%	6.06%
3.030-Purchased Services	11.11%	6.17%	0.91%	3.54%	3.55%	3.56%	3.55%
3.040-Supplies & Materials	19.26%	-17.10%	-2.69%	1.86%	1.86%	1.86%	-2.84%
3.050-Capital Outlay	68.61%	-44.69%	-67.36%	0.00%	0.00%	0.00%	-22.41%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	-6.47%	-40.89%	-61.85%	0.00%	-100.00%	n/a	-50.69%
4.300-Other Objects	-3.61%	-1.80%	-1.45%	4.90%	-0.69%	4.78%	1.15%
4.500-Total Expenditures	4.31%	2.41%	1.95%	3.29%	3.10%	3.38%	2.83%
5.040-Total Other Uses	-4.59%	9.32%	0.00%	0.00%	0.00%	0.00%	1.86%
5.050-Total Exp & Other Uses	4.14%	2.47%	1.93%	3.26%	3.07%	3.35%	2.82%

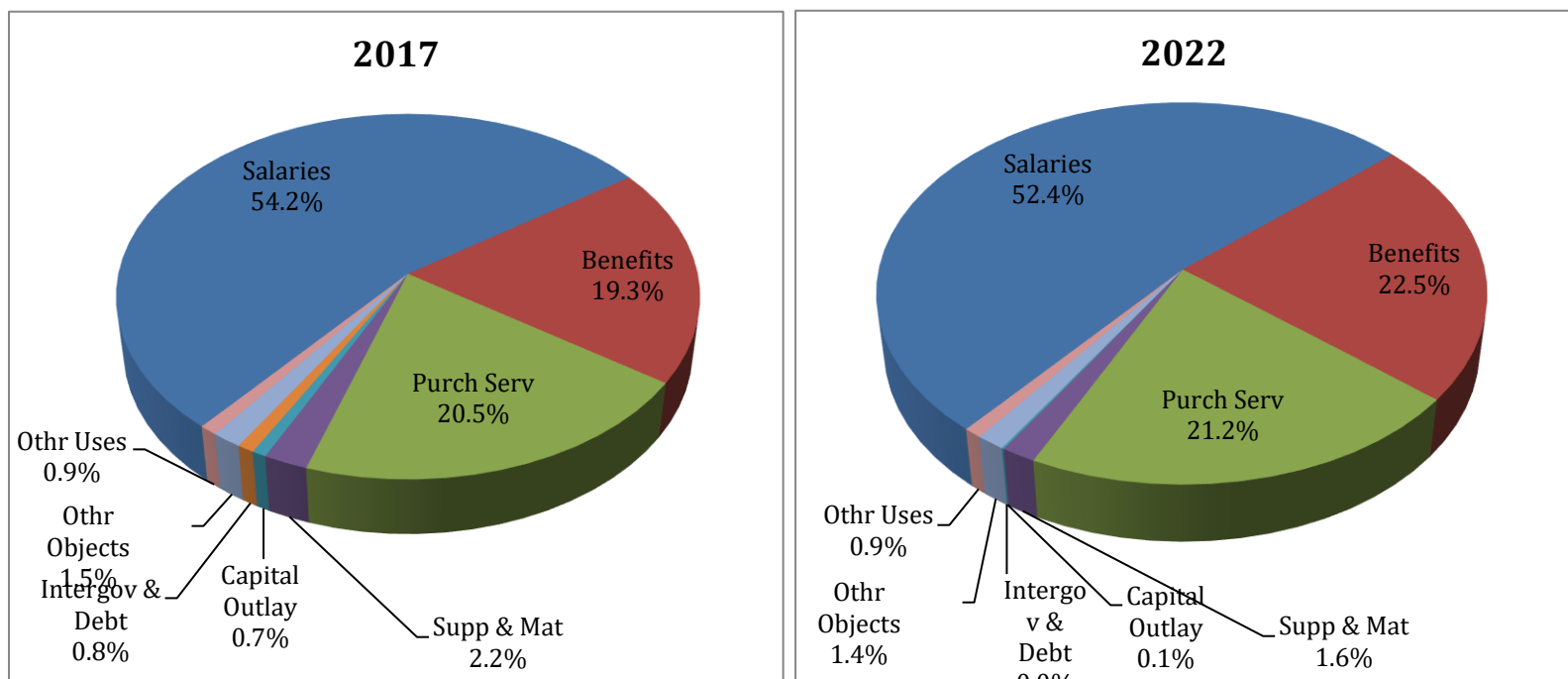
Total expenditures including 'Other Financing Uses' are expected have an average annual increase of 2.85% over the forecasted five years as compared to an actual average annual expenditure increase of 4.14% over the previous 5 years.

Salaries are showing a 2.00% 5-Year Avg. Annual Change as compared 2.87% in Prev 5 years. The district has taken a stance of not filling open positions unless absolutely necessary in 2018.

Benefits are showing 5.49 5-Year Avg Change as compared to 3.66% in the previous 5 years. Health care costs continue to rise and will have a major impact on the projected years.

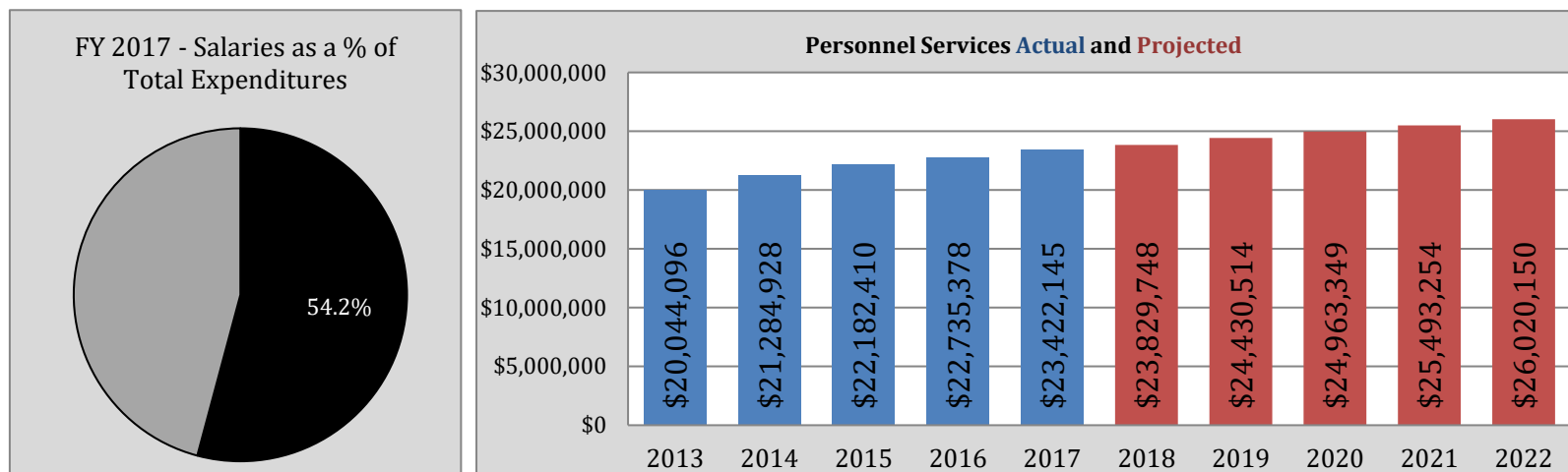
Purchased Services has a 4.55% 5-Year Annual Change and as compared to 11.11% in the previous 5 years. However, while the annual change has decreased, out of district tuition costs and special education including transportation costs continue to rise and will also have a significant impact on the projected fiscal year amounts for purchased services.

The Supplies and Capital Outlay have been reduced as compared to the Prev. 5-Year average change in an effort to reduce deficit funding as these areas are more discretionary in nature. Other Objects shows a 1.68% 5-Year Annual Change and as compared to 3.61% decrease in the previous 5 years. This due to the rise in tax collection fees and election costs.



### 3.010 - Personnel Services

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

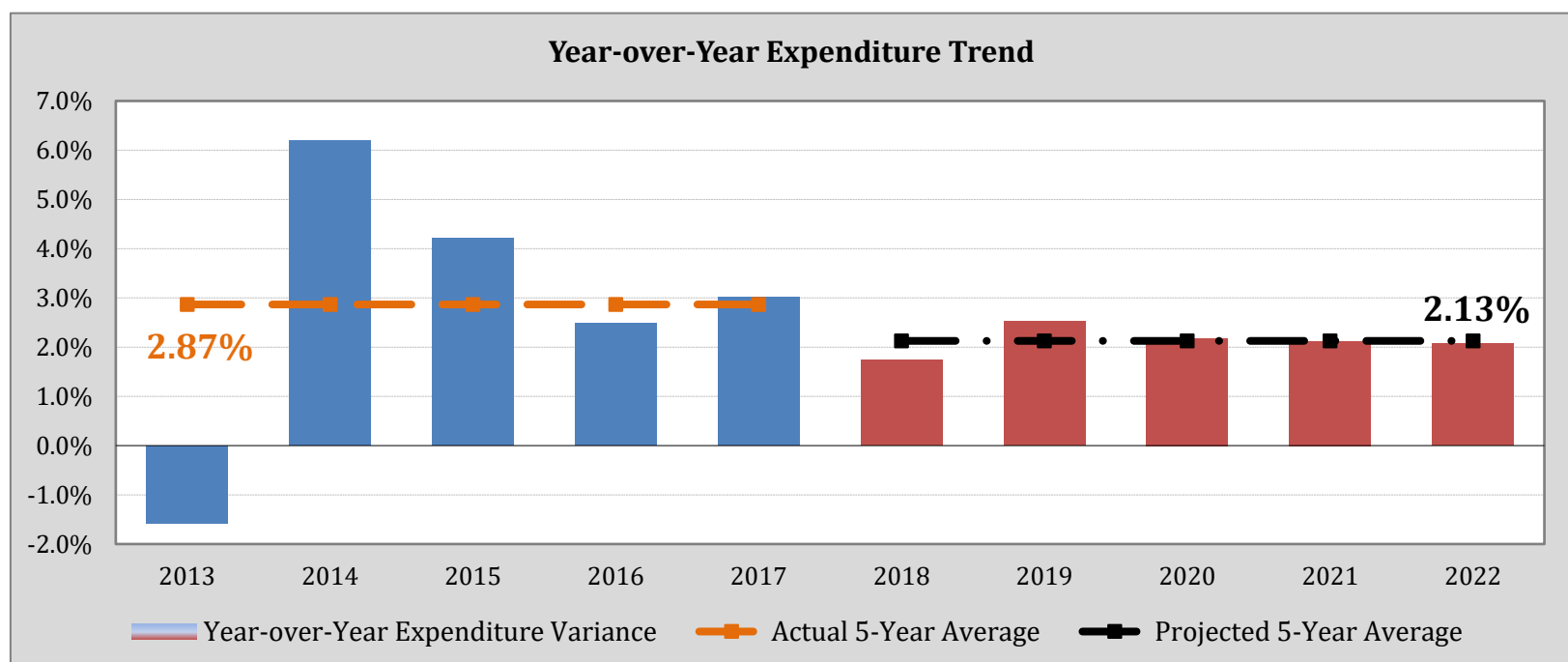


The Personnel Services is largest expenditure area of the district at 54.2%. This area includes teachers, classified, administrators, exempt, qualified staff along with other compensation such as supplemental contracts, OT, substitutes, severance payments, and any other compensation.

For forecasted fiscal year 2018, the projected amounts reflects a one year negotiated agreement with the teachers and classified staff. For forecasted years 2019 through 2022, forecasted amounts assume only step increases as set forth in the current negotiated agreement salary schedules. Wage amounts projected for administration are based on individual contract agreements and historical increases which amounts to the equivalent of a step increase. Wage amounts projected for the exempt and qualified staff are based on established salary schedules, experience level, and level of responsibility and only reflect salary schedule step movements where applicable.

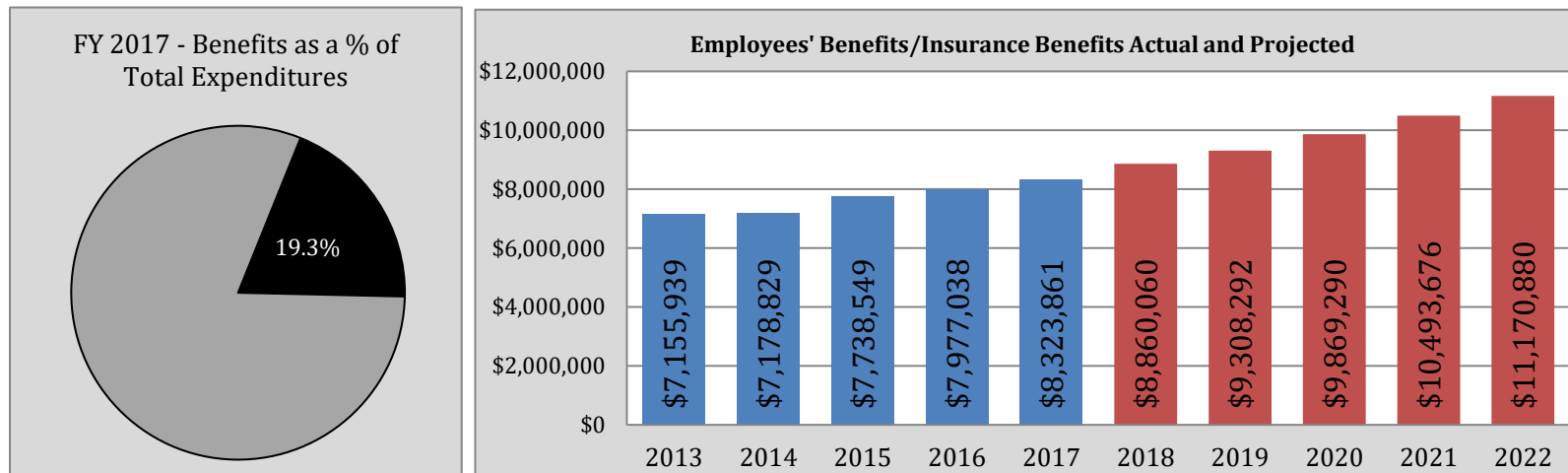
Supplemental contracted amounts follow the negotiated agreement base salary amount. Projected severance payments and substitute costs are projected to decrease significantly in 2018 and then remain flatlined over the forecasted years based on past history. Overtime, extra time, incentives and extended time amount are projected to increase slightly in 2018 based on current needs and are projected to increase 1% annually in forecasted years 2019 through 2022.

We are projecting no significant changes in staffing levels for the forecasted years.



### 3.020 - Employees' Benefits

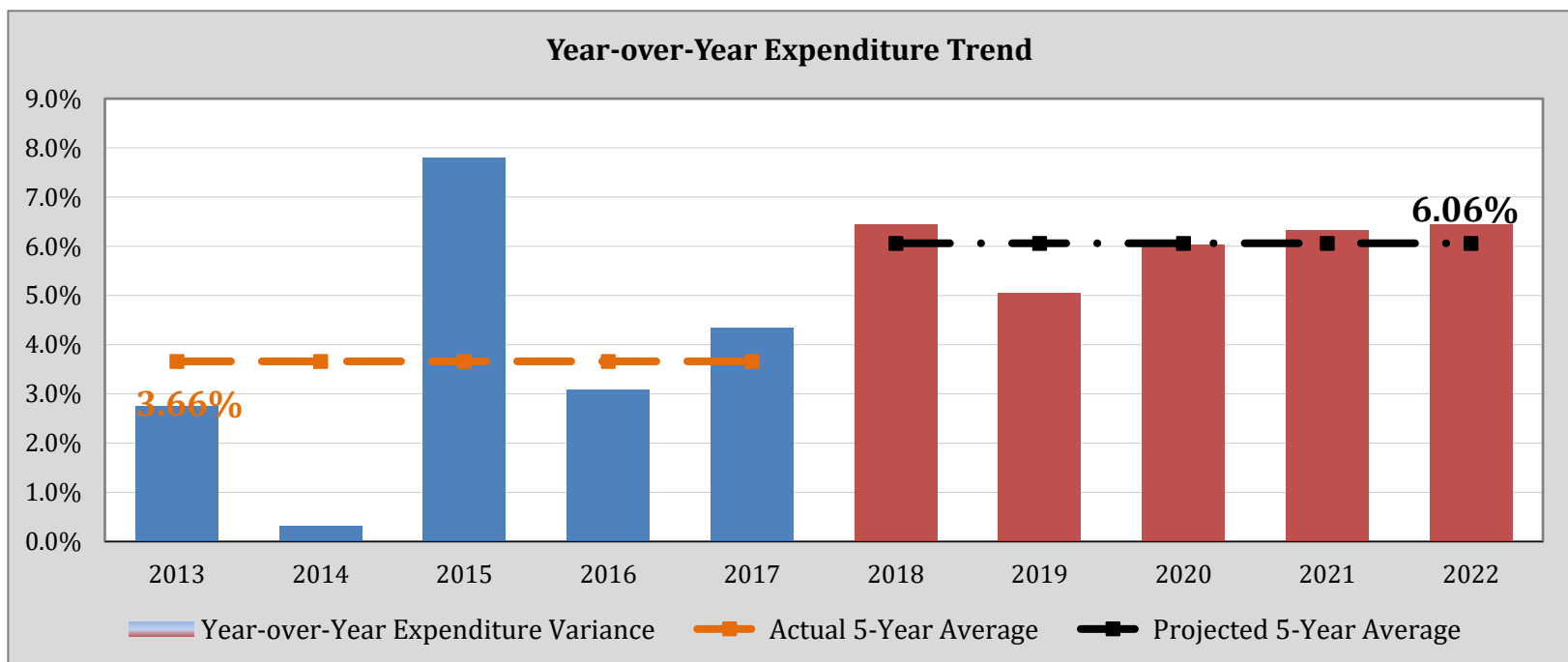
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Employees' Benefits is the next largest expenditure area at 19.3% of overall expenditures. This area consists of retirement, medicare, health care and workers compensation.

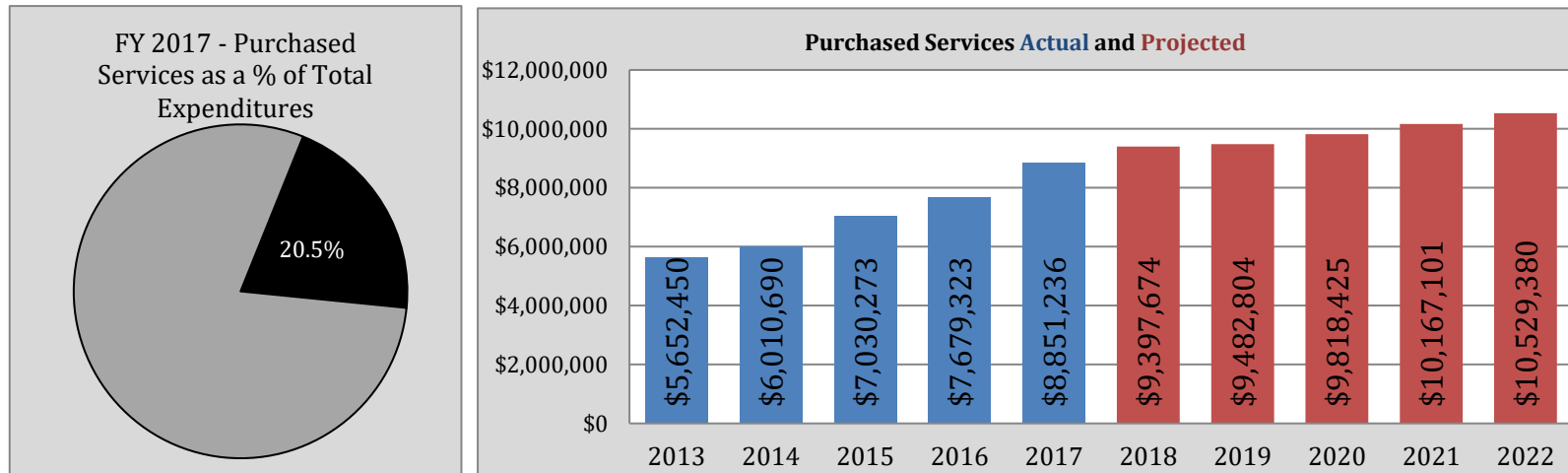
The district is required to contribute 14% of an employee's salary to either of the Retirement Systems and 1.45% to Medicare. As personal service (salaries, wages) costs increase from staff levels, step movements, and other compensation, retirement costs are projected to follow. This district also picks up the employee share of retirement for administrators. We are also projecting no changes in the contribution percentages for both the STRS and SERS.

Health Insurance benefits makes up 52% of the employee benefits which provides Medical, Drug, Dental, Vision and Life insurance coverage to full time employees. Insurance benefit rate projections include not only forecasted increases but any negotiated employee contribution amounts. For forecasted fiscal year 2018, the district implemented a lower cost medical and drug plan for all the employees. This plan cost is reflected in the forecast. For forecasted fiscal years 2019 through 2022, increases of 10% medical, 10% drug, 2% dental, 1% vision and 0% life is being projected. All employees who elect insurance coverage contribute towards the insurance coverage premium except life which completely board paid. This contribution amount is based on current negotiated agreements and benefit packages. These contribution rates are not projected to change in forecasted years. The workers' compensation rate is projected to remain constant and follow projected personal service wages.



### 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.

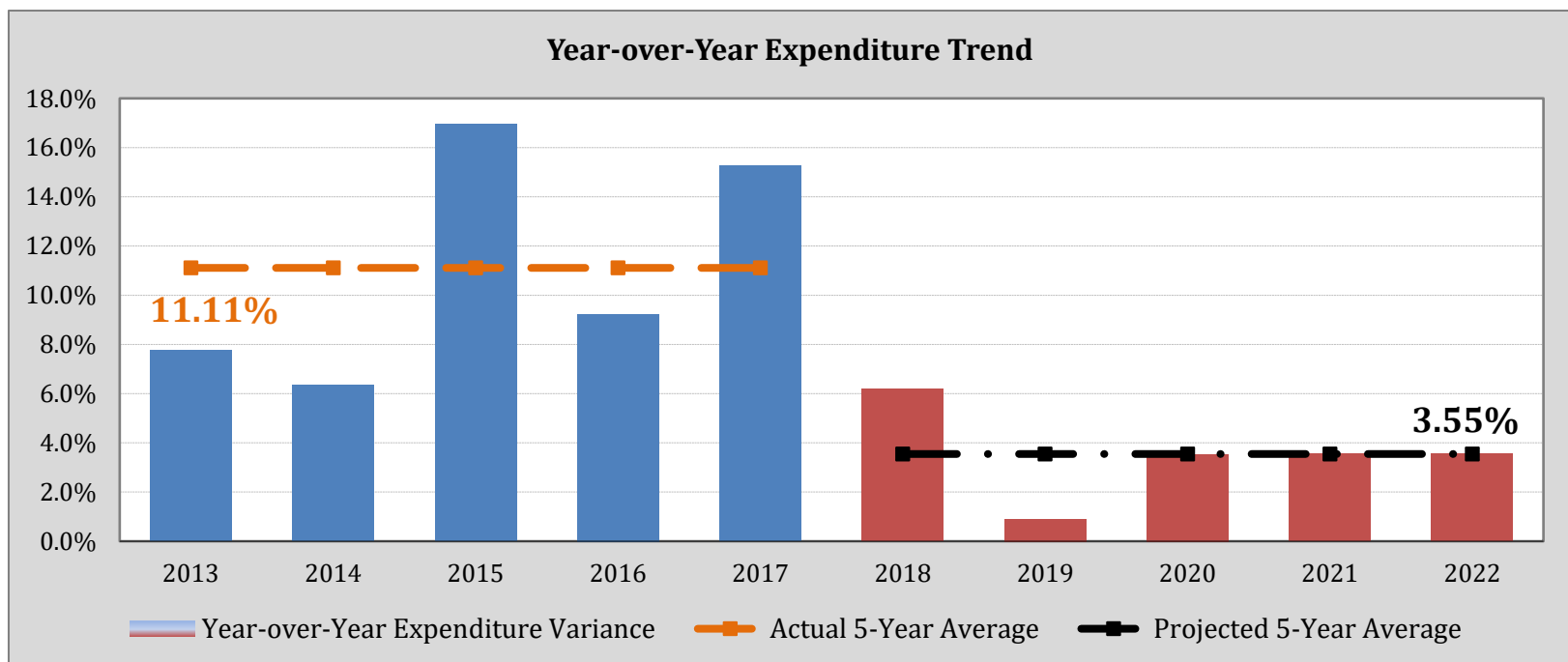


Purchase Services is now 20.5% of the overall expenditures. This category includes contractual services, community school and special education tuition, health/OT/PT services, legal services, rentals and leases, travel and mileage, utilities, and building/equipment repairs.

Out of district tuition projected costs represents 65% of the purchase service expenditures. The most significant is Community Schools, Ed-Choice, and Post Secondary. Enrollment in these schools continues to rise therefore driving up costs to the district. The projected increase for 2018 is 0% due to steps being taken to verify enrollment, bring back students and recoup costs and then 5% annually in the forecasted fiscal years.

Utility costs saw an increase in 2018 of 3.6% due an increase in telephone in telephone and natural gas. For 2019, we are projecting them to rise only 2.2% and an additional 4.5% annually in the forecasted fiscal years. 2020 through 2022.

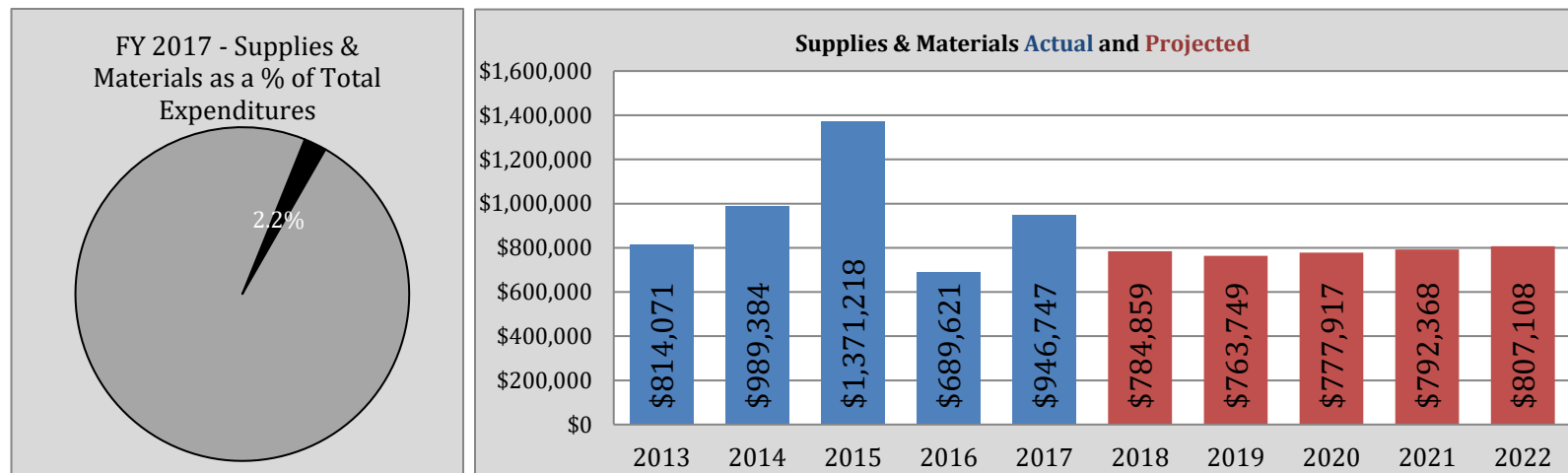
Contractual services (substitutes, legal, health, psychologist, OT, PT, legal, professional, copier) cost are projected to increase 21% in fiscal year 2018 based on current incurred costs and then 2.5% annually in the forecasted fiscal years. All other purchase services (travel/meeting expenses, advertising, printing,) assume an annual 2% inflationary increase in each of the forecasted fiscal years.





### 3.040 - Supplies & Materials

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



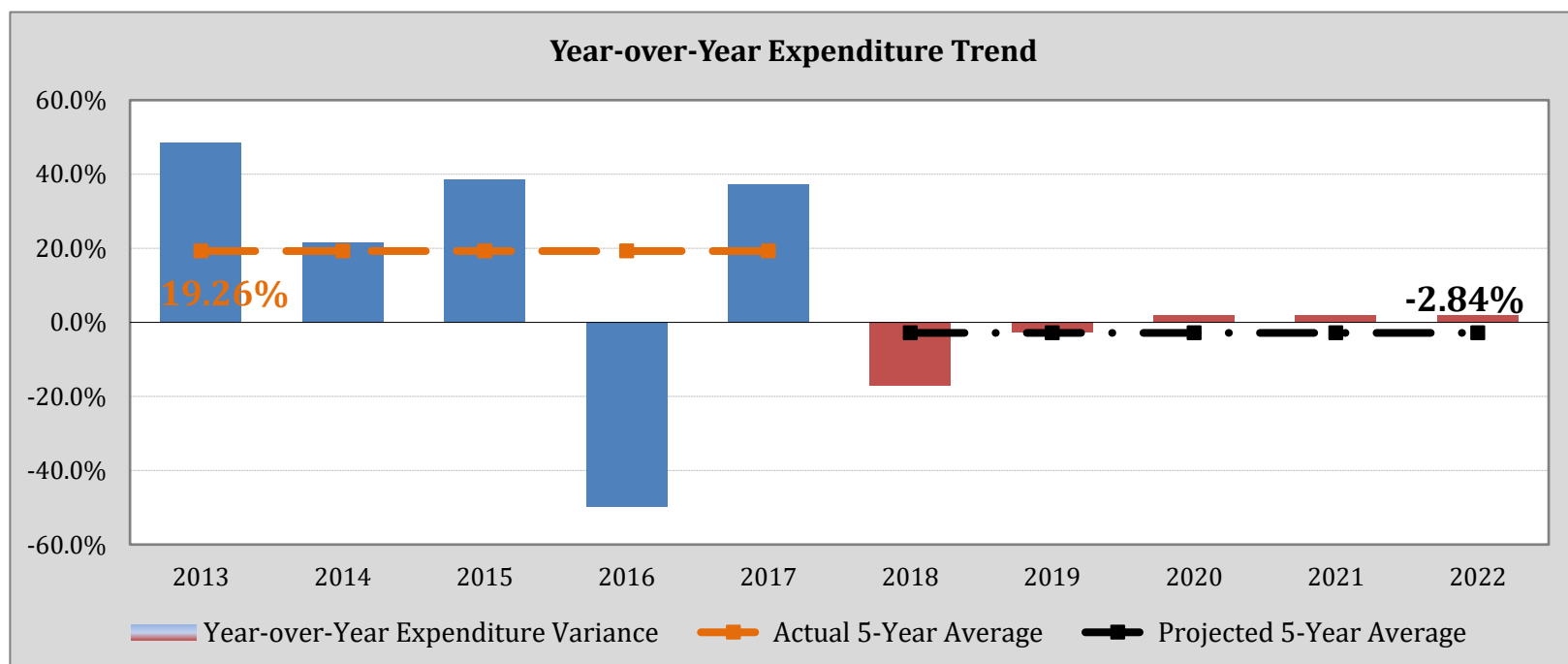
This category includes general supplies, textbooks, library books/periodicals, maintenance/custodial supplies, and transportation supplies and 2.2% of the overall expenditures.

Over the past few years, the district has made significant effort in textbook purchase spending. Therefore, this amount is decreased in 2018 to \$75,000. Textbook purchases is projected further drop 2019 and remain flatlined in the forecasted fiscal years.

General supply costs increased 9% in 2018 based on current spending. This amount is projected to increase an inflationary 2% annual increase in the forecasted fiscal years.

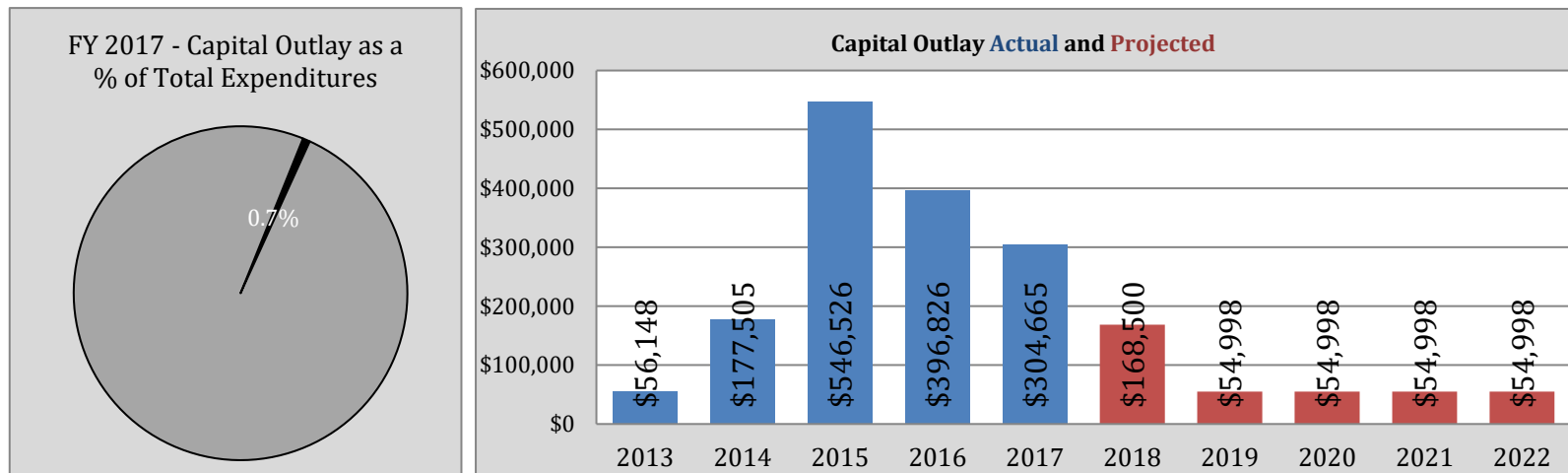
Maintenance/custodial supply costs decreased 6% in 2018. Projected an inflationary 2% annual increase in the forecasted fiscal years.

Transportation supply costs is projected to increase 5.4% in 2018 based on current estimated needs and then an inflationary 2% annual increase in the forecasted fiscal years.



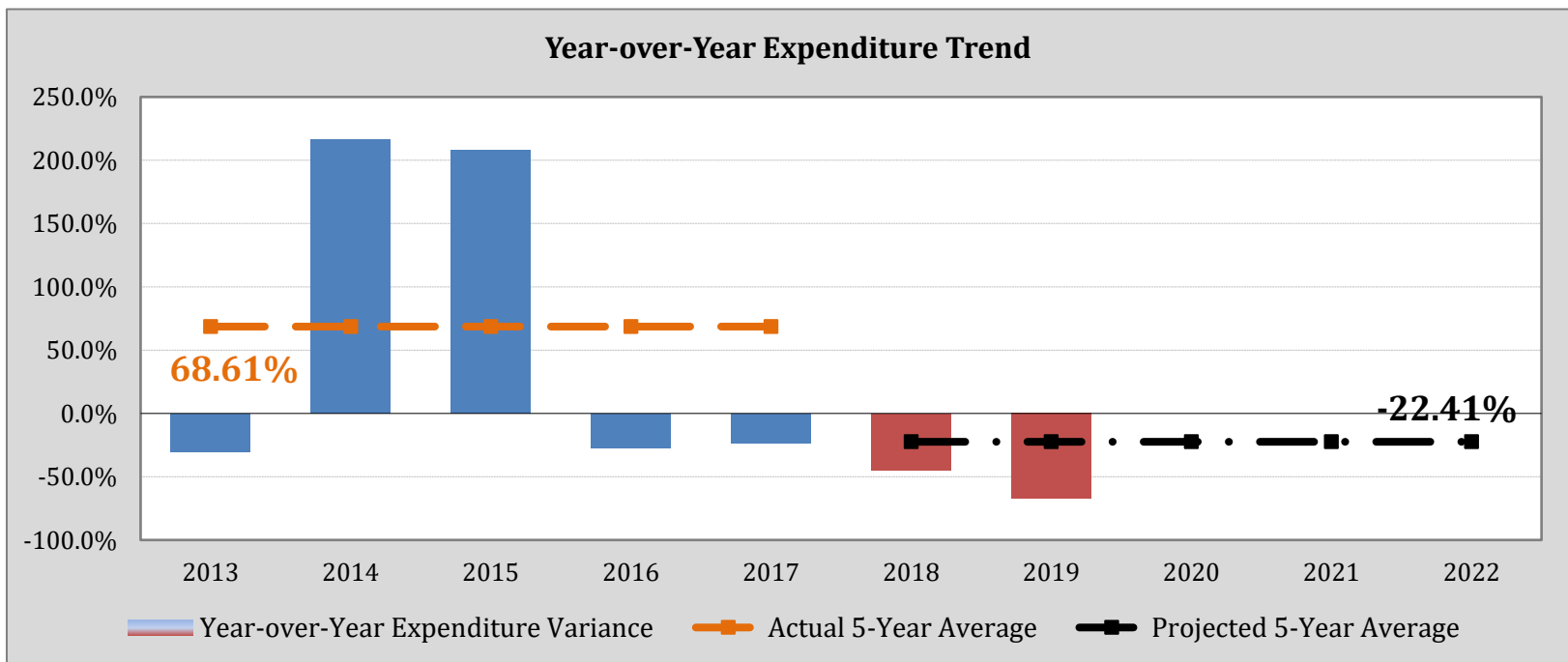
### 3.050 - Capital Outlay

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.



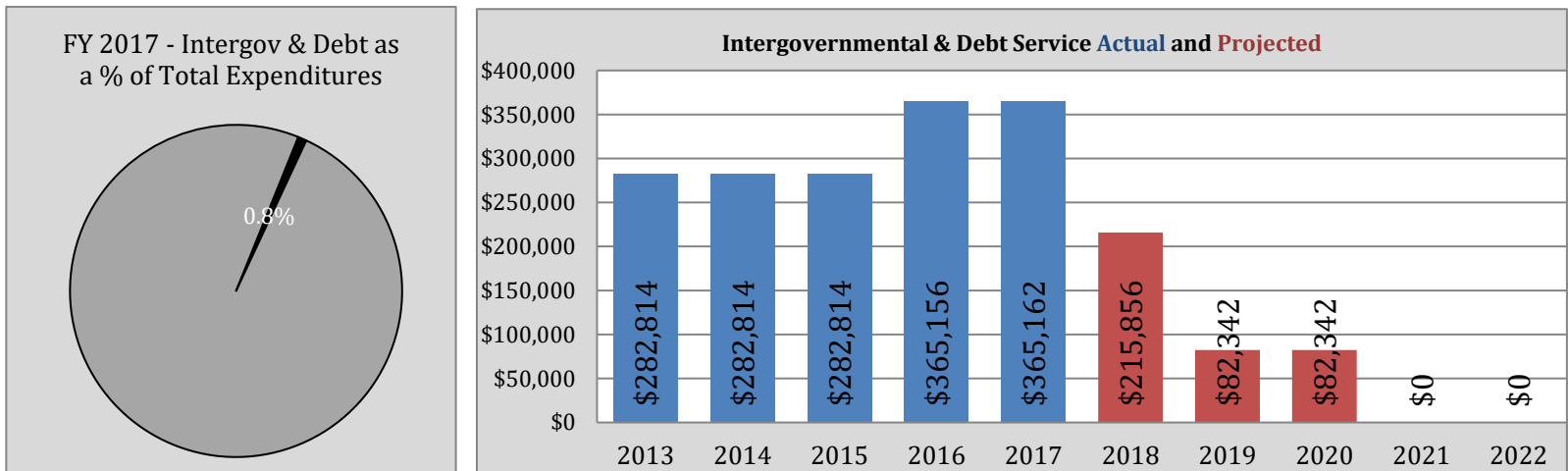
Capital outlay represent .7% of the overall expenditures and includes the purchase of new instructional equipment, special education equipment, buildings and building improvements, and vehicles/busses.

Capital Outlay is projecting decreases in 2018 and 2019 as short term technology equipment and vehicle needs will have been met or shifted to other funds and then remain flat lined in the remaining forecasted fiscal years.



### 3.060-4.060 - Intergovernmental & Debt

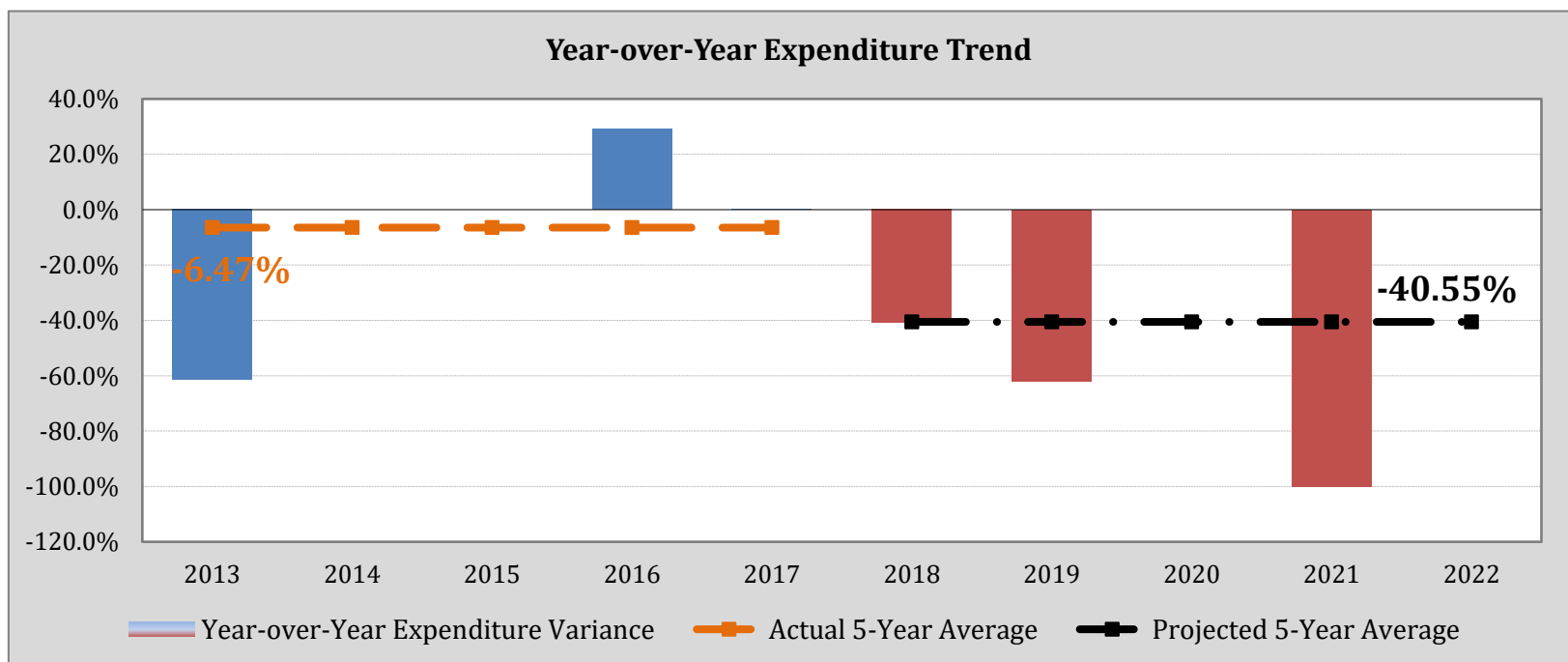
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The district has two debt obligations from the General Fund. These obligations are the repayment a Qualified Zone Academy Bonds and a Lease Purchase of equipment.

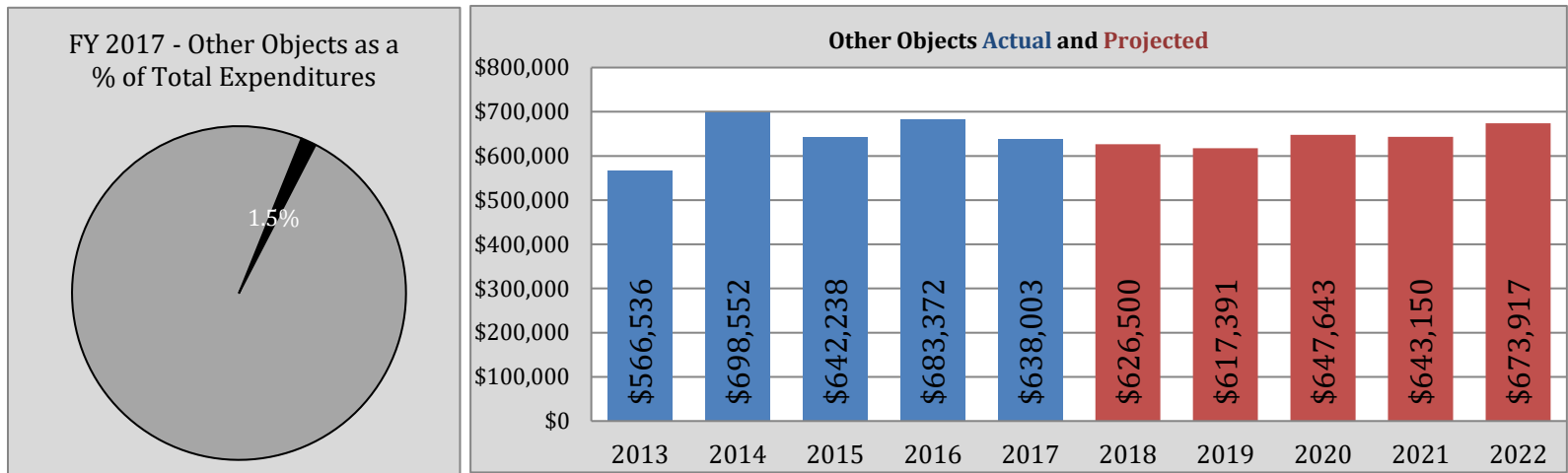
The remaining QZAB repayment of \$133,514 occurs in 2018.

The lease-purchase consists of annual payments of \$82,342. This lease-purchase is for a five year period and matures in 2020.



### 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.



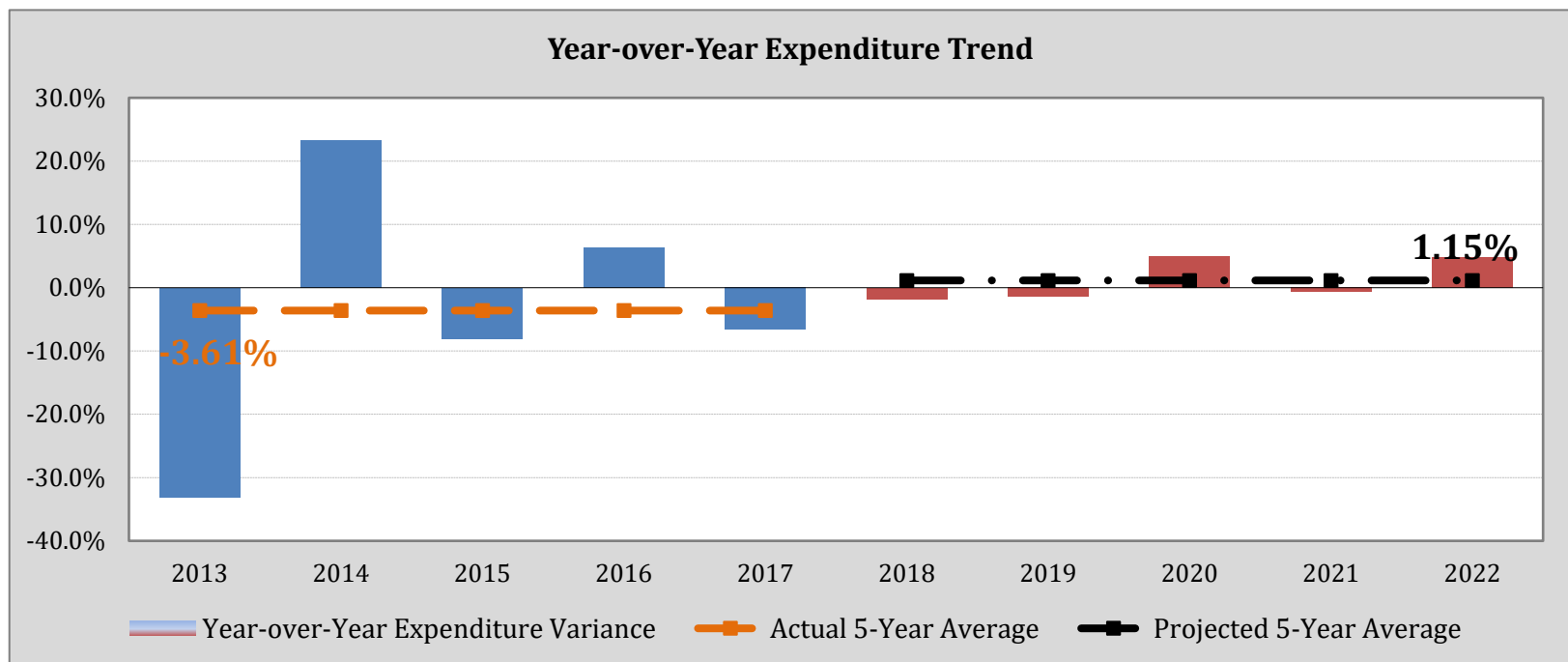
Other Objects represents 1.5% of the expenditures. This category includes Organization Dues/Fees, Audit Costs, County ESC fees, County Fiscal Office Property Tax Collection fees, Bank Charges, Board of Elections Fees, and Insurance premiums.

For fleet and general liability insurance both of which increased slightly for fiscal year 2017 (actual costs are known). These costs are projected to increase an inflationary 2% annually in the forecasted fiscal years.

The most significant of this category are the County Fiscal Office and State of Ohio Property Tax Collection fees. These fees increased 4.5% in 2018 to \$439,000 due to increase in property tax collections. These fees are projected to remain flat lined 2019 and then an inflationary 2% annual increase in forecasted fiscal years. Board of election costs had significant increase in 2018 due it being an election year. These costs projected to have a corresponding significant decrease in 2019 due to it not being a general election year.

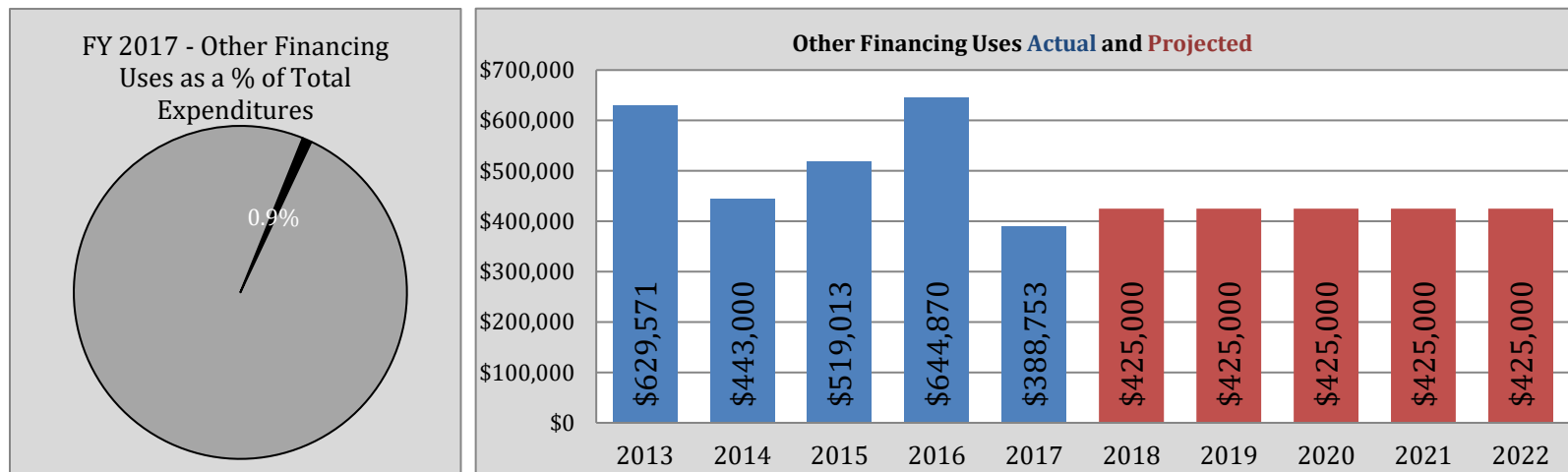
Audit costs and bank fees decreased slightly in 2018. These fee are projected to remain flat lined in 2019 and then assume an inflationary 2% annual increase in the forecasted fiscal years.

Dues/fees are projected to remain flat lined over the forecasted fiscal years based on 2018 actual costs.



### 5.040 - Total Other Financing Uses

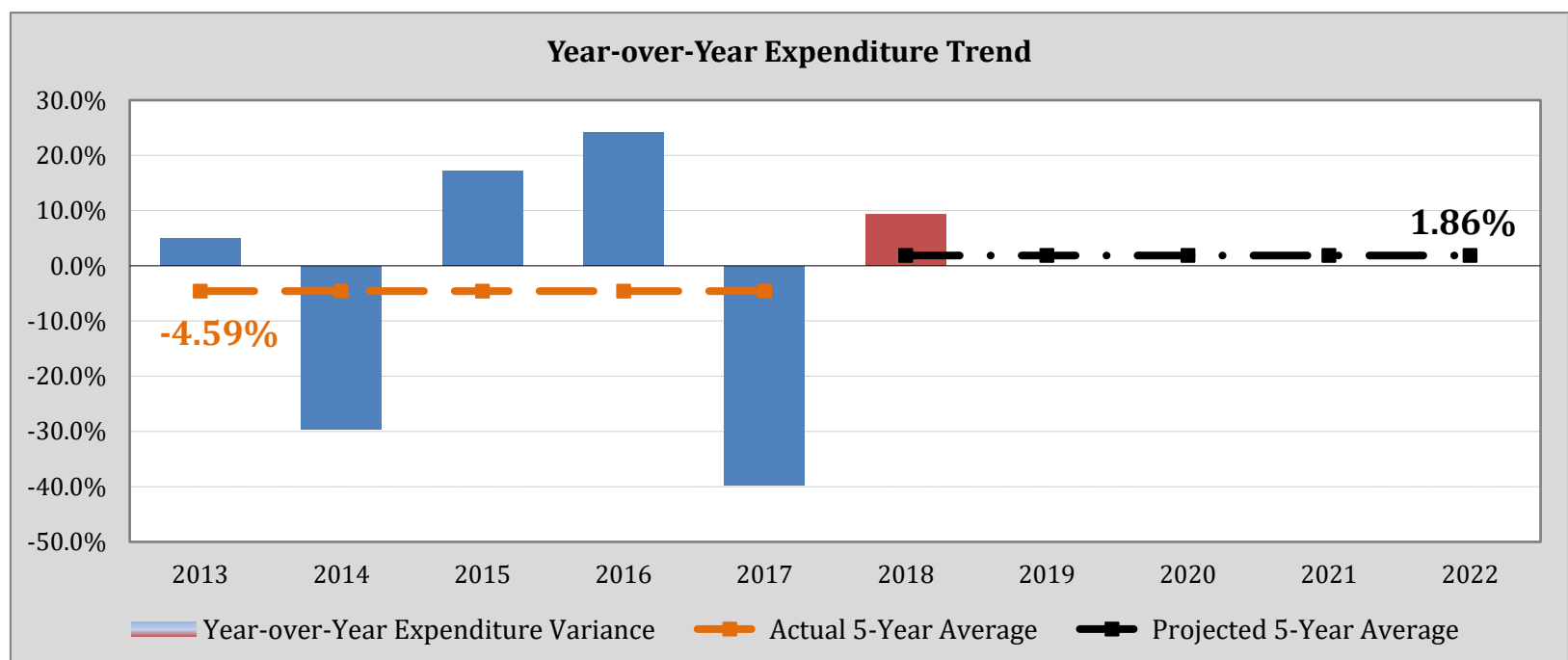
Operating transfers-out, advances out to other funds, and all other general fund financing uses.



This category shows the transfers/advances of monies to other funds that cannot generate enough revenues to offset their expenditures.

Transfers Out is projected to remain constant over the forecasted period and is based on anticipated needs.

Advances Out has been required in previous years to help offset fund deficits and shortfalls where future revenue is anticipated. Projected Advances Out is offset through an Advance In in the following fiscal year, thus creating no financial impact on the overall forecast. The amount is based on prior year history and projected needs.



## Forecast Compare

Comparison of Previous Forecast Amounts to Current Forecasted Numbers  
F.Y. 2018

		Column A	Column B	Column C	Column D
		Previous Forecast Amounts For F.Y. 2018 Prepared on: 11/6/2017	Current Forecast Amounts For F.Y. 2018 Prepared on: 5/16/2018	Dollar Difference Between Previous and Current	Percent Difference Between Previous and Current
<b>Revenue:</b>					
1	Real Estate & Property Allocation	\$17,773,960	\$18,459,173	\$685,213	3.9%
2	Public Utility Personal Property	\$817,470	\$886,045	\$68,575	8.4%
3	Income Tax	\$0	\$0	\$0	n/a
4	State Foundation Restricted & Unrestricted	\$24,013,577	\$23,977,359	-\$36,218	-0.2%
5	Other Revenue	\$1,144,000	\$1,279,375	\$135,375	11.8%
6	Other Non Operating Revenue	\$170,312	\$170,312	\$0	0.0%
7	<b>Total Revenue</b>	<b>\$43,919,318</b>	<b>\$44,772,263</b>	<b>\$852,945</b>	<b>1.9%</b>
<b>Expenditures:</b>					
8	Salaries	\$23,829,748	\$23,829,748	\$0	0.0%
9	Fringe Benefits	\$8,769,737	\$8,860,060	\$90,323	1.0%
10	Purchased Services	\$9,300,810	\$9,397,674	\$96,864	1.0%
11	Supplies, Debt, Capital Outlay & Other	\$1,869,616	\$1,795,715	-\$73,901	-4.0%
12	Other Non Operating Expenditures	\$450,000	\$425,000	-\$25,000	-5.6%
13	<b>Total Expenditures</b>	<b>\$44,219,911</b>	<b>\$44,308,198</b>	<b>\$88,286</b>	<b>0.2%</b>
14	Revenue Over/(Under) Expenditures	-\$300,593	\$464,066	\$764,659	1.7%*
15	Ending Cash Balance	\$506,423	\$1,271,082	\$764,659	1.7%*

\*Percentage expressed in terms of total expenditures

### Material Revenue Differences:

1. Real Estate was revised based on actual collections. Delinquency collections were higher than projected and the district saw a significant increase in their collection percentage due to the tax law changes and taxpayers paying their full tax amount in anticipation of the tax law change.
2. Public Utility Personal Property was revised based on the increase in valuation for tax year 2017.
3. State Foundation was revised downward to account for the reduction in career tech and catastrophic aid.
3. Other Revenue was updated to include an increase in TIF payments from the City than what was forecasted.

### Material Expenditure Differences:

1. The Fringe Benefits were revised to include updated health insurance and workers comp rates and unemployment costs.
2. Purchased Services was revised to account for significant increases in substitute costs, special needs student required services (Health/OT/PT/ESL/Interpreter), legal fees and natural gas.
3. Supplies Debt and Capital Outlay was decreased based on updated actual current spending levels in these areas.
4. Other Non Operating Expenditures was revised downward to account for an anticipated reduction in Transfers-Out.

**Garfield Heights City School District  
Five Year Forecast**

Fiscal Year:	Actual	FORECASTED				
	2017	2018	2019	2020	2021	2022
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	14,756,958	15,530,688	14,532,325	14,616,518	14,654,432	14,692,345
1.020 - Public Utility Personal Property	805,561	886,045	926,892	924,749	927,115	929,482
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	21,933,260	23,141,415	23,837,690	25,042,605	26,295,055	27,624,511
1.040 - Restricted Grants-in-Aid	1,242,588	835,944	851,724	851,724	851,724	851,724
1.045 - Restricted Federal Grants - SFSF	-	-	-	-	-	-
1.050 - Property Tax Allocation	2,853,084	2,928,485	2,883,587	2,840,013	2,793,397	2,746,782
1.060 - All Other Operating Revenues	1,211,032	1,279,375	1,910,500	1,235,500	1,235,500	1,235,500
<b>1.070 - Total Revenue</b>	<b>42,802,483</b>	<b>44,601,951</b>	<b>44,942,717</b>	<b>45,511,109</b>	<b>46,757,224</b>	<b>48,080,344</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	-	-	-	-	-	-
2.050 - Advances-In	475,420	170,312	200,000	200,000	200,000	200,000
2.060 - All Other Financing Sources	1,320	-	-	-	-	-
<b>2.070 - Total Other Financing Sources</b>	<b>476,740</b>	<b>170,312</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>43,279,223</b>	<b>44,772,263</b>	<b>45,142,717</b>	<b>45,711,109</b>	<b>46,957,224</b>	<b>48,280,344</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	23,422,145	23,829,748	24,430,514	24,963,349	25,493,254	26,020,150
3.020 - Employee Benefits	8,323,861	8,860,060	9,308,292	9,869,290	10,493,676	11,170,880
3.030 - Purchased Services	8,851,236	9,397,674	9,482,804	9,818,425	10,167,101	10,529,380
3.040 - Supplies and Materials	946,747	784,859	763,749	777,917	792,368	807,108
3.050 - Capital Outlay	304,665	168,500	54,998	54,998	54,998	54,998
3.060 - Intergovernmental	-	-	-	-	-	-
<b>Debt Service:</b>						
4.010 - Principal-All Years	365,162	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-
4.055 - Principal - Other	-	215,856	82,342	82,342	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-
4.300 - Other Objects	638,003	626,500	617,391	647,643	643,150	673,917
<b>4.500 - Total Expenditures</b>	<b>42,851,819</b>	<b>43,883,198</b>	<b>44,740,090</b>	<b>46,213,964</b>	<b>47,644,546</b>	<b>49,256,434</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	218,441	225,000	225,000	225,000	225,000	225,000
5.020 - Advances-Out	170,312	200,000	200,000	200,000	200,000	200,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>388,753</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>43,240,572</b>	<b>44,308,198</b>	<b>45,165,090</b>	<b>46,638,964</b>	<b>48,069,546</b>	<b>49,681,434</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>38,651</b>	<b>464,066</b>	<b>(22,373)</b>	<b>(927,855)</b>	<b>(1,112,322)</b>	<b>(1,401,090)</b>
7.010 - Cash Balance July 1 (No Levies)	768,365	807,016	1,271,082	1,248,709	320,854	(791,468)
7.020 - Cash Balance June 30 (No Levies)	807,016	1,271,082	1,248,709	320,854	(791,468)	(2,192,558)
8.010 - Estimated Encumbrances June 30	524,648	300,000	300,000	300,000	300,000	300,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>282,368</b>	<b>971,082</b>	<b>948,709</b>	<b>20,854</b>	<b>(1,091,468)</b>	<b>(2,492,558)</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>282,368</b>	<b>971,082</b>	<b>948,709</b>	<b>20,854</b>	<b>(1,091,468)</b>	<b>(2,492,558)</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>282,368</b>	<b>971,082</b>	<b>948,709</b>	<b>20,854</b>	<b>(1,091,468)</b>	<b>(2,492,558)</b>

**Garfield Heights City School District**  
**Three Year Forecast**

Fiscal Year:	Actual	FORECASTED		
	2017	2018	2019	2020
<b>Revenue:</b>				
1.010 - General Property Tax (Real Estate)	14,756,958	15,530,688	14,532,325	14,616,518
1.020 - Public Utility Personal Property	805,561	886,045	926,892	924,749
1.030 - Income Tax	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	21,933,260	23,141,415	23,837,690	25,042,605
1.040 - Restricted Grants-in-Aid	1,242,588	835,944	851,724	851,724
1.045 - Restricted Federal Grants - SFSF	-	-	-	-
1.050 - Property Tax Allocation	2,853,084	2,928,485	2,883,587	2,840,013
1.060 - All Other Operating Revenues	1,211,032	1,279,375	1,910,500	1,235,500
1.070 - Total Revenue	42,802,483	44,601,951	44,942,717	45,511,109
<b>Other Financing Sources:</b>				
2.010 - Proceeds from Sale of Notes	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-
2.050 - Advances-In	475,420	170,312	200,000	200,000
2.060 - All Other Financing Sources	1,320	-	-	-
2.070 - Total Other Financing Sources	476,740	170,312	200,000	200,000
2.080 - Total Rev & Other Sources	43,279,223	44,772,263	45,142,717	45,711,109
<b>Expenditures:</b>				
3.010 - Personnel Services	23,422,145	23,829,748	24,430,514	24,963,349
3.020 - Employee Benefits	8,323,861	8,860,060	9,308,292	9,869,290
3.030 - Purchased Services	8,851,236	9,397,674	9,482,804	9,818,425
3.040 - Supplies and Materials	946,747	784,859	763,749	777,917
3.050 - Capital Outlay	304,665	168,500	54,998	54,998
3.060 - Intergovernmental	-	-	-	-
<b>Debt Service:</b>	-	-	-	-
4.010 - Principal-All Years	365,162	-	-	-
4.020 - Principal - Notes	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-
4.055 - Principal - Other	-	215,856	82,342	82,342
4.060 - Interest and Fiscal Charges	-	-	-	-
4.300 - Other Objects	638,003	626,500	617,391	647,643
4.500 - Total Expenditures	42,851,819	43,883,198	44,740,090	46,213,964
<b>Other Financing Uses</b>				
5.010 - Operating Transfers-Out	218,441	225,000	225,000	225,000
5.020 - Advances-Out	170,312	200,000	200,000	200,000
5.030 - All Other Financing Uses	-	-	-	-
5.040 - Total Other Financing Uses	388,753	425,000	425,000	425,000
5.050 - Total Exp and Other Financing Uses	43,240,572	44,308,198	45,165,090	46,638,964
6.010 - Excess of Rev Over/(Under) Exp	38,651	464,066	(22,373)	(927,855)
7.010 - Cash Balance July 1 (No Levies)	768,365	807,016	1,271,082	1,248,709
7.020 - Cash Balance June 30 (No Levies)	807,016	1,271,082	1,248,709	320,854
8.010 - Estimated Encumbrances June 30	524,648	300,000	300,000	300,000
9.080 - Reservations Subtotal	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	282,368	971,082	948,709	20,854
<b>Rev from Replacement/Renewal Levies</b>				
11.010 & 11.020 - Income & Property Tax-Renewal	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	282,368	971,082	948,709	20,854
<b>Revenue from New Levies</b>				
13.010 & 13.020 - Income & Property Tax-New	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-
15.010 - Unreserved Fund Balance June 30	282,368	971,082	948,709	20,854