

Five Year Forecast Financial Report

October, 2018

Allen D. Sluka, Treasurer/CFO

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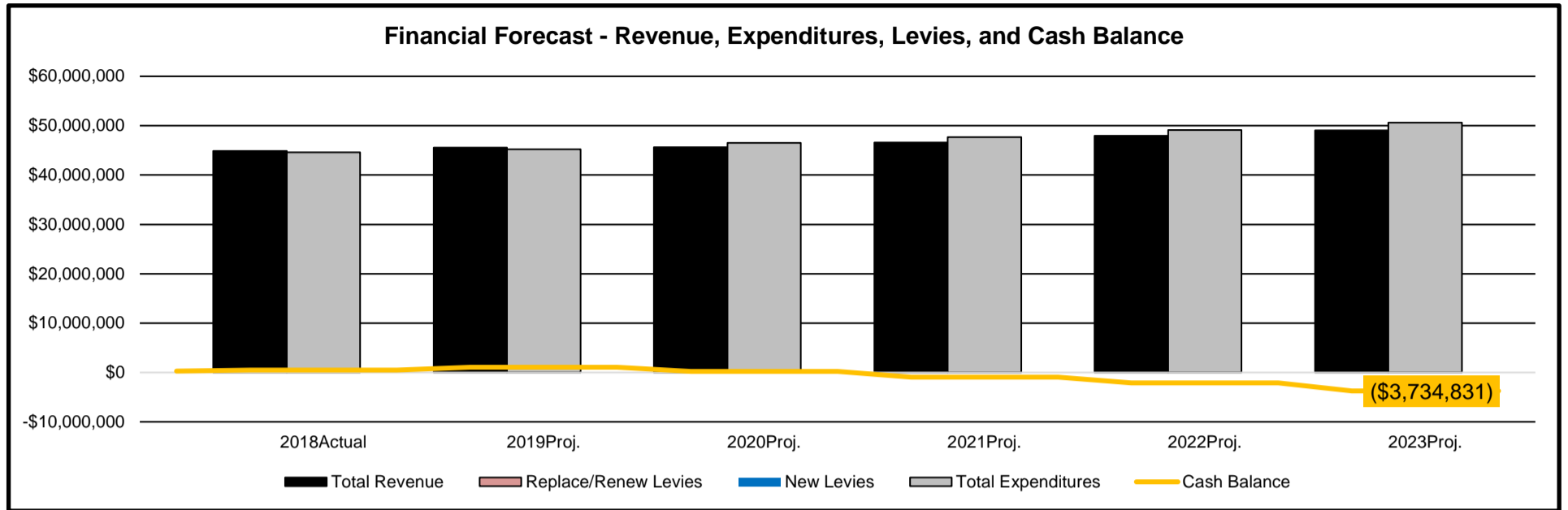
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Forecast Purpose/Objectives

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

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

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



Garfield Heights City School District

Financial Forecast

	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	1,034,498	1,361,035	500,047	(620,164)	(1,831,104)
+ Revenue	45,576,631	45,635,909	46,593,292	47,929,029	49,029,151
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(45,250,094)	(46,496,897)	(47,713,503)	(49,139,969)	(50,632,878)
= Revenue Surplus or Deficit	326,537	(860,988)	(1,120,211)	(1,210,940)	(1,603,727)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	1,361,035	500,047	(620,164)	(1,831,104)	(3,434,831)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	326,537	(860,988)	(1,120,211)	(1,210,940)	(1,603,727)
Ending Balance w/o Levies	1,361,035	500,047	(620,164)	(1,831,104)	(3,434,831)

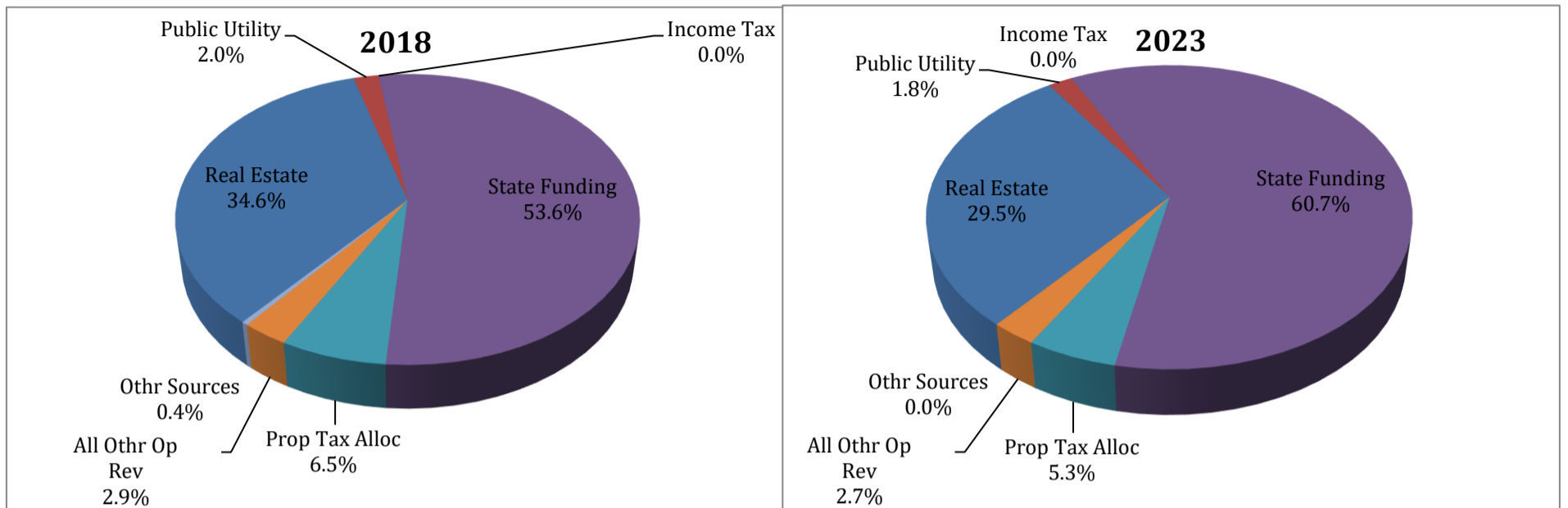
For projected fiscal years 2020 through 2023, the forecast shows Revenue Deficits. Carryover balances only remains positive in Fiscal Years 2019 and 2020. The district will need to address the Revenue Deficits within the next fiscal year(2020) .

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. Enrollment numbers have remained constant over the previous years.

The current state biennium budget was passed on June 2017 which covered fiscal years 2018 and 2019 of the forecast. The future of state funding for public schools is still unknown beyond 2019. The state legislature will begin to address its next biennium budget (forecasted fiscal years 2020 and 2021) during the spring of 2019.

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.

Revenue Sources and Forecast Year-Over-Year Projected Overview



	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
Revenue:							
1.010-Real Estate	3.47%	-4.47%	-1.09%	-1.78%	0.26%	0.13%	-1.39%
1.020-Public Utility	12.26%	0.50%	-0.95%	0.25%	0.25%	0.11%	0.03%
1.030-Income Tax	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.035-State Funding	6.54%	2.83%	4.93%	5.00%	5.03%	4.74%	4.51%
1.040-Restricted Aid	311.63%	-2.14%	1.77%	1.84%	2.63%	0.07%	0.83%
1.045-Restr Federal SFSF	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	3.50%	-5.77%	-1.98%	-1.73%	-1.76%	-0.90%	-2.43%
1.060-All Other Operating	7.17%	61.48%	-37.34%	0.00%	0.00%	0.00%	4.83%
1.070-Total Revenue	5.41%	1.26%	0.41%	2.11%	2.88%	2.72%	1.88%
2.070-Total Other Sources	7.42%	87.00%	-39.08%	0.00%	0.00%	-100.00%	-10.42%
2.080-Total w/Other Srcs	5.22%	1.60%	0.13%	2.10%	2.87%	2.30%	1.80%

Total Revenues and Other Financing Sources are projected to increase annually by an average of only 1.80% over the forecasted years 2019 through 2023 as compared to 5.06% average over the previous five years .

With over 56% 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 state's next biennial budget is for 2020 and 2021.

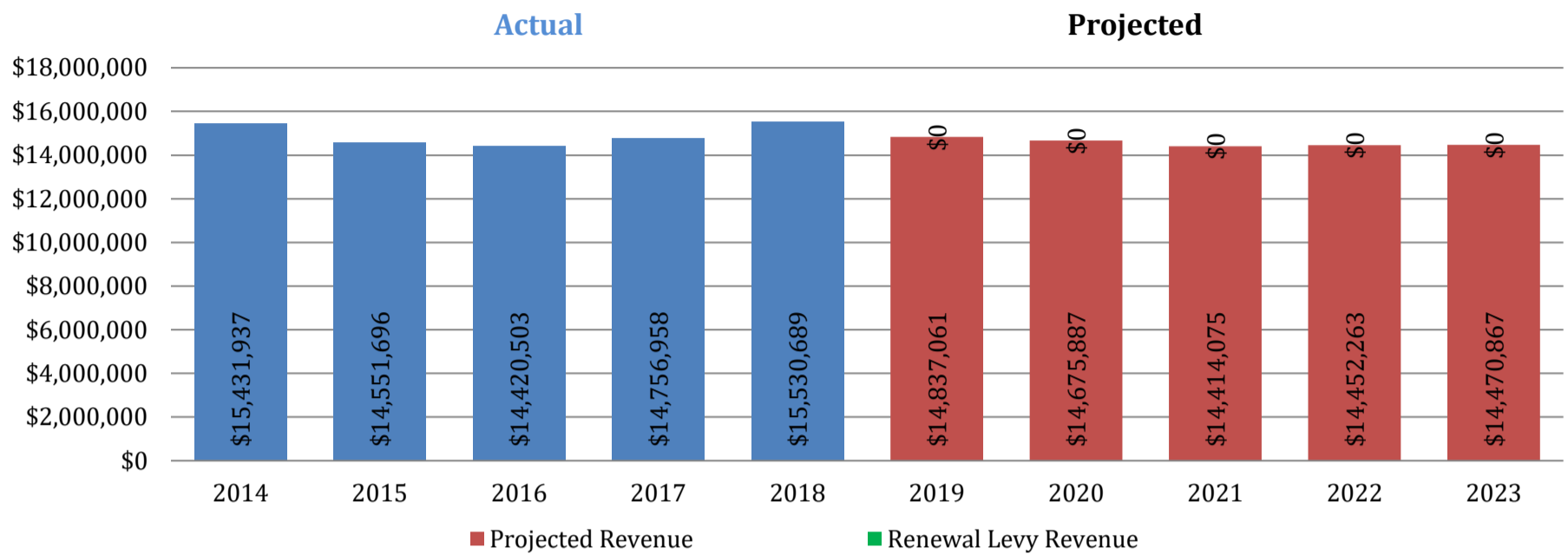
The next major revenue source is real estate taxes of which generates 34% of the district's total revenues. Reverse HB920 and Emergency Levies which are dollar amount driven have played a significant role in mitigating previous years valuation losses. That same affect impacts tax revenues when there is a valuation increase that the district received from the triennial update. Collection of delinquent taxes over the past few years have also contributed to steady increase in 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. While these amounts have remained steady over the previous years, we are not projecting them to maintain that high of a collection amount.

In addition, new income tax laws saw a significant number of property tax payers pay the full amount of property tax at the end of calendar year 2017. This is why the Real Estate tax amount is showing a 4.47% decrease in fiscal year 2019.

The last levy passed by the school district was a combination ten year renewal levy in November 2016. The last levy passed for additional dollars was

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).



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	15,530,689	14,837,061	14,675,887	14,414,075	14,452,263	14,470,867
YOY \$ Change	773,731	(693,628)	(161,174)	(261,812)	38,188	18,604
YOY % Change	5.2%	-4.5%	-1.1%	-1.8%	0.3%	0.1%

	2018	2019	2020	2021	2022	2023
Percentage of Total Revenue	34.6%	32.6%	32.2%	30.9%	30.2%	29.5%

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2017	276,024,630	(4,842,270)	66.85	(1.30)	60.61	(1.47)	100.0%
2018	308,076,734	32,052,104	61.26	(5.59)	54.39	(6.22)	93.1%
2019	308,076,734	-	61.43	0.17	54.56	0.17	93.0%
2020	308,076,734	-	61.60	0.17	54.73	0.17	91.1%
2021	308,076,734	-	61.77	0.17	54.89	0.17	91.1%
2022	308,076,734	-	61.77	-	54.89	-	91.1%

General Property Tax is the second highest revenue source of the district (32.6%) of total revenues. 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 consists of 76% of the revenue while Commercial/Industrial is 24%. 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 year 2018 collectable in 2019, the district saw a 10% increase in Residential valuation and a 17% increase for Commercial/Other from the triennial reappraisal. For calendar years 2019 through 2022, valuation amounts in these two area are projected to remain constant.

Tax Rates - The increase in valuation combined with the affects of House Bill 920, the tax rate decreased 5.59 mills to 61.26 mills for Residential and decreased 6.22 to 54.39 mills for Commercial/Other. The property tax revenue impact from the revised tax rate had an overall revenue increase of \$140,620.

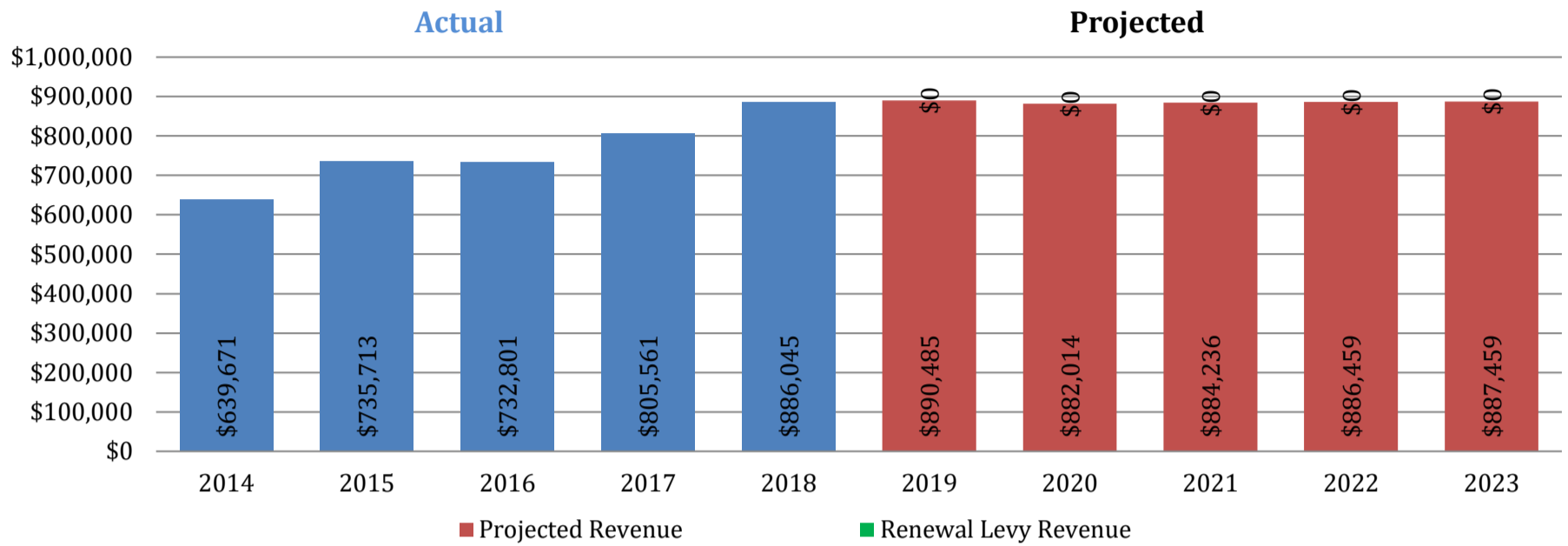
Collection Rates - The district had a collection rate 85.6% in 2017 and are projecting a 88% collection rate for residential and 80% collection rate for commercial in the forecasted fiscal years.

Delinquency collections in fiscal year 2018 was \$1.26 million and is projected to collect \$1.15 million for fiscal years 2019 and 2020 then \$850,000.

**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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	886,045	890,485	882,014	884,236	886,459	887,459
YOY \$ Change	80,484	4,440	(8,471)	2,222	2,223	1,000
YOY % Change	10.0%	0.5%	-1.0%	0.3%	0.3%	0.1%

Percentage of Total Revenue	2.0%	2.0%	1.9%	1.9%	1.8%	1.8%
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Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2017	12,926,360	863,390	69.76	(1.50)	100.0%
2018	13,251,360	325,000	66.47	(3.29)	100.0%
2019	13,251,360	-	66.64	0.17	100.0%
2020	13,251,360	-	66.80	0.17	100.0%
2021	13,251,360	-	66.97	0.17	100.0%
2022	13,251,360	-	66.97	-	100.0%

Public Utility Personal Property (PUPP) tax revenues is generated from telephone, natural gas, electric and water lines and equipment which is 2% of total revenues.

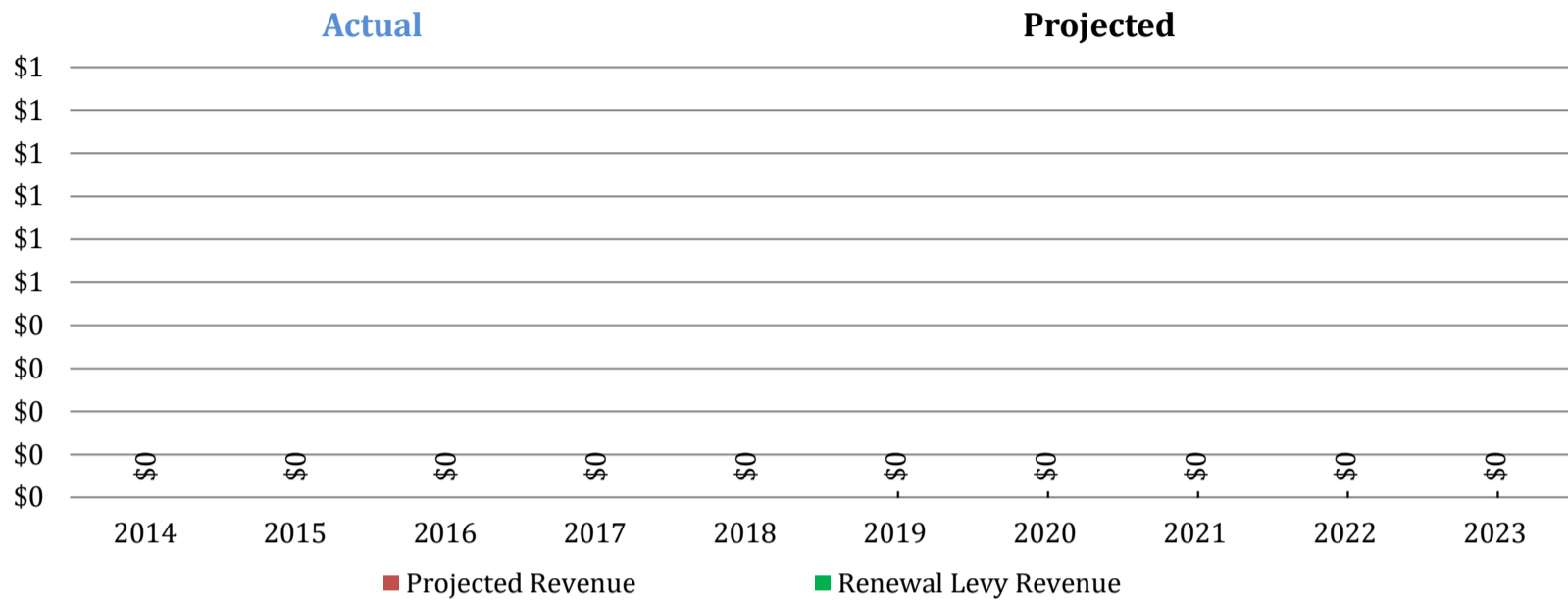
The PUPP valuation increased \$325,000 in Calendar Year 2017. We will not know the PUPP valuation for 2018 until later in the calendar year. Therefore, along with the corresponding revenues generated from TPP are projected to increase minimally in 2019 and then be flat lined for forecasted years 2020 through 2023.

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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

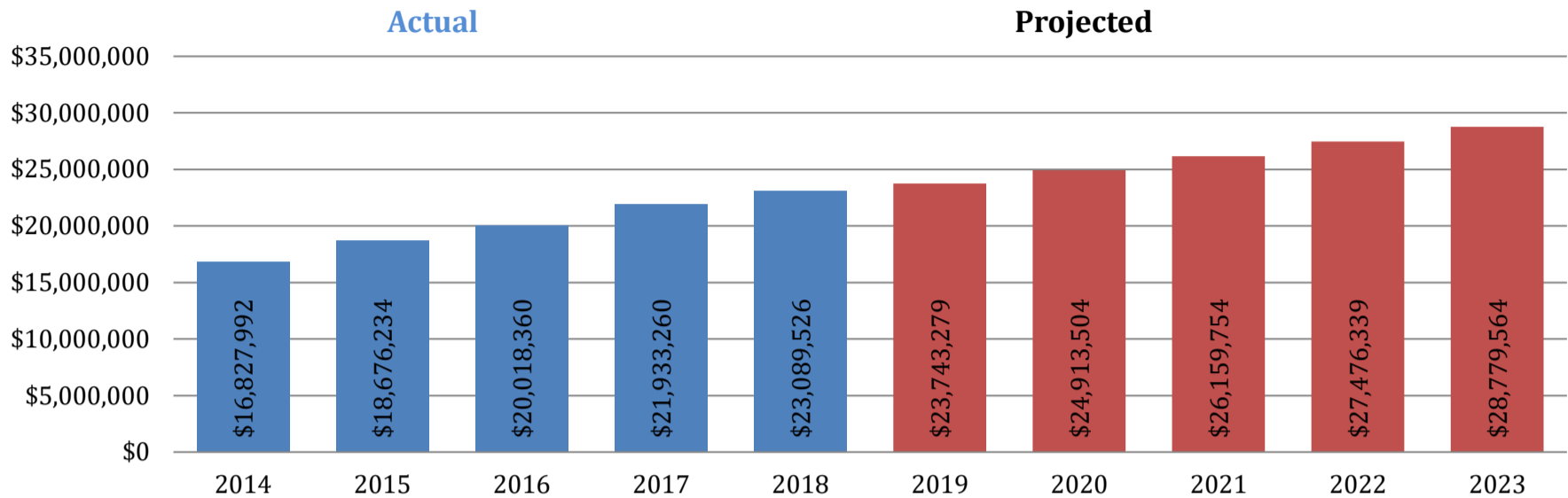
Percentage of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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The district does not have an income tax.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	23,089,526	23,743,279	24,913,504	26,159,754	27,476,339	28,779,564
YOY \$ Change	1,156,266	653,753	1,170,225	1,246,250	1,316,585	1,303,225
YOY % Change	5.3%	2.8%	4.9%	5.0%	5.0%	4.7%
Percentage of Total Revenue	51.5%	52.1%	54.6%	56.1%	57.3%	58.7%
Core Funding Per Pupil	6,010	6,020	6,100	6,200	6,300	6,400
State Share Index (SSI)	79.1%	79.1%	80.0%	80.0%	81.2%	81.2%
State Core Funding Per Pupil	4,753	4,761	4,883	4,963	5,116	5,197
Formula ADM (Funded Student Count)	4,084	3,899	3,974	4,065	4,032	4,015
Funding Status	Capped	Capped	Capped	Capped	Capped	Capped

Unrestricted Grants-In-Aid is the largest revenue source of the district at 52.1% 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 2019 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.

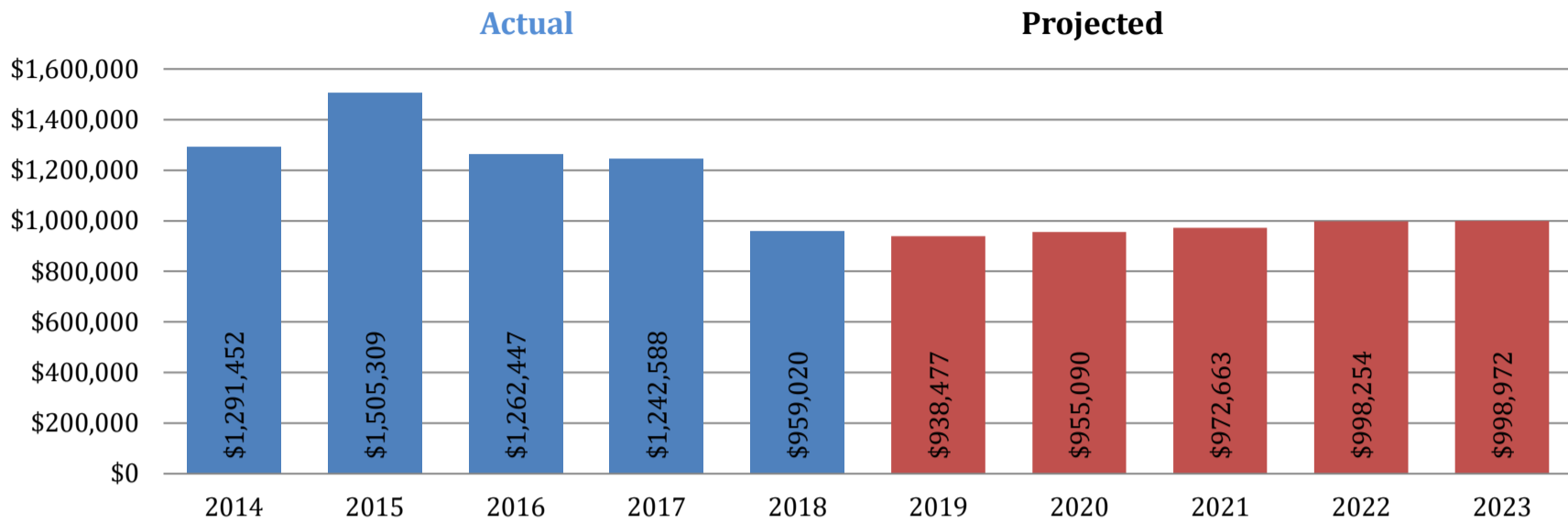
Under the State's current funding formula, the district is considered a "CAP" district. While the current funding formula showed the district qualifying for a higher amount of state aid, the biennial budget (18-19) calls for a CAP on the funding amount of 3% each fiscal year. That means that the district 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. Therefore, 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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	959,020	938,477	955,090	972,663	998,254	998,972
YOY \$ Change	(283,568)	(20,543)	16,613	17,573	25,591	718
YOY % Change	-22.8%	-2.1%	1.8%	1.8%	2.6%	0.1%
Percentage of Total Revenue	2.1%	2.1%	2.1%	2.1%	2.1%	2.0%
Economic Disadvantaged Funding	781,565	801,377	814,114	831,687	857,277	947,995
Percentage of Disadvantaged Students	59.9%	59.9%	60.0%	60.0%	60.0%	60.0%

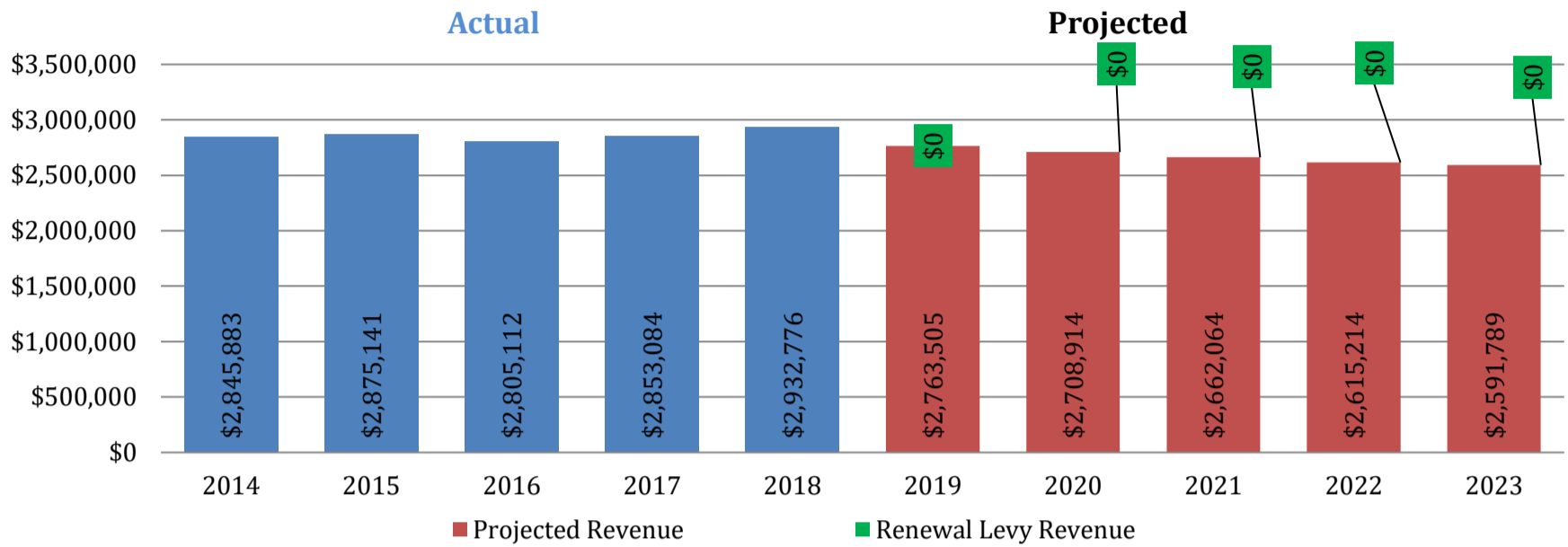
An additional component of the State's current funding formula is Economic Disadvantage Aid. This formula amount is deemed restricted by the Ohio Department of Education and the calculated formula amount is reflected here. For the forecasted amounts in Economic Disadvantage Aid, the district is using 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 2023.

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 2019 through 2023.

1.050 - Property Tax Allocation

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total With Renewal Levies	2,932,776	2,763,505	2,708,914	2,662,064	2,615,214	2,591,789
YOY \$ Change	79,692	(169,271)	(54,591)	(46,850)	(46,850)	(23,425)
YOY % Change	2.8%	-5.8%	-2.0%	-1.7%	-1.8%	-0.9%
Percentage of Total Revenue	6.5%	6.1%	5.9%	5.7%	5.5%	5.3%
% of Residential Real Estate 10% Rollback	9.90%	9.90%	9.90%	9.90%	9.90%	9.90%
% of Residential Real Estate 2.5% Rollback	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
% of Residential Real Estate Homestead	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%

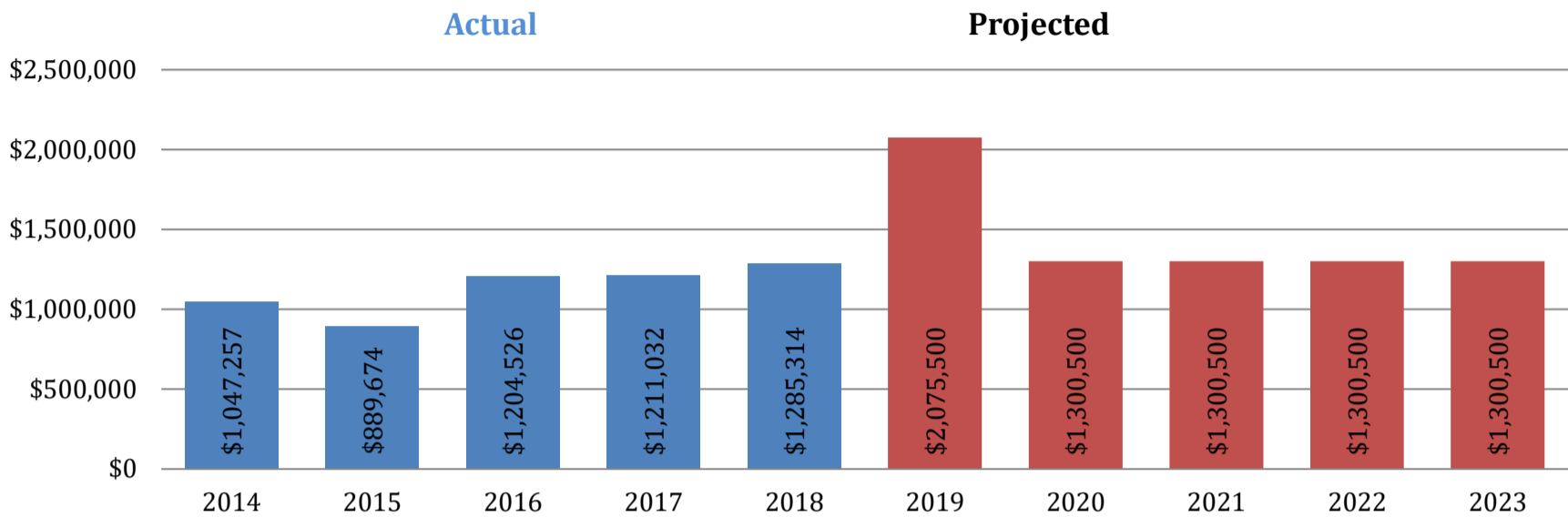
The Property Tax Allocation revenues are the district's third largest revenue source at 6.1%. A major portion of the Property Tax Allocation is generated from the Homestead and Rollback payments received from the State of Ohio. These payments are based on the relationship to actual real estate property tax collections. From the forecasted overall general property revenues, 6.86% 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 2019 through 2023. 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 will be phased out by 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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	1,285,314	2,075,500	1,300,500	1,300,500	1,300,500	1,300,500
YOY \$ Change	74,282	790,186	(775,000)	-	-	-
YOY % Change	6.1%	61.5%	-37.3%	0.0%	0.0%	0.0%

Percentage of Total Revenue	2018	2019	2020	2021	2022	2023
	2.9%	4.6%	2.8%	2.8%	2.7%	2.7%

The "All Other Operating Revenues" makes up a very small portion of the district's overall revenues (4.6%) and consists of Tuition payments, Earnings on Investments, Pay-to-Participate Fees, Building Rentals, Medicaid Reimbursement, CityView TIF payments and any other miscellaneous payments to the district.

In fiscal year 2018, tuition made up 40% of this revenue area and revenues amounted to \$509,768. Assuming no additional tuitions increases, the revenues are projected at \$510,000 annually in the forecasted fiscal years 2019 through 2023.

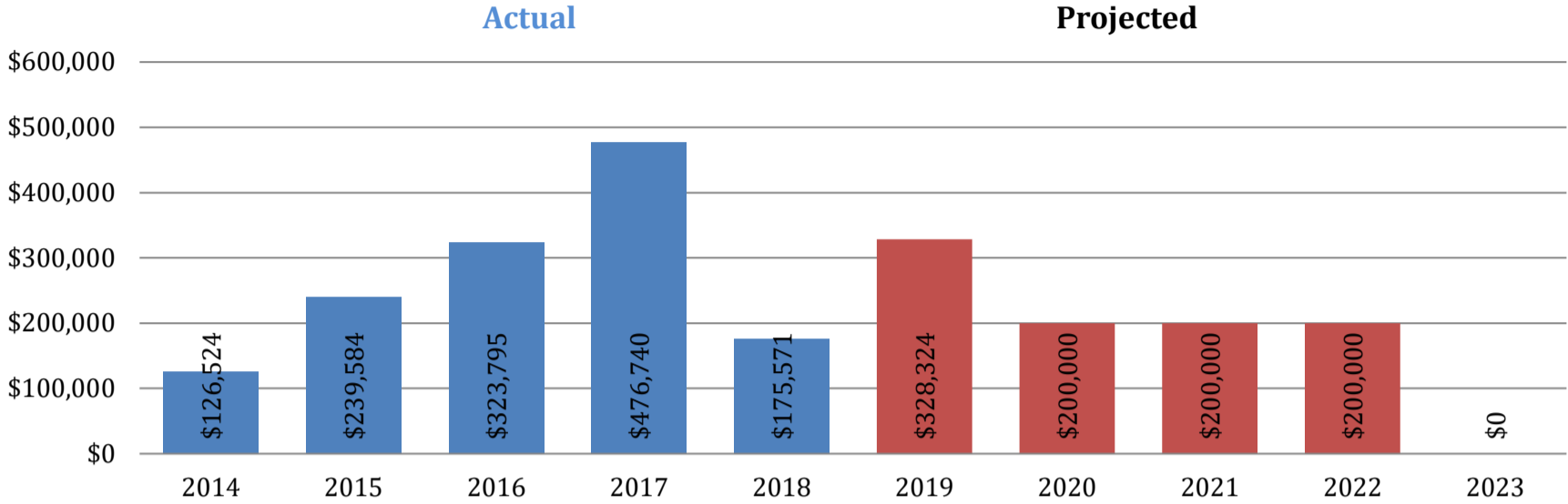
Medicaid reimbursement in 2018 was \$183,940. The projected annual amounts in the forecasted fiscal years is \$210,000 annually assuming that the legislation does not eliminate this reimbursement.

In fiscal year 2018, the district received \$435,854 as their share from the CityView Tax Increment Finance (TIF) agreement. These amounts are received from the City of Garfield Heights and are based on their calculations. The amounts being forecasted is \$400,000 annually for fiscal years 2019 through 2023. 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 on prior year amounts.

Lastly, we are forecasting a one time payment from the City in the amount of \$800,000 for its portion of income tax revenue sharing provisions mandated from abated property agreements for income tax revenue collected.

2.070 - Total Other Financing Sources

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



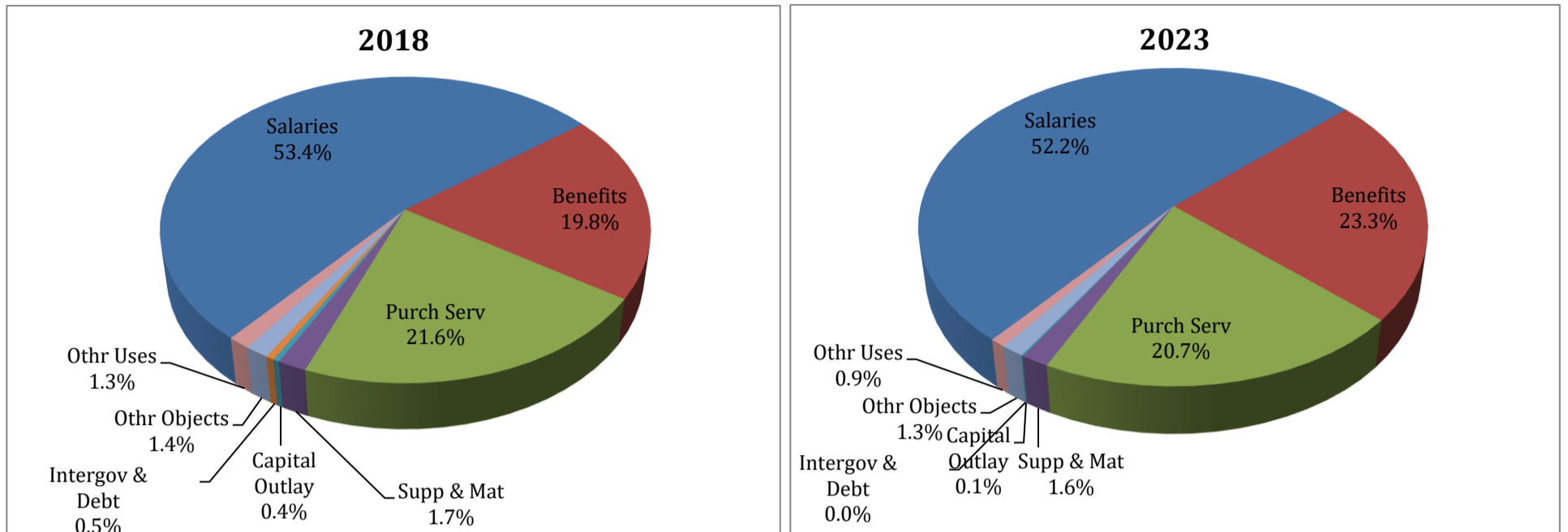
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	175,571	328,324	200,000	200,000	200,000	-
YOY \$ Change	(301,169)	152,753	(128,324)	-	-	(200,000)
YOY % Change	-63.2%	87.0%	-39.1%	0.0%	0.0%	-100.0%
Percentage of Total Revenue	0.4%	0.7%	0.4%	0.4%	0.4%	0.0%
Transfers In	-	-	-	-	-	-
Advances In	170,312	328,324	200,000	200,000	200,000	-

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.

Expenditure Categories and Forecast Year-Over-Year Projected Overview



	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	
Expenditures:							
3.010-Salaries	3.52%	2.22%	2.21%	2.01%	2.01%	2.01%	2.09%
3.020-Benefits	4.33%	5.39%	5.74%	5.99%	6.16%	6.32%	5.92%
3.030-Purchased Services	11.32%	-0.86%	2.27%	2.51%	2.38%	2.39%	1.74%
3.040-Supplies & Materials	5.44%	5.99%	-4.52%	0.61%	1.86%	1.86%	1.16%
3.050-Capital Outlay	65.66%	-55.16%	-33.33%	0.00%	0.00%	0.00%	-17.70%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	-2.35%	-61.85%	0.00%	-100.00%	n/a	n/a	-53.95%
4.300-Other Objects	2.65%	1.70%	3.09%	-6.26%	3.39%	2.04%	0.79%
4.500-Total Expenditures	4.99%	1.71%	2.78%	2.64%	3.02%	3.07%	2.64%
5.040-Total Other Uses	4.48%	-23.02%	0.00%	0.00%	0.00%	0.00%	-4.60%
5.050-Total w/Other Uses	4.89%	1.39%	2.76%	2.62%	2.99%	3.04%	2.56%

Total expenditures including 'Other Financing Uses' are expected have an average annual increase of 2.55% over the forecasted five years as compared to an actual average annual expenditure increase of 4.89% over the previous 5 years.

Salaries are showing a 2.09% 5-Year Avg. Annual Change as compared 3.52% in Prev 5 years. The district has taken a stance of not filling open positions unless absolutely necessary in 2019. In addition, current assumptions are not projecting raises beyond step increases.

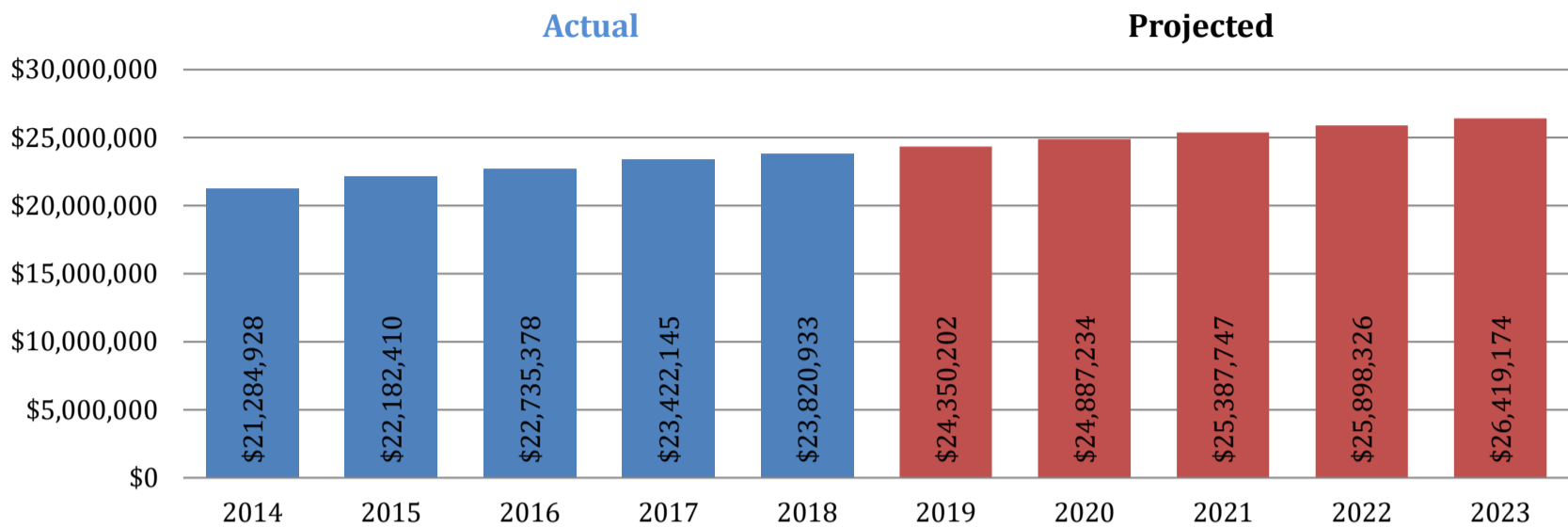
Benefits are showing 5.92 5-Year Avg Change as compared to 4.33% in the previous 5 years. Health care costs continue to rise and will have a major impact on the projected years.

Purchased Services has a 1.72% 5-Year Annual Change and as compared to 11.32% in the previous 5 years. The significant decrease in the 5 year annual changed is based on projected flat line on out of district tuition and special education costs combined with a projected decrease in utilities due to a energy saving lighting project at the High School and Middle School. These two areas have a significant impact on the projected fiscal year amounts for purchased services.

The Supplies, Capital Outlay, and Other Objects 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.

3.010 - Personnel Services

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	23,820,933	24,350,202	24,887,234	25,387,747	25,898,326	26,419,174
YOY \$ Change	398,788	529,269	537,032	500,513	510,579	520,848
YOY % Change	1.7%	2.2%	2.2%	2.0%	2.0%	2.0%

Percentage of Total Budget	53.4%	53.8%	53.5%	53.2%	52.7%	52.2%
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The Personnel Services is largest expenditure area of the district at 53.4%. 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.

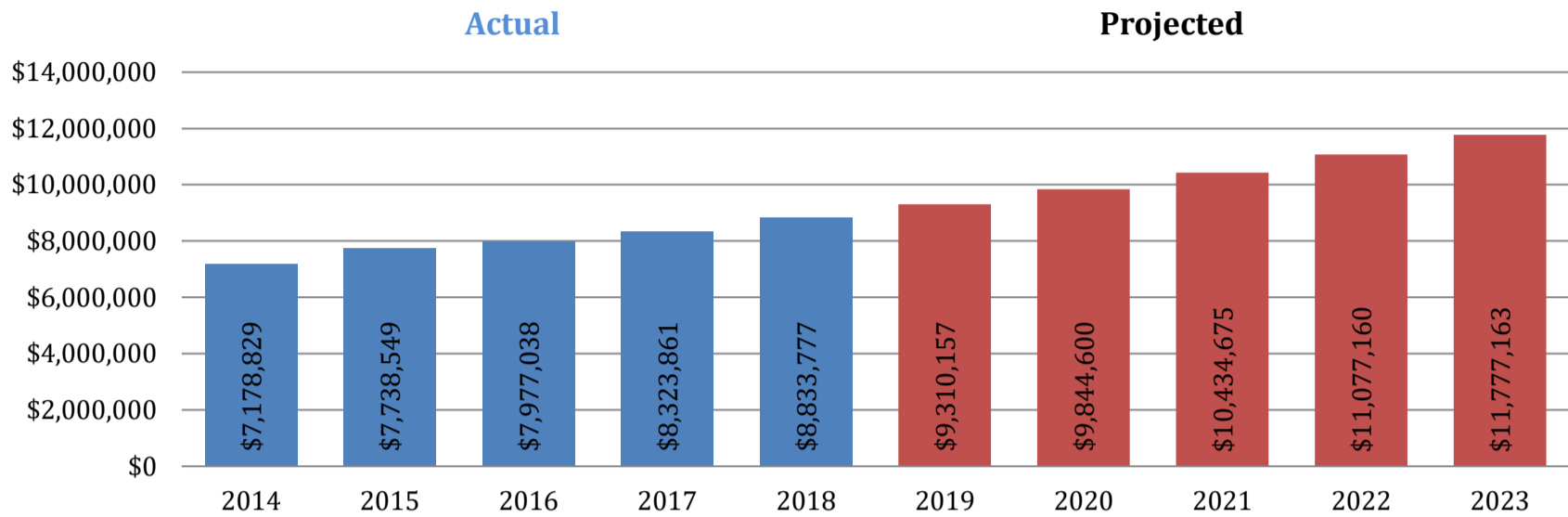
For forecasted fiscal year 2019, the projected amounts reflects a step increase for teachers as the one year negotiated agreement has expired and negotiated agreement wage increase for classified staff. For forecasted years 2020 through 2023, forecasted amounts assume only step increases as set forth in the current negotiated agreement salary schedules as new negotiated wages increases have yet to be determined. 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. Severance payments have been projected to decrease significantly as retirements have decreased. Substitute costs are projected to remain flatlined over the forecasted years based on past history. Overtime, extra time, incentives and extended time amounts are projected to increase 1% annually in forecasted years 2019 through 2023.

We are projecting no change in staffing levels for the forecasted years 2020 through 2023 based on current levels.

3.020 - Employees' Benefits

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



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	8,833,777	9,310,157	9,844,600	10,434,675	11,077,160	11,777,163
YOY \$ Change	509,916	476,380	534,443	590,075	642,485	700,003
YOY % Change	6.1%	5.4%	5.7%	6.0%	6.2%	6.3%

Percentage of Total Budget	19.8%	20.6%	21.2%	21.9%	22.5%	23.3%
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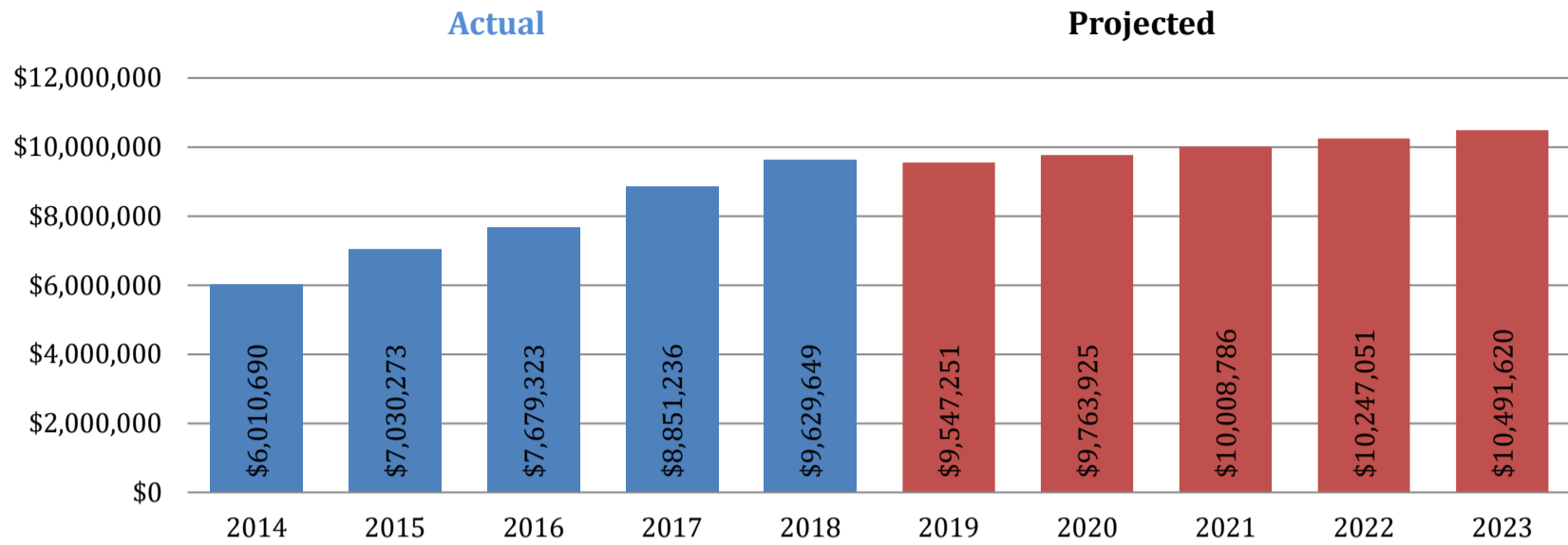
Employees' Benefits is the next largest expenditure area at 20.6% of overall expenditures. This area consists of retirement, medicare, health care and workers compensation.

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 2019, the district saw a 8.65% aggregate increase in health care premiums. For forecasted fiscal years 2020 through 2023, premium increases of 10% in the aggregate 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 or various benefit packages and is currently 10% for all employees except classified who pay 8%. For purposes of this forecast, these contribution rates are not projected to change in forecasted years. The workers' compensation rate is projected to decrease slightly and follow projected personal service amounts.

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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	9,629,649	9,547,251	9,763,925	10,008,786	10,247,051	10,491,620
YOY \$ Change	778,413	(82,398)	216,674	244,861	238,265	244,569
YOY % Change	8.8%	-0.9%	2.3%	2.5%	2.4%	2.4%
Percentage of Total Budget	21.6%	21.1%	21.0%	21.0%	20.9%	20.7%

Purchase Services is now 21.1% 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 has flatlined. The projected increase for 2019 is 1% due to steps being taken to verify enrollment, bring back students and recoup costs and then 2.5% annually in the forecasted fiscal years.

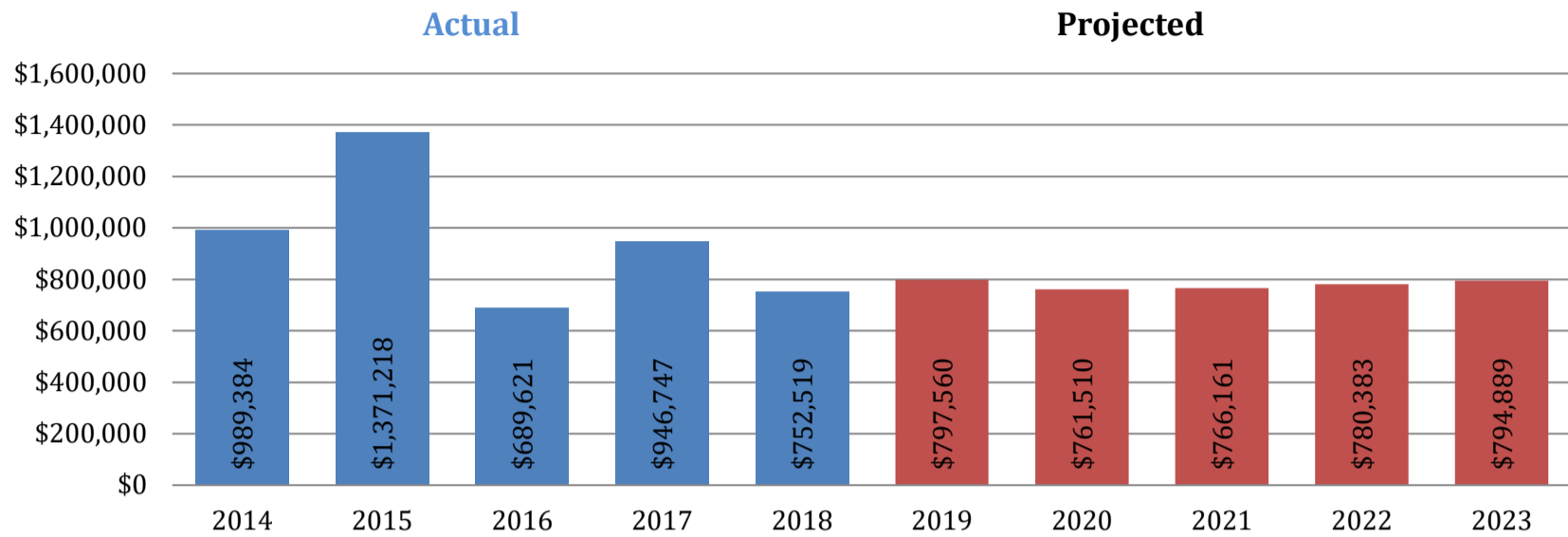
Utility costs saw a slight increase in 2018 due an increase in telephone and electricity costs. For 2019, we are projecting to decrease slightly by 1.5 % and then increase 2% annually in the forecasted fiscal years.

Contractual services (substitutes, legal, health, psychologist, OT, PT, legal, professional, copier) increased 32.5% in 2018 due to a significant increase in substitute costs. However, the substitute cost is now projected to decrease by 5% in fiscal year 2019 and then increase 1% annually in the forecasted fiscal years as we take steps to try and reduce absenteeism

All other purchase services (travel/meeting expenses, advertising , printing,) assume an annual 1% 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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	752,519	797,560	761,510	766,161	780,383	794,889
YOY \$ Change	(194,228)	45,041	(36,050)	4,651	14,222	14,506
YOY % Change	-20.5%	6.0%	-4.5%	0.6%	1.9%	1.9%

Percentage of Total Budget	1.7%	1.8%	1.6%	1.6%	1.6%	1.6%
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This category includes general supplies, textbooks, library books/periodicals, maintenance/custodial supplies, and transportation supplies and 1.8% of the overall expenditures.

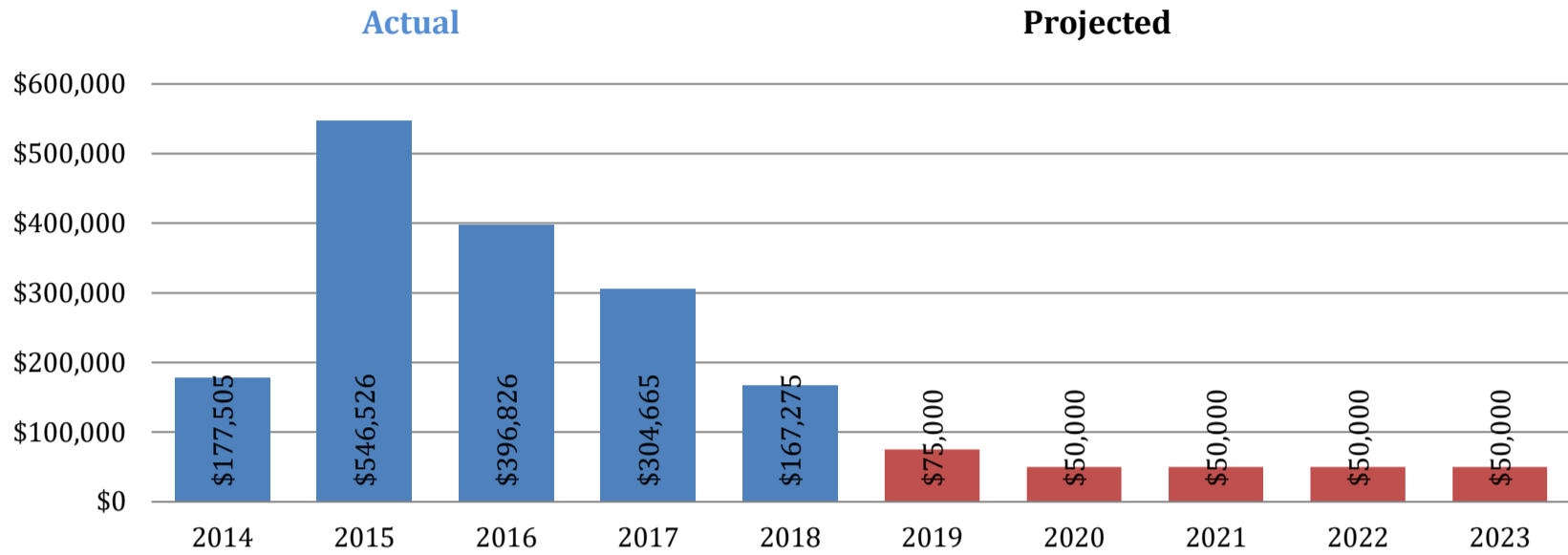
Over the past few years, the district has made significant effort in textbook purchase spending. Therefore, this amount is projected to increase in 2019 based on current needs. Textbook purchases are projected to decrease in 2020 and remain flatlined in the forecasted fiscal years.

General supply costs are projected to increase slightly (2.4%) in 2019 based on current estimated needs and then an inflationary 2% annual increase in the forecasted fiscal years.

Maintenance/custodial and transportation supply costs for 2019 are based on current estimated needs and then have a projected 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.



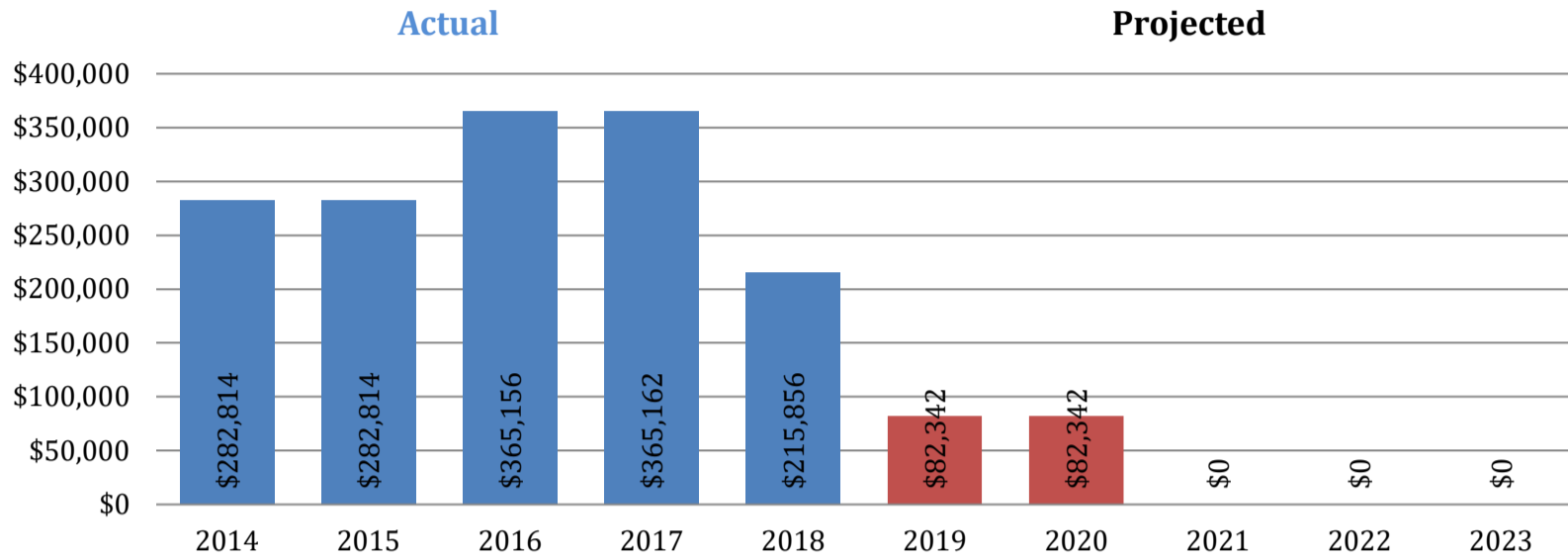
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	167,275	75,000	50,000	50,000	50,000	50,000
YOY \$ Change	(137,390)	(92,275)	(25,000)	-	-	-
YOY % Change	-45.1%	-55.2%	-33.3%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.4%	0.2%	0.1%	0.1%	0.1%	0.1%

Capital outlay represent .2% of the overall expenditures and includes the purchase of new instructional equipment, special education equipment, buildings and building improvements, and vehicles/busses.

We are projecting further decreases for 2019 as 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.



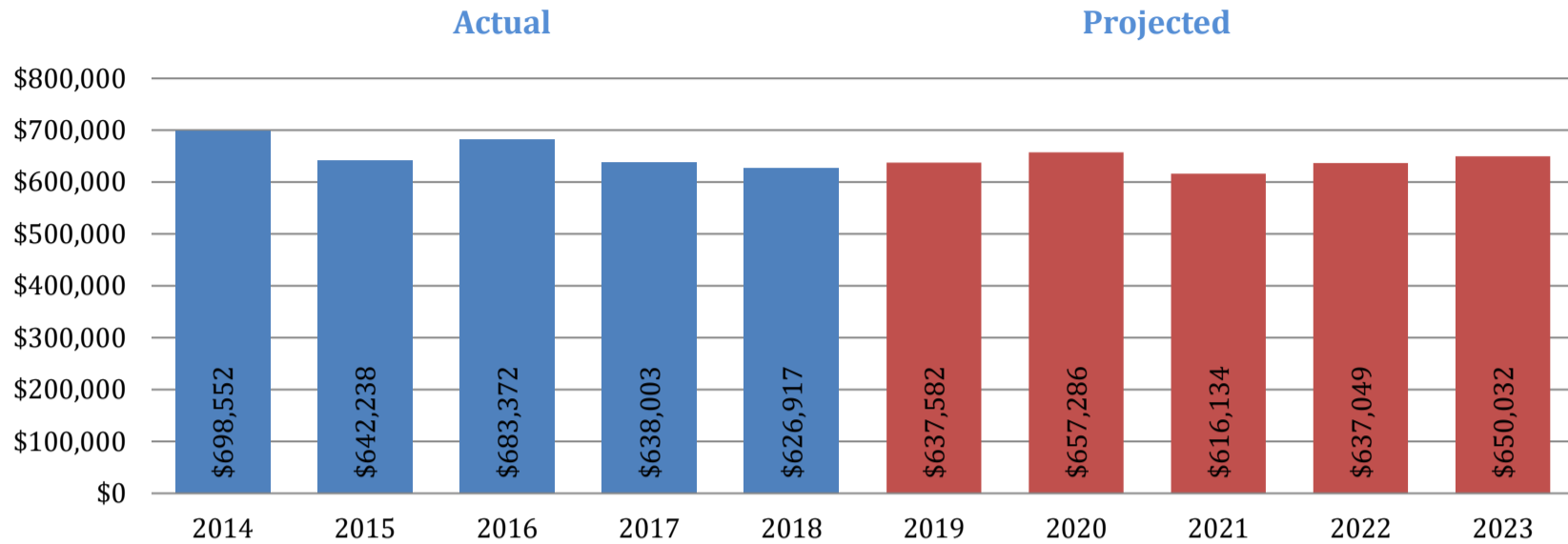
	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	215,856	82,342	82,342	-	-	-
YOY \$ Change	(149,306)	(133,514)	-	(82,342)	-	-
YOY % Change	-40.9%	-61.9%	0.0%	-100.0%	0.0%	0.0%
Percentage of Total Budget	0.5%	0.2%	0.2%	0.0%	0.0%	0.0%

The district has one debt obligations from the General Fund, a lease-purchase principal payment on equipment.

The lease-purchase remaining debt has annual payments of \$82,342 which 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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	626,917	637,582	657,286	616,134	637,049	650,032
YOY \$ Change	(11,086)	10,665	19,704	(41,152)	20,915	12,983
YOY % Change	-1.7%	1.7%	3.1%	-6.3%	3.4%	2.0%

Percentage of Total Budget	2018	2019	2020	2021	2022	2023
	1.4%	1.4%	1.4%	1.3%	1.3%	1.3%

Other Objects represents 1.4% 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 significantly for fiscal year 2019 (actual costs are known). These costs are projected to increase an inflationary 2% annually in the forecasted fiscal years.

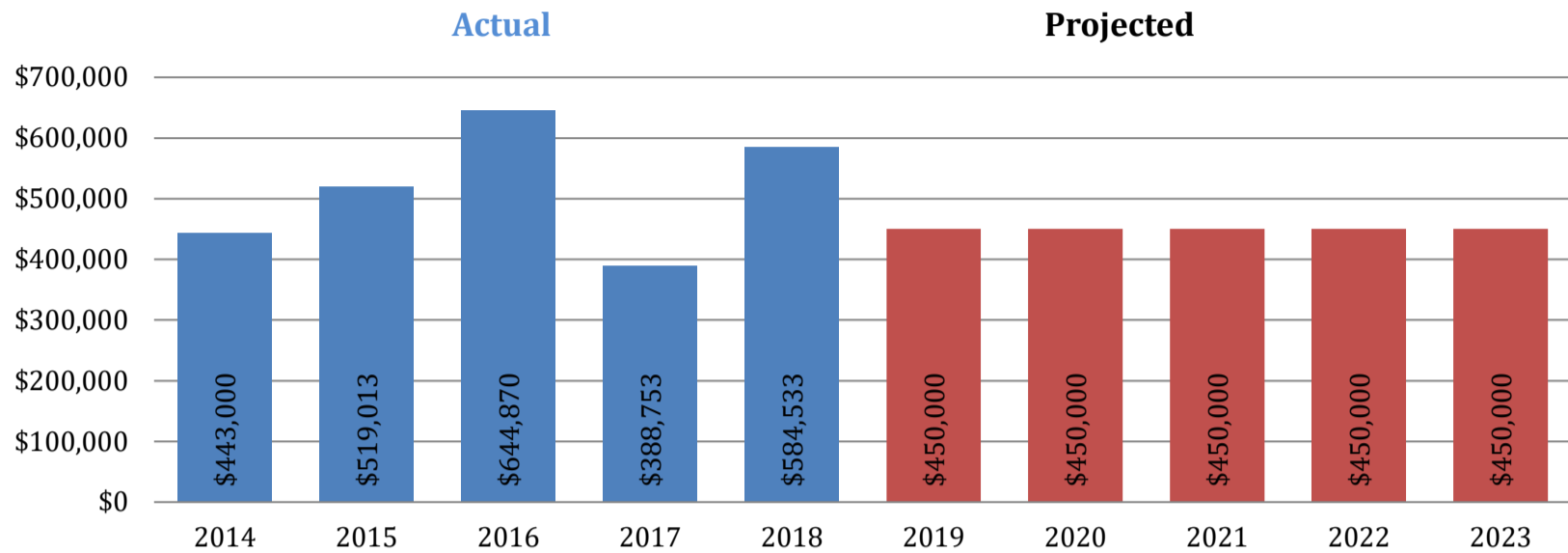
The most significant of this category are the County Fiscal Office Property Tax Collection fees. These fees increased 2% in 2018 and are projecting a .1% increase in 2019 and then remain flatlined in forecasted fiscal years. Board of election projected costs are based on election years. These costs projected to have a corresponding significant increase in 2020 due to it being a general election year for board members.

Audit costs and bank fees 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.



	FORECASTED					
	2018	2019	2020	2021	2022	2023
Total	584,533	450,000	450,000	450,000	450,000	450,000
YOY \$ Change	195,780	(134,533)	-	-	-	-
YOY % Change	50.4%	-23.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	1.3%	1.0%	1.0%	0.9%	0.9%	0.9%
Transfers Out	256,209	250,000	250,000	250,000	250,000	250,000
Advances Out	328,324	200,000	200,000	200,000	200,000	200,000

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 are based on projected other funds 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 an prior year history and projected needs.

Garfield Heights City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2018	2019	2020	2021	2022	2023
Revenue:						
1.010 - General Property Tax (Real Estate)	15,530,689	14,837,061	14,675,887	14,414,075	14,452,263	14,470,867
1.020 - Public Utility Personal Property	886,045	890,485	882,014	884,236	886,459	887,459
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	23,089,526	23,743,279	24,913,504	26,159,754	27,476,339	28,779,564
1.040 - Restricted Grants-in-Aid	959,020	938,477	955,090	972,663	998,254	998,972
1.050 - Property Tax Allocation	2,932,776	2,763,505	2,708,914	2,662,064	2,615,214	2,591,789
1.060 - All Other Operating Revenues	1,285,314	2,075,500	1,300,500	1,300,500	1,300,500	1,300,500
1.070 - Total Revenue	44,683,370	45,248,307	45,435,909	46,393,292	47,729,029	49,029,151
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	170,312	328,324	200,000	200,000	200,000	-
2.060 - All Other Financing Sources	5,259	-	-	-	-	-
2.070 - Total Other Financing Sources	175,571	328,324	200,000	200,000	200,000	-
2.080 - Total Rev & Other Sources	44,858,941	45,576,631	45,635,909	46,593,292	47,929,029	49,029,151
Expenditures:						
3.010 - Personnel Services	23,820,933	24,350,202	24,887,234	25,387,747	25,898,326	26,419,174
3.020 - Employee Benefits	8,833,777	9,310,157	9,844,600	10,434,675	11,077,160	11,777,163
3.030 - Purchased Services	9,629,649	9,547,251	9,763,925	10,008,786	10,247,051	10,491,620
3.040 - Supplies and Materials	752,519	797,560	761,510	766,161	780,383	794,889
3.050 - Capital Outlay	167,275	75,000	50,000	50,000	50,000	50,000
Intergovernmental & Debt Service	215,856	82,342	82,342	-	-	-
4.300 - Other Objects	626,917	637,582	657,286	616,134	637,049	650,032
4.500 - Total Expenditures	44,046,926	44,800,094	46,046,897	47,263,503	48,689,969	50,182,878
Other Financing Uses						
5.010 - Operating Transfers-Out	256,209	250,000	250,000	250,000	250,000	250,000
5.020 - Advances-Out	328,324	200,000	200,000	200,000	200,000	200,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	584,533	450,000	450,000	450,000	450,000	450,000
5.050 - Total Exp and Other Financing Uses	44,631,459	45,250,094	46,496,897	47,713,503	49,139,969	50,632,878
6.010 - Excess of Rev Over/(Under) Exp	227,482	326,537	(860,988)	(1,120,211)	(1,210,940)	(1,603,727)
7.010 - Cash Balance July 1 (No Levies)	807,016	1,034,498	1,361,035	500,047	(620,164)	(1,831,104)
7.020 - Cash Balance June 30 (No Levies)	1,034,498	1,361,035	500,047	(620,164)	(1,831,104)	(3,434,831)
		Reservations				
8.010 - Estimated Encumbrances June 30	514,032	300,000	300,000	300,000	300,000	300,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	520,466	1,061,035	200,047	(920,164)	(2,131,104)	(3,734,831)
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	520,466	1,061,035	200,047	(920,164)	(2,131,104)	(3,734,831)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	520,466	1,061,035	200,047	(920,164)	(2,131,104)	(3,734,831)

Garfield Heights City School District

ThreeYear Forecast

Fiscal Year:	Actual	FORECASTED		
	2018	2019	2020	2021
Revenue:				
1.010 - General Property Tax (Real Estate)	15,530,689	14,837,061	14,675,887	14,414,075
1.020 - Public Utility Personal Property	886,045	890,485	882,014	884,236
1.030 - Income Tax	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	23,089,526	23,743,279	24,913,504	26,159,754
1.040 - Restricted Grants-in-Aid	959,020	938,477	955,090	972,663
1.050 - Property Tax Allocation	2,932,776	2,763,505	2,708,914	2,662,064
1.060 - All Other Operating Revenues	1,285,314	2,075,500	1,300,500	1,300,500
1.070 - Total Revenue	44,683,370	45,248,307	45,435,909	46,393,292
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	170,312	328,324	200,000	200,000
2.060 - All Other Financing Sources	5,259	-	-	-
2.070 - Total Other Financing Sources	175,571	328,324	200,000	200,000
2.080 - Total Rev & Other Sources	44,858,941	45,576,631	45,635,909	46,593,292
Expenditures:				
3.010 - Personnel Services	23,820,933	24,350,202	24,887,234	25,387,747
3.020 - Employee Benefits	8,833,777	9,310,157	9,844,600	10,434,675
3.030 - Purchased Services	9,629,649	9,547,251	9,763,925	10,008,786
3.040 - Supplies and Materials	752,519	797,560	761,510	766,161
3.050 - Capital Outlay	167,275	75,000	50,000	50,000
Intergovernmental & Debt Service	215,856	82,342	82,342	-
4.300 - Other Objects	626,917	637,582	657,286	616,134
4.500 - Total Expenditures	44,046,926	44,800,094	46,046,897	47,263,503
Other Financing Uses				
5.010 - Operating Transfers-Out	256,209	250,000	250,000	250,000
5.020 - Advances-Out	328,324	200,000	200,000	200,000
5.030 - All Other Financing Uses	-	-	-	-
5.040 - Total Other Financing Uses	584,533	450,000	450,000	450,000
5.050 - Total Exp and Other Financing Uses	44,631,459	45,250,094	46,496,897	47,713,503
6.010 - Excess of Rev Over/(Under) Exp	227,482	326,537	(860,988)	(1,120,211)
7.010 - Cash Balance July 1 (No Levies)	807,016	1,034,498	1,361,035	500,047
7.020 - Cash Balance June 30 (No Levies)	1,034,498	1,361,035	500,047	(620,164)