



5 Year Forecast  
And  
Assumptions

# Richmond Heights Local Schools

Cuyahoga

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2014, 2015 and 2016 Actual;  
Forecasted Fiscal Years Ending June 30, 2017 Through 2021

	Actual			Forecasted				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>Revenues</b>								
1.010 General Property Tax (Real Estate)	\$9,442,896	\$9,039,332	\$8,936,288	\$9,175,000	\$9,258,500	\$9,444,500	\$9,445,000	\$9,445,000
1.020 Tangible Personal Property Tax	242,056	634,030	466,316	375,000	290,000	210,000		
1.030 Income Tax	0	0	0					
1.035 Unrestricted State Grants-in-Aid	1,619,509	1,992,521	1,710,923	1,740,000	1,774,000	1,810,296	1,810,296	1,810,296
1.040 Restricted State Grants-in-Aid	37,857	0	0	0	0	0	0	0
1.045 Restricted Federal Grants-in-Aid - SFSF	0	0	0	0	0	0	0	0
1.050 Property Tax Allocation	2,068,343	1,326,057	1,342,380	1,300,000	1,387,000	1,414,944	1,414,944	1,414,944
1.060 All Other Revenues	600,114	197,869	162,517					
1.070 Total Revenues	13,835,181	13,169,809	12,618,424	12,650,000	12,709,500	12,880,240	12,870,240	12,670,240
<b>Other Financing Sources</b>								
2.010 Proceeds from Sale of Notes	1,000,000	1,500,000	0					
2.020 State Emergency Loans and Advancements (Approved)	0	0	0					
2.040 Operating Transfers-In	0	0	0					
2.050 Advances-In	1,534	165,170	325					
2.060 All Other Financing Sources	137,791	165,170	700,000	400,000	282,000	282,000	282,000	282,000
2.070 Total Other Financing Sources	33,443	61,374	97,171	100,000	110,000	118,000	118,000	118,000
2.080 Total Revenues and Other Financing Sources	14,940,983	15,081,323	13,415,920	13,150,000	13,101,500	13,280,240	13,070,240	13,070,240
<b>Expenditures</b>								
3.010 Personal Services	5,375,967	4,887,637	4,738,584	4,927,000	5,025,540	5,126,050	5,126,050	5,126,050
3.020 Employees' Retirement/Insurance Benefits	2,522,931	2,075,658	2,031,669	2,125,000	2,231,250	2,342,812	2,459,953	2,582,981
3.030 Purchased Services	4,631,508	4,121,600	4,271,922	4,421,000	4,553,630	4,690,238	4,830,948	4,830,948
3.040 Supplies and Materials	294,409	250,858	243,044	275,000	283,250	291,747	300,488	309,514
3.050 Capital Outlay	127,030	2,281	113,073	250,000	75,000			
3.060 Intergovernmental	0	0	0					
Debt Service:								
4.010 Principal-All (Historical Only)	0	0	0	75,000	75,000	80,000	80,000	80,000
4.020 Principal-Notes	0	0	0					
4.030 Principal-State Loans	0	1,500,000	76,303					
4.040 Principal-State Advancements	0	0	0					
4.050 Principal-HB 264 Loans	0	0	0					
4.055 Principal-Other	0	0	0					
4.060 Interest and Fiscal Charges	0	0	0	54,000	62,000	94,000	96,000	98,000
4.300 Other Objects	0	15,131	60,438	44,286	47,228	43,224	39,098	34,884
4.500 Total Expenditures	343,337	361,065	425,894	475,301	500,000	500,000	500,000	500,000
<b>Other Financing Uses</b>								
5.010 Operating Transfers-Out	1,486,741	814,054	340,467	100,000	75,000	75,000	75,000	75,000
5.020 Advances-Out	165,170	700,000	415,193	282,000	282,000	282,000	282,000	282,000
5.030 All Other Financing Uses	0	0	0	500,000	300,000	367,000	357,000	357,000
5.040 Total Other Financing Uses	1,631,911	1,514,054	755,660	882,000	657,000	712,000	719,000	719,000
5.050 Total Expenditures and Other Financing Uses	15,117,143	14,728,484	12,716,667	13,528,587	13,539,898	13,625,000	13,789,546	13,919,335
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	176,180	362,839	899,253	376,587	438,388	244,631	719,308	846,085
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	251,235	75,075	427,914	1,127,167	748,580	310,182	65,351	653,955
7.020 Cash Balance June 30	75,075	427,914	1,127,167	748,580	310,182	65,351	653,955	1,503,050
8.010 Estimated Encumbrances June 30	0	89,081	287,546	250,000	175,000	150,000	150,000	150,000
<b>Reservation of Fund Balance</b>								
9.010 Textbooks and Instructional Materials								
9.020 Capital Improvements								
9.030 Budget Reserve								
9.040 DPIA								
9.045 Fiscal Stabilization								
9.050 Debt Service								
9.060 Property Tax Advancements								
9.070 Bus Purchases								
9.080 Subtotal	0	0	0	175,000	175,000			
10.010 Fund Balance June 30 for Certification of Appropriations	75,075	338,833	839,621	323,580	135,182	84,649	803,955	1,653,050
<b>Revenue from Replacement/Renewal Levies</b>								
11.010 Income Tax - Renewal								
11.020 Property Tax - Renewal or Replacement	0	0	0					
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	0					
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	75,075	338,833	839,621	323,580	135,182	84,649	803,955	1,653,050
<b>Revenue from New Levies</b>								
13.010 Income Tax - New								
13.020 Property Tax - New								
13.030 Cumulative Balance of New Levies				750,000	1,500,000	1,500,000	1,500,000	
14.010 Revenue from Future State Advancements				750,000	2,250,000	3,750,000	5,250,000	
15.010 Unreserved Fund Balance June 30	75,075	338,833	839,621	323,580	885,182	2,165,351	2,948,045	3,596,950
<b>ADM Forecasts</b>								
20.010 Kindergarten - October Count								
20.015 Grades 1-12 - October Count								
<b>State Fiscal Stabilization Funds</b>								
21.010 Personal Services SFSF	0	0	0					
21.020 Employees Retirement/Insurance Benefits SFSF	0	0	0					
21.030 Purchased Services SFSF	0	0	0					
21.040 Supplies and Materials SFSF	0	0	0					
21.050 Capital Outlay SFSF	0	0	0					
21.060 Total Expenditures - SFSF	0	0	0					

See accompanying summary of significant forecast assumptions and accounting policies  
Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

## **GENERAL FUND EXPENSES ASSUMPTIONS**

The General Fund expenses projections are based upon several key assumptions.

This forecast assumes changes in the number of students currently attending the Richmond Heights Local Schools. The student base has continued to drop.

The second key assumption is the number of staff members. There were reductions of staff either through rifting, resignations, or retirements of 30 plus employees in the past years. Currently we have not replaced many staff but have gone in different directions.

Third, it is assumed this is the state of the general economy. Based upon several economist predictions and Federal Reserve official statements, the following assumed inflation rates were used. National education experts have calculated a 4.0% to 4.5% inflation rate for K-12 public education.

- 3.5% in fiscal year 2016-2017
- 3.5% in fiscal year 2017-2018
- 3.5% in fiscal year 2018-2019
- 3.5% in fiscal year 2019-2020
- 3.5% in fiscal year 2020-2021

Fourth, that the Ohio Legislature and the United States Congress will not impose new unfunded mandates upon the school district that impacts the General Fund. At this time we have assumed new health care expenses directly attributable to the new National Health Care laws.

### **SALARIES AND WAGES**

All projections are based upon current information. Funds have been made available for the 2016/2017 year for pay raises, 1.5% and step increases. Depending on the amount of raises there could be an additional funds for the 2017/2018 year. It is assumed that all non-bargaining employees salaries would increase to some levels. It is also assumed that all current certificated and classified positions funded by various local, State, or Federal grants will continue despite Federal budget sequestration reductions. At this time raises or step increases have not been included for years beyond 2016/2017 year.

## **LEGAL SERVICES**

This category provides for the payment of legal fees for: general legal services; labor relations services; special education student issues; Board of Revision and Board of Tax Appeals issues; as well as borrowing/leasing and fiscal management services. This category assumes a 3.7% annual increase in the rates charged by various law firms.

## **TRAVEL AND MILEAGE**

This category includes all payments for professional travel and employee mileage reimbursement. It is assumed that the 2016-2017 level of staff development travel will continue throughout each year projected. The majority of staff development is paid through state/federal grants.

## **REPAIRS**

This category includes all outside non-capital repair of building and grounds. It also contains the cost of maintenance agreements for office machinery, classroom equipment, administrative computers, and boiler controls. This category has been increased by the assumed rates of inflation for each fiscal year.

## **RENTALS AND LEASES**

This category includes the cost of rentals throughout the district. This includes instructional programs as well as district-wide rentals. This category has been increased by the assumed rates of inflation for each fiscal year.

## **SPECIAL EDUCATION TRANSPORTATION**

This category is for the cost of contracted services to provide transportation to the special education student, as well as parent reimbursements. It is assumed that current ridership on school district vehicles will remain the same each year. This category has been increased by the assumed rates of inflation for each fiscal year projected.

## **EDUCATIONAL SUPPLIES**

This category includes instructional supplies and teaching aids. This category has been increased by the assumed rates of inflation for each fiscal year.

## **TEXTBOOKS**

This category provides for textbooks, electronic textbook licenses, other curriculum licenses, and office supplies. We will be purchasing textbooks out of the Permanent Improvement Funds or out of the General Fund.

## **MEDIA BOOKS AND SUPPLIES**

This category provides for library books and other consumable supplies in the building libraries. It is projected that this category will increase by the assumed rates of inflation for each fiscal year.

## **MAINTENANCE SUPPLIES**

This category includes all cleaning fluids and building supplies including paper towels and tissue papers. It is projected that this category will increase by the assumed rates in inflation for each fiscal year.

## **BUS FUEL**

It is assumed that the 2016-2017 bus routes will be maintained for each year forecasted and that fuel will increase 4% each year. New bus routes are being look into to save additional funds. We are possibly looking into other options.

## **VEHICLE SUPPLIES**

This category includes consumable supplies, fuel, tires, parts used for the maintenance of the bus fleet and vehicle fleet. All years are projected to increase by the assumed rates of inflation for each fiscal year.

## **EQUIPMENT**

# **GENERAL FUND INCOME ASSUMPTIONS**

## **TAX REVENUE**

Tax revenue estimates are based upon information received from the Cuyahoga County Auditor's office.

The National and State economic climate has been painfully slow. It is very unclear if we will see much additional improvement. We have assumed the loss of \$83,000 in tax refunds as a result of negative Board of revision/Board of Tax Appeals decisions.

Tax year 2016, which is collection year 2017, reflects increase in residential and 2% in other real estate tax values as a result of the six year reappraisal.

## **PERSONAL PROPERTY AND HOLD HARMLESS**

We have incorporated the tangible one year personal property hold harmless payments as authorized in the State Budget Bill (Amended Substitute H.B.64). The budget bill froze the original phase out at the 2012-2013 level. The original legislation to eliminate the tangible personal property tax and to provide a phased out hold harmless payment until 2018 remains as adopted in 2005 (H.B.66). The last State Biennial Budget (H.B.153) altered the phase out calculations to a reduction of 2% of total General Fund revenue annually. We are assuming no additional phase out after the current Two Year State Budget is completed.

We are assuming no new residential construction in the school district for each year of the projections. We are assuming that public utility real estate assessed values will continue to be prorated based upon current formulas. We are assuming that any additional new actions by the County Board of Revisions and the State Board of Tax Appeals will not create a net change to the total tax duplicate.

## **HOMESTEAD AND ROLLBACK**

The projections for the Homestead and Rollback payments are based upon the historical relationship to actual tax collections.

## **STATE FOUNDATION**

Amended H.B. 64, as enacted, replaced the State Foundation Bridge Funding with a new State Foundation program named Opportunity Grant Funding.

We are assuming no change in Foundation Funding and Special Education Transportation funding for each year projected.