Findlay City School District
Hancock County
Five Year Forecast for Fiscal Years 2017 through 2024

		Actual				Forecasted				
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
	Revenues	**Reappraisal CY16**				**Update CY19**			**Reappraisal CY22**	
1.010	General Property Tax (Real Estate)	$26,272,788	$26,849,654	$25,929,375	-0.6%	$27,702,914	$27,656,972	$28,210,112	$29,174,314	$30,157,800
1.020	Tangible Personal Property Tax									
1.030	Income Tax									
1.035	Unrestricted Grants-in-Aid (all 3100's except 3130)	24,727,386	24,415,744	24,635,388	-0.2%	23,551,964	22,609,885	24,093,545	24,093,545	24,093,545
1.040	Restricted Grants-in-Aid (3200's)	954,188	875,900	801,955	-8.3%	805,000	810,000	815,000	820,000	825,000
1.050	Property Tax Allocation (3130)	5,566,873	5,062,557	4,558,841	-9.5%	4,071,841	3,576,841	3,081,841	2,898,841	2,898,841
1.060	All Other Revenues	3,623,669	4,151,223	3,674,177	1.5%	4,089,000	4,049,000	4,009,000	3,969,000	3,929,000
1.070	*Total Revenues*	61,144,904	61,355,078	59,599,736	-1.3%	60,220,719	58,702,699	60,209,498	60,955,700	61,904,187
	Other Financing Sources									
2.040	Operating Transfers-In			2,882						
2.050	Advances-In		70,000		0.0%		50,000	50,000	50,000	50,000
2.060	All Other Financing Sources	89,181	844,577	166,425	383.4%	582,000	200,000	200,000	200,000	200,000
2.070	*Total Other Financing Sources*	89,181	914,577	169,307	422.0%	582,000	250,000	250,000	250,000	250,000
2.080	*Total Revenues and Other Financing Sources*	61,234,085	62,269,655	59,769,043	-1.2%	60,802,719	58,952,699	60,459,498	61,205,700	62,154,187
	Expenditures									
3.010	Personnel Services	33,373,839	35,140,672	35,386,556	3.0%	35,308,169	34,360,106	35,441,587	35,866,886	36,297,289
3.020	Employees' Retirement/Insurance Benefits	13,080,082	13,586,893	14,923,276	6.9%	14,702,545	15,738,909	16,852,303	17,477,166	18,013,755
3.030	Purchased Services	11,730,419	10,188,552	10,032,447	-7.3%	9,286,971	9,935,841	10,035,200	10,135,552	10,236,907
3.040	Supplies and Materials	2,261,318	1,989,023	1,702,672	-13.2%	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
3.050	Capital Outlay	1,880,068	351,443	137,375	-71.1%	135,000	135,000	135,000	135,000	135,000
4.300	Other Objects	768,924	770,534	740,913	-1.8%	765,000	770,000	775,000	780,000	785,000
4.500	*Total Expenditures*	63,094,650	62,027,117	62,923,239	-0.1%	61,797,685	62,539,856	64,839,090	65,994,603	67,067,951
	Other Financing Uses									
5.010	Operating Transfers-Out		1,000,000		0.0%	10,000	10,000	10,000	10,000	10,000
5.020	Advances-Out	70,000			0.0%	50,000	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses		760	20,335		2,500	2,500	2,500	2,500	2,500
5.040	*Total Other Financing Uses*	70,000	1,000,760	20,335	615.8%	62,500	62,500	62,500	62,500	62,500
5.050	*Total Expenditures and Other Financing Uses*	63,164,650	63,027,877	62,943,574	-0.2%	61,860,185	62,602,356	64,901,590	66,057,103	67,130,451
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,930,565-	758,222-	3,174,531-	-189.7%	1,057,466-	3,649,658-	4,442,091-	4,851,403-	4,976,264-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	13,597,041	11,666,476	10,908,254	-10.3%	7,733,723	6,676,257	3,026,600	1,415,492-	6,266,894-
7.020	*Cash Balance June 30*	11,666,476	10,908,254	7,733,723	-17.8%	6,676,257	3,026,600	1,415,492-	6,266,894-	11,243,158-
8.010	*Estimated Encumbrances June 30*	1,799,913	1,428,173	923,916	-28.0%	925,000	925,000	925,000	925,000	925,000
10.010	*Fund Balance June 30 for Certification of Appropriations*	9,866,563	9,480,081	6,809,807	-16.0%	5,751,257	2,101,600	2,340,492-	7,191,894-	12,168,158-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	9,866,563	9,480,081	6,809,807	-16.0%	5,751,257	2,101,600	2,340,492-	7,191,894-	12,168,158-
	Revenue from New Levies									
13.010	Income Tax - New									
13.020	Property Tax - New						2,625,000	5,250,000	5,250,000	5,250,000
13.030	Cumulative Balance of New Levies						2,625,000	7,875,000	13,125,000	18,375,000
15.010	*Unreserved Fund Balance June 30*	9,866,563	9,480,081	6,809,807	-16.0%	5,751,257	4,726,600	5,534,508	5,933,106	6,206,842

RATIOS & ANALYSIS	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
True Days Cash* = line 10.010 / (line 5.050 / 365 days)	57 days	55 days	39 days	34 days	12 days	-13 days	-40 days	-66 days
True Days Cash* w/RENEWALS=line 15.010 / (line 5.050 / 365 day	57 days	55 days	39 days	34 days	28 days	31 days	33 days	34 days
Target 15.010 balance to equal 60 days cash*	10,383,230	10,360,747	10,346,889	10,168,798	10,290,798	10,668,754	10,858,702	11,035,143
Amount over (short) of goal of 60 days true cash*	(516,667)	(880,665)	(3,537,081)	(4,417,540)	(5,564,198)	(5,134,246)	(4,925,596)	(4,828,301)
Salary & Benefit Costs / Total Costs (Target Range <= 75%)	73.54%	77.31%	79.93%	80.84%	80.03%	80.57%	80.75%	80.90%
Salary & Benefit Costs / Total Rev. (Target Range <=75%)	75.86%	78.25%	84.17%	82.25%	84.98%	86.49%	87.16%	87.38%
Salary & Benefit Costs / Total Rev. + Unresrvd Bal (Target<=65%)	65.34%	67.91%	75.56%	75.14%	78.67%	79.24%	79.45%	79.45%

**The Government Finance Officers Association recommends a minimum of 60 days (see http://www.gfoa.org/appropriate-level-unrestricted-fund-balance-general-fund)*

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, PBA fund, Textbook fund, Fiscal Stabilization fund & any portion of Debt Service fund related to General fund debt

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FINDLAY CITY SCHOOLS FORECAST ASSUMPTIONS – May 11, 2020

REVENUES:

1.010-1.020 Property Tax - Property tax revenues are based on historical growth patterns, including scheduled updates and reappraisals. FY19 property tax receipts dropped 920K in FY19 because of $1,282,000 of prepaid property tax bills received by the County Treasurer in late CY17 and early CY18. Most of this prepaid amount came to the schools in March 2018 (FY18) that otherwise would not have arrived until July 2018 (FY19). This abnormally high amount was from residents concerned about the ability to claim such payments as itemized deductions on their tax returns during the uncertainty of the Federal Tax Reform bill that was passed in December 2017. According to the County Treasurer's office the prepaid taxes from FCS residents have been 155K (FY16), 224K (FY17), 1,282K (FY18), and 110K (FY19) in the past four years. The prepaids showed within FY18 because they were part of the March 2018 receipts, while that also left less to be receipted in FY19 that otherwise would have been received in July 2018.

The District renewed a 4.9 mill operating levy in May 2017 and changed it from a 5-year term to a continuous levy. District voters had also passed a renewal of a 5.9 mill levy in May 2014 and changed it from a 5-year term to a continuous levy. The District no longer has any levies that need to be renewed or replaced. A countywide update occurred in 2013 and and again in 2019. A full appraisal occurred in 2016 and will happen again in 2022 with collections occuring in calendar year 2023. The District's total property values are slightly increasing from new construction. Any additional tax revenue collections are due to new growth, expired tax abatements and increased delinquency collections. Such growth for FY21 is expected to be offset by higher delinquencies due to COVID. It is completely uncertain but this forecast assumes delinquencies to go up 600K in FY21.

Years ago, the tangible personal property tax was replaced by the new commercial activity tax (CAT), which is a 0.26% tax on any business' gross receipts in excess of $1 million. Businesses with gross receipts between $150,000 and $1 million will pay a minimum of $150, while businesses with receipts of less than $150,000 will not be subject to the CAT.

A new levy needs to be passed in calendar year 2020. Line 13.020 shows the revenue amount a 5.9 mill operating levy would bring if passed in 2020. In April it had 48% approval. Voters will be asked again in August. Once passed, the amount in line 13.020 will be moved up to Line 1.010. Levy collections are first received in January of the following calendar year in which they are approved.

1.030 Income Tax - The District has no income tax collections.

1.035-1.040 Grants-in-Aid –Per AOS bulletin 2012-08 casino revenue is reflected in line 1.035 (277K in FY14, 275K in FY15, 276K in FY16, 267K in FY17, 273K in FY18, 277K in FY19). FY20 remained the same as the previous year, until the Governor reduced it by $1.083M in May due to COVID. FY21 state funding is uncertain but this forecast assumes 4% less than FY20. The district will receive $1.023 million in FY20 and another 460K in FY21 from the Governor's Wellness & Success funding ($200 per pupil in FY20, $290 per pupil in FY21). The Auditor of State has announced these funds and the associated expenses are to be tracked in a separate fund (467), which is not to be shown on the forecast. Such expenses have been removed from salaries and fringes in lines 3.010 and 3.020. Those expenses return to the forecast in FY22. This forecast makes a big assumption in FY22 that state funding in Line 1.035 will be increased by $1.48 million to match those expiring wellness funds.

1.050 Property Tax Allocation – These are taxes paid by the State on behalf of taxpayers (aka rollbacks and homestead credits). Property tax allocation revenues are based on historical growth patterns, including scheduled updates and reappraisals.

Effective tax year 2006, the tangible personal property tax began a four-year phase out. School districts were promised full replacement of this lost tax over the next few years via the school funding formula and direct payments from the State (excluding the inventory taxes that were already scheduled to be eliminated and the first half-mill on bond and emergency levies). In Findlay's case, the direct payments from the State were to be phased out over six (6) years from 2012 through 2017 with a $1 million reduction each year and they are part of line 1.050. That phase out was paused in FY14 and FY15, but the next biennial budget resumed it at 759K per year beginning with FY16. ODE's latest projections modified our phase out amount to 495K per year beginning with FY18 which is assumed throughout the rest of the forecast until the final amount of 183K is reduced in FY23.

1.060 All Other Revenues – FY2019-2023 anticipate lower investment income due to low rates and a declining cash balance. However, the district hopes to increase our incoming open enrollment from other districts which is part of this line at about $6,000 per student. Similarly, the district needs to decrease outgoing open enrollment which sends about $6,000 per student to other districts and is reflected in line 3.030. FY18 shows a one-time increase from revenue to be collected from the County and the City to be part of our Dark Fiber network.

2.010 Proceeds from Sale of Notes - The District does not anticipate any sale of notes.

2.050 Advances-In – Revenues received by a fund as a result of a transfer or advance from another fund in anticipation of future revenue. These are monies that were advanced out in previous year(s) and returned back to general fund. Line 2.050 should match the previous year's line 5.020.

2.060 All Other Financing Sources—This includes revenue for the sale of assets and refunds of prior year expenditures. Past receipts include SERS refund amounts, BWC rebate checks, Medicaid settlements, and true-up refunds from our gas purchasing consortium. FY20's 582K estimate includes a $193,464 insurance check received in July 2019 as reimbursement for FY18 & FY19 expenses made to repair wind damage. It also includes rebates from BWC for 132K and 167K. FY18 saw a one-time $663,186 refund from the county auditor real estate assesment fund. This payment represents previously paid county auditor fees (within line 4.3) for reappraisal and other related work that were not needed by the county auditor's office.

EXPENDITURES:

3.010 Personnel Services – The amounts for salaries and benefits are based on existing negotiated agreements, which includes a flat $1,000 per teacher raise for FY20 as well as 1% for administrators and non-union support staff. No base salary increases have been assumed for fiscal years beyond FY20. With the exception of FY21 being 0%, personnel services are projected at 1.2% increases for FY20 and each year beyond to cover experience and education changes net of savings from retiring teachers who are replaced by newer teachers. In FY19 each teacher received a one-time amount of $350 and a 1% base raise. There was a 2.5% base salary increase for FY17 followed by an average base increase of 2.7% for teachers and 1.7% for all other employees in FY18. For FY14 there was a 2.25% increase on the base followed by a 1.5% increase in FY15. FY16 included a 1% raise for OAPSE agreements and 1.5% for teacher and non-union base increases. It is the district's goal to continue to reduce positions if it makes sense in certain situations such as declining enrollment or lack of interest in a particular course. FY20 reflects 3 fewer positions from declining enrollment and more efficient scheduling, all of which are possible via attrition. FY19 salaries were reduced 185K for fewer intervention services at the buildings. As mentioned in the note for Line 1.035, FY20 and FY21 removes salary expenses that will be covered by the new Student Wellness and Success fund #467. Those expenses return in FY22. FY21 assumes 385K less for 7 fewer teaching positions based on scheduling changes at the high school and middle schools as well as 5 fewer elementary teaching positions. FY22 assumes 400K savings from more efficient management. The amounts for efficient management, reducing positions and intervention services are totals containing both salaries and benefits which are reflected within Lines 3.010 and 3.020.

3.020 Employees' Retirement/Insurance Benefits – FY20 is based on July 2019 total renewal quote of $10.7 million from Anthem, and 7.0%, 6.0%, 5.0%, and 4.0% increases respectively in the next four years. With the COVID shutdown, there is 750K less expected insurance claims for FY20 and postponed claims are expected to catch up in FY21. There is also 600K assumed for Dental/Vision costs and 18.5K for life insurance. This forecast assumes 115K savings per year that will begin January 2020 from additional coinsurance paid by teachers after reaching their HSA deductible. Line 3.020 also includes approximately $160,000 for professional dues reimbursements, $67,000 for tuition reimbursements, $90,000 for STRS/SERS 14% contributions for Renhill employees. The remaining benefits (e.g. retirement, Medicare, workers compensation, and unemployment) in line 3.020 are based on 16% of salaries in line 3.010. Starting in FY12 spouses were required to move off of the FCS plan if their employer provided affordable coverage. Starting January 2019 the Original plan was not offered. This was estimated to avoid 380K in annual claims costs and 125K in annual prescription costs, but evidence of those savings has yet to be seen as of October 2019; or they may be getting offset by higher than expected claims costs elsewhere. In FY19 the stop loss carrier was switched from Anthem to Sun Life for 205K less.

3.030-3.040 Purchased Service and Supplies and Materials – Purchased services, which include contracted substitutes, utilities, repairs, leases, and tuition payments, are forecast to increase by about 1% per year in FY21 through FY24. FY20 substitute costs are down 250K due to COVID since subs have not been needed since mid-March. FY18 includes 366K of additional costs for outgoing open enrollment. Starting in FY18, 300K was no longer made available for district projects. This line includes tuition paid to charter schools for which the Findlay Learning Center is helping to reduce since FY16. Starting in FY18 purchases for textbook adoptions were removed from the forecast because they began to be purchased from Pemanent Improvement funds. FY19 saw a 25% reduction to building budgets. 283K of annual savings from leaving AT&T are anticipated to begin in FY20 courtesy of the past fiber project. FY20 also reflects a reduction of 112K from the early termination of the Cenergistic energy savings agreement.

3.050 Capital Outlay – FY16 and FY17 show increases due to the dark fiber technology project with final payments made in FY18. Fiscal years FY18 and beyond presumes fewer general fund district projects than in the past.

4.300 Other Objects – This line is based on historical patterns and county auditor fees, which increase as collections increase.

5.010 Operating Transfer-Out -- $10,000 is budgeted for miscellaneous transfers. A one-time $1 million transfer into the health insurance fund took place at the end of FY18 so that fund meets the required reserve level of approximately $1.7 million. The health insurance fund's balance dropped significantly in FY18 due to a claim that exceeded $2 million.

5.020 Advances-Out – Advances are transactions, which withdraw money from one fund to another, in anticipation of future revenue. At most, for the fiscal years 2020-2024, the District anticipates a need to annually advance funds to the Food Service Fund, 006-9060, the Permanent Improvement fund, 003-9030, and/or to miscellaneous state and federal funds in for an amount of no more than $50,000 to cover cash flow needs. 70K was advanced to funds 524 and 572 in FY17 and returned in FY18.

13.020 New Property Tax Levy – The District no longer has any general fund levies that will expire. The District has not passed any new operating money since 2004. A PI levy in 2006 and bond levy in 2009 along with replacements and renewals of existing levies have alleviated financial stress on the general fund. A 1.5 mill new safety and security levy attempt was defeated in November 2018. A levy, if passed in CY2020, would begin collecting in Janaury 2021 (i.e. second half of FY21). A new levy will need to be passed in calendar year 2020. Line 13.020 shows the revenue amount a 5.9 mill operating levy would bring in if passed in 2020. Once passed, the amount in line 13.020 will be moved up to Line 1.010.

RESERVATION OF FUND BALANCE:

These section 9.000 lines and notes are maintained as part of the forecast but are not shown because they all equal 0 and no longer carry as much relevance. It also makes the forecast easier to read.

> **9.010 Textbooks and Instructional Materials –** The District meets the annual spending requirement for SB345 set-asides. If the District spends monies in the textbook and instructional material set-aside in excess of the required amount for that year, the Board may deduct the excess amount of money from the required deposit in future fiscal years. This requirement was repealed by HB 30 in 2011.
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> **9.020 Capital Improvements -** The district budget meets the annual spending requirement for SB345 set-asides. If the District spends monies in the Capital Improvements set-aside in excess of the required amount for that year, the Board may NOT deduct the excess amount of money from the required deposit in future fiscal years.
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> **9.070 Bus Purchases -** The District annually spends the allocations provided in these funds. While such subsidies used to be received every year, they stopped many years ago, and there is no expectation that such subsidies will be received in the future based on the current state budget.

HISTORICAL FLOOD NOTES: Hancock County sustained major flood damage from large rainfalls at the end of August 2007. The Findlay City Schools had 8 properties that were affected: Central, Washington, Lincoln, Wilson Vance, Northview, and Findlay High School, as well as the Transportation garage and offices, and the softball shed at FHS. Repair and restoration and mitigation exceeded $3.5 million. The bulk of the damage (over $3.3 million) occurred at Central Middle School where the district's central offices and records were located in the basement. On August 27, 2007, the Board appropriated $1.8 million for immediate needs to help clean up and replace what was damaged in the flood. The District qualified for public assistance from FEMA. FEMA covered 75% of the costs, while the State covered about 12.5% and the District covered the remainder.