

**Findlay City School District
Hancock County
Five Year Forecast for Fiscal Years 2014 through 2021**

	Actual				Forecasted				
	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Average Change	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Revenues									
1.010 General Property Tax (Real Estate)	\$25,159,021	\$25,455,004	\$25,275,862	0.2%	\$26,683,992	\$25,938,688	\$24,322,723	\$24,603,836	\$24,887,760
1.020 Tangible Personal Property Tax				0.0%					
1.030 Income Tax									
1.035 Unrestricted Grants-in-Aid (all 3100's except 3130)	20,065,126	21,947,530	23,490,047	8.2%	23,907,316	23,907,316	23,907,316	23,907,316	23,907,316
1.040 Restricted Grants-in-Aid (3200's)	767,321	953,774	872,197	7.9%	869,332	869,332	869,332	869,332	869,332
1.045 Restricted Federal Grants-in-Aid - SFSF/Ed Jobs				0.0%					
1.050 Property Tax Allocation (3130)	7,175,338	7,170,279	6,353,530	-5.7%	5,652,280	4,893,280	4,134,280	3,375,280	2,616,280
1.060 All Other Revenues	2,941,532	2,952,510	3,469,685	8.9%	3,037,000	3,037,000	2,987,000	2,937,000	2,887,000
1.070 Total Revenues	56,108,338	58,479,097	59,461,321	3.0%	60,149,920	58,645,616	56,220,651	55,692,764	55,167,688
Other Financing Sources									
2.040 Operating Transfers-In									
2.050 Advances-In			15,000	0.0%		225,000	225,000	225,000	225,000
2.060 All Other Financing Sources	563,382	449,871	497,008	-4.8%	159,000	159,000	159,000	159,000	159,000
2.070 Total Other Financing Sources	563,382	449,871	512,008	-3.2%	159,000	384,000	384,000	384,000	384,000
2.080 Total Revenues and Other Financing Sources	56,671,720	58,928,968	59,973,329	2.9%	60,308,920	59,029,616	56,604,651	56,076,764	55,551,688
Expenditures									
3.010 Personnel Services	29,999,241	30,975,204	31,891,466	3.1%	33,311,450	34,294,138	34,705,668	35,122,136	35,543,601
3.020 Employees' Retirement/Insurance Benefits	10,948,735	10,999,083	11,267,409	1.4%	12,228,956	12,792,436	13,380,984	13,972,064	14,560,572
3.030 Purchased Services	11,242,823	11,838,391	12,545,982	5.6%	12,573,281	13,201,945	13,862,042	14,555,145	15,282,902
3.040 Supplies and Materials	2,122,293	2,208,870	2,308,584	4.3%	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
3.050 Capital Outlay	285,445	768,789	1,341,713	121.9%	950,000	600,000	550,000	500,000	450,000
3.060 Intergovernmental									
4.010 Debt Service:									
4.010 Principal-All (Historical Only)									
4.020 Principal-Notes				0.0%					
4.050 Principal-HB 264 Loans									
4.060 Interest and Fiscal Charges									
4.300 Other Objects	714,333	791,720	785,176	5.0%	825,000	835,000	845,000	855,000	865,000
4.500 Total Expenditures	55,312,870	57,582,057	60,140,330	4.3%	62,088,687	63,923,519	65,543,694	67,204,344	68,902,075
Other Financing Uses									
5.010 Operating Transfers-Out	75,000	80,872		-46.1%	10,000	10,000	10,000	10,000	10,000
5.020 Advances-Out		15,000		0.0%	225,000	225,000	225,000	225,000	225,000
5.030 All Other Financing Uses					2,500	2,500	2,500	2,500	2,500
5.040 Total Other Financing Uses	75,000	95,872		-36.1%	237,500	237,500	237,500	237,500	237,500
5.050 Total Expenditures and Other Financing Uses	55,387,870	57,677,929	60,140,330	4.2%	62,326,187	64,161,019	65,781,194	67,441,844	69,139,575
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,283,850	1,251,039	167,001-	55.4%	2,017,267-	5,131,403-	9,176,543-	11,365,080-	13,587,887-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	11,229,156	12,513,006	13,764,045	10.7%	13,597,044	11,579,777	6,448,374	2,728,169-	14,093,249-
7.020 Cash Balance June 30	12,513,006	13,764,045	13,597,044	4.4%	11,579,777	6,448,374	2,728,169-	14,093,249-	27,681,136-
8.010 Estimated Encumbrances June 30	1,429,194	1,126,517	2,130,717	34.0%	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials									
9.020 Capital Improvements									
9.030 Budget Reserve									
9.070 Bus Purchases									
9.080 Subtotal									
10.010 Fund Balance June 30 for Certification of Appropriations	11,083,812	12,637,528	11,466,327	2.4%	10,329,777	5,198,374	3,978,169-	15,343,249-	28,931,136-
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement						1,894,296	3,788,591	3,788,591	3,788,591
11.300 Cumulative Balance of Replacement/Renewal Levies						1,894,296	5,682,887	9,471,478	13,260,069
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	11,083,812	12,637,528	11,466,327	2.4%	10,329,777	7,092,670	1,704,718	5,871,771-	15,671,067-
Revenue from New Levies									
13.010 Income Tax - New									
13.020 Property Tax - New									
13.030 Cumulative Balance of New Levies									
14.010 Revenue from Future State Advances									
15.010 Unreserved Fund Balance June 30	11,083,812	12,637,528	11,466,327	2.4%	10,329,777	7,092,670	1,704,718	5,871,771-	15,671,067-
ADM Forecasts									
20.010 Kindergarten - October Count					428	430	432	434	436
20.015 Grades 1-12 - October Count					4966	4970	4980	4990	5000
State Fiscal Stabilization Funds included within lines 3.01 through 3.05 above									
21.010 Personnel Services SFSF/Ed Jobs									
21.020 Employees Retirement/Insurance Benefits SFSF/Ed Jobs									
21.030 Purchased Services SFSF									
21.040 Supplies and Materials SFSF									
21.050 Capital Outlay SFSF									
21.060 Total Expenditures - SFSF/Ed Jobs									

RATIOS & ANALYSIS

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
True Days Cash* NO Renewals= line 10.010 / (line 5.050 / 365 day)	73 days	80 days	70 days	60 days	30 days	-22 days	-83 days	-153 days
True Days Cash* w/RENEWALS=line 15.010 / (line 5.050 / 365 day)	73 days	80 days	70 days	60 days	40 days	9 days	-32 days	-83 days
Target 15.010 balance to equal 40 days cash*	6,069,904	6,320,869	6,590,721	6,830,267	7,031,345	7,208,898	7,390,887	7,576,940
Amount over (short) of goal of 40 days true cash*	5,013,908	6,316,659	4,875,606	3,499,510	61,325	(5,504,180)	(13,262,658)	(23,248,007)
Salary & Benefit Costs / Total Costs (Target Range <= 80-83%)	73.93%	72.77%	71.76%	73.07%	73.39%	73.10%	72.79%	72.47%
Salary & Benefit Costs / Total Rev. (Target Range <= 80-83%)	72.25%	71.23%	71.96%	75.51%	77.29%	79.62%	82.01%	84.44%
Salary & Benefit Costs / Total Rev. + Unresrvd Bal (Target<=75%)	60.43%	58.65%	60.41%	64.47%	69.23%	77.44%	90.93%	114.74%

*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 – October 3, 2016

REVENUES:

1.010-1.020 Property Tax - Property tax revenues are based on historical growth patterns, including scheduled updates and reappraisals. District voters passed a renewal of a 5.9 mill levy in May 2014 and changed it from a 5-year term to a continuous levy. A countywide update occurred in 2013 on which collections began in calendar year 2014. A full appraisal began in 2016. County Auditor indicated 8% average increase countywide but as of this forecast could not specify if that average increase is also true for FCS property owners. This forecast assumes it is 8% in our district too. The District's property values are slightly increasing. Any additional tax revenue collections are due to new growth, expired tax abatements and increased delinquency collections.

The District renewed a 4.9 mill operating levy for 5 years on the March 2012 ballot (TY2012-2016) with collections continuing through the end of calendar year 2017.

Effective tax year 2006, the tangible personal property tax began a four-year phase out and reimbursement for the schools was promised as is noted below in line 1.050. Those are now completely phased out and any revenue in this line is due to collections from delinquent accounts.

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.

Prior to 2004, taxpayers with less than \$10,000 in personal property filed a tax return, even though they would not owe any taxes. The state would use the form to reimburse school districts for personal property tax revenues that were not collected based on the filings. The District used to receive 300K for this but now receives \$0.

The amounts in 1.010 and 1.020 do not anticipate the automatic passage of replacement or renewal levies. That means that when a levy is scheduled to expire, the estimated property tax revenue has a corresponding decline (e.g. FY18). Although new levies may be proposed during this time period, no new levies are anticipated. Revenues from anticipated replacement/renewal levies are on line 11.020.

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

1.035-1.040 Grants-in-Aid – Findlay is projecting a 417K increase in final core aid from FY16. Last year's state formula indicated FCS demographics justified \$22.41 million in basic aid but we were capped at \$21.74 million and thus denied 670K in formula funding. The FY15 formula denied FCS \$2.62 million due to the cap provision. The FY17 cap is only denying 34K in state funding. Per AOS bulletin 2012-08 casino revenue is reflected in line 1.035 (277K in FY14, 275K in FY15, 276K in FY16, 270K in FY17).

1.045 State Fiscal Stabilization Fund (SFSF) – The 2009 American Reinvestment & Recovery Act included money to be distributed by the State. The State used that money to help fill its gap in formula funding available to school districts. In Findlay’s case it was \$1,122,641 in FY10, which when added to other state funding gets us at 99% of the FY09 funding state funding level. This money was tracked in fund #532 and was within this forecast. It replaced funding that was previously provided by the State and was built into the biennial state budget. There were no restrictions on this funding at the local level. The amount for FY11 was \$1,400,997. This funding disappeared in FY12 where the Feds & State had hoped that the economy would bounce back by then so that the State could resume past levels of funding, but that did not happen. There was also \$906,404 in FY12 which was one-time EdJobs federal funding that was used to retain jobs.

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. Passage of a 5-year 4.9 mill renewal levy in March 2012 (TY2012-2016) with collection starting calendar year 2013 and ending calendar year 2017 has been built into the projection.

The amounts in 1.010 and 1.020 do not anticipate the automatic passage of a replacement or renewal levy. That means that when a levy is scheduled to expire, the estimated property tax revenue has a corresponding decline (e.g. FY18). Although new levies may be proposed during this time period, no new levies are anticipated. Revenues from anticipated replacement/renewal levies are in line 11.020.

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 are part of line 1.050. That phase out was paused in FY14 and FY15, but the present biennial budget resumed it at 759K per year beginning with FY16.

1.060 All Other Revenues – FY2016-2020 anticipate lower investment income due to dismal rates and a declining cash balance. However, the biggest concern is 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 3.03.

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.

EXPENDITURES:

3.010 Personnel Services – The amounts for salaries and benefits are based on existing negotiated agreements, which include a 2.5% base salary increase for FY17 followed by an average base increase of 1.7% in FY18. No base salary increases have been assumed for fiscal years beyond FY18. In addition to the base increases, personnel services are projected at 1.2% increases for FY16 and each year beyond to cover experience and education changes. For FY14 there was a 2.25% increase on the base followed by a 1.5% increase in FY15. FY16 includes a 1% raise for OAPSE agreements and 1.5% for teacher and non-union base increases. FY07 went down 30-35 certified positions from FY2006 and 12-15 classified positions through a combination of non-renewals, reductions-in-force (RIF's) and attrition. FY09 reflects a gain of 6 teaching positions primarily due to the implementation of all day every day kindergarten throughout the district. FY10 included reductions of 13 positions through a combination of attrition and RIFs, while FY11 included reductions of 14.5 positions through attrition and 0.5 through RIF. FY12 had nearly 40 fewer positions (20.6 instructional, 6.5 administrative/central office, and 12.5 classified). Some were possible as a result of the middle school transition while many others were necessary due to declining enrollment. FY13 included 2 more transitional reductions along with 6 other reductions, while FY14 completes the personnel reductions from the new buildings with 8 fewer positions. 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. FY16 reflects a net increase of 9 new certified positions to reduce class size while also dealing with increasing elementary enrollment.

3.020 Employees' Retirement/Insurance Benefits – FY17 is based on July 2016 total renewal quote of \$7.04 million from Anthem, and 8.0%, 7.5%, 7.0%, and 6.5% increases respectively in the next four years. There is also 531K assumed for Dental/Vision costs and 17K for life insurance. Line 3.020 also includes approximately \$198,000 for professional dues reimbursements, \$67,000 for tuition reimbursements, \$90,000 for STRS/SERS 14% contributions for Renhill employees, and 150K for Bring Your Own Device program where we pay teachers for using their own computer in the classroom. 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. Line 3.020 reflects a larger employee share of 20% since mid-FY12 which is covered by higher employee premiums and/or higher deductibles depending on which plan the employee chooses. That goes to 22.5% in January 2017. Starting in FY12 spouses were required to move off of the FCS plan if their employer provided affordable coverage.

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 an overall 5% per year in FY17 through FY21. FY15 and FY16 show larger increases due to HB264 energy efficiency purchases via Plug Smart. Savings from expiring freshman wing lease began in FY15. This line includes tuition paid to charter schools for which the Findlay Learning Center is helping to reduce since FY16. Supplies are forecast to remain the same.

3.050 Capital Outlay – FY16 and FY17 split 600K for dark fiber technology project. 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 –\$75,000 per year has been transferred to fund 432 to cover EMIS costs until that grew to \$80,000 in FY15 and then stopped in FY16. Another \$10,000 is budgeted for miscellaneous transfers.

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 2017-2021, the District anticipates a need to annually advance funds to the Food Service Fund, 006-9060, in the amount of \$50,000; the Permanent Improvement fund, 003-9030, in the amount of \$90,000 and to miscellaneous state and federal funds in the amount of \$150,000 to cover cash flow needs. 15K was advanced to fund 506 in FY15 and returned in FY16.

RESERVATION OF FUND BALANCE:

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.

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.

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.

11.020 Property Tax Renewal – The District will ask the voters to renew a 5-year 4.9 mill levy that previously passed in March 2012 (TY2012-2016) with collection starting calendar year 2013 and ending calendar year 2017. It will need voter approval by the end of calendar year 2017.

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.