Findlay City School District
Hancock County
Five Year Forecast for Fiscal Years 2015 through 2022

		Actual				Forecasted				
		Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Average Change	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
	Revenues									
1.010	General Property Tax (Real Estate)	$25,455,004	$25,275,862	$26,272,789	1.6%	$26,755,557	$27,290,668	$27,836,481	$28,393,211	$28,961,075
1.020	Tangible Personal Property Tax									
1.030	Income Tax									
1.035	Unrestricted Grants-in-Aid (all 3100's except 3130)	21,947,530	23,490,047	24,727,384	6.1%	24,829,872	24,887,492	24,887,492	24,887,492	24,887,492
1.040	Restricted Grants-in-Aid (3200's)	953,774	872,197	954,189	0.4%	954,189	954,189	954,189	954,189	954,189
1.050	Property Tax Allocation (3130)	7,170,279	6,353,530	5,566,873	-11.9%	4,807,873	4,048,873	3,289,873	2,862,873	2,862,873
1.060	All Other Revenues	2,952,510	3,469,685	3,623,670	11.0%	4,250,420	3,923,420	3,873,420	3,843,420	3,793,420
1.070	*Total Revenues*	58,479,097	59,461,321	61,144,905	2.3%	61,597,911	61,104,642	60,841,455	60,941,185	61,459,049
	Other Financing Sources									
2.050	Advances-In		15,000		0.0%	70,000	50,000	50,000	50,000	50,000
2.060	All Other Financing Sources	449,871	497,008	89,180	-35.8%	200,000	200,000	200,000	200,000	200,000
2.070	*Total Other Financing Sources*	449,871	512,008	89,180	-34.4%	270,000	250,000	250,000	250,000	250,000
2.080	*Total Revenues and Other Financing Sources*	58,928,968	59,973,329	61,234,085	1.9%	61,867,911	61,354,642	61,091,455	61,191,185	61,709,049
	Expenditures									
3.010	Personnel Services	30,975,204	31,891,466	33,373,840	3.8%	34,953,007	34,437,143	34,850,388	35,268,593	35,691,816
3.020	Employees' Retirement/Insurance Benefits	10,999,083	11,267,409	13,080,083	9.3%	13,667,967	14,052,068	14,741,296	15,336,583	15,871,029
3.030	Purchased Services	11,838,391	12,545,982	11,730,419	-0.3%	11,863,723	11,825,610	11,943,866	12,063,305	12,183,938
3.040	Supplies and Materials	2,208,870	2,308,584	2,261,317	1.2%	1,977,000	1,785,000	1,785,000	1,785,000	1,785,000
3.050	Capital Outlay	768,789	1,341,713	1,880,069	57.3%	910,000	860,000	810,000	760,000	710,000
4.300	Other Objects	791,720	785,176	768,926	-1.4%	800,000	810,000	820,000	830,000	840,000
4.500	*Total Expenditures*	57,582,057	60,140,330	63,094,654	4.7%	64,171,697	63,769,821	64,950,550	66,043,481	67,081,783
	Other Financing Uses									
5.010	Operating Transfers-Out	80,872			0.0%	10,000	10,000	10,000	10,000	10,000
5.020	Advances-Out	15,000		70,000	0.0%	50,000	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses					2,500	2,500	2,500	2,500	2,500
5.040	*Total Other Financing Uses*	95,872		70,000	0.0%	62,500	62,500	62,500	62,500	62,500
5.050	*Total Expenditures and Other Financing Uses*	57,677,929	60,140,330	63,164,654	4.6%	64,234,197	63,832,321	65,013,050	66,105,981	67,144,283
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,251,039	167,001-	1,930,569-	-584.7%	2,366,286-	2,477,679-	3,921,595-	4,914,796-	5,435,234-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	12,513,006	13,764,045	13,597,044	4.4%	11,666,475	9,300,190	6,822,511	2,900,916	2,013,879-
7.020	*Cash Balance June 30*	13,764,045	13,597,044	11,666,475	-7.7%	9,300,190	6,822,511	2,900,916	2,013,879-	7,449,113-
8.010	*Estimated Encumbrances June 30*	1,126,517	2,130,717	1,799,913	36.8%	1,400,000	1,350,000	1,300,000	1,250,000	1,200,000
10.010	*Fund Balance June 30 for Certification of Appropriations*	12,637,528	11,466,327	9,866,562	-11.6%	7,900,190	5,472,511	1,600,916	3,263,879-	8,649,113-
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement									
11.300	Cumulative Balance of Replacement/Renewal Levies									
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	12,637,528	11,466,327	9,866,562	-11.6%	7,900,190	5,472,511	1,600,916	3,263,879-	8,649,113-
15.010	*Unreserved Fund Balance June 30*	12,637,528	11,466,327	9,866,562	-11.6%	7,900,190	5,472,511	1,600,916	3,263,879-	8,649,113-

RATIOS & ANALYSIS	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
True Days Cash* = line 10.010 / (line 5.050 / 365 days)	80 days	70 days	57 days	45 days	31 days	9 days	**-18 days**	**-47 days**
True Days Cash* w/RENEWALS=line 15.010 / (line 5.050 / 365 day	80 days	70 days	57 days	45 days	31 days	9 days	**-18 days**	**-47 days**
Target 15.010 balance to equal 40 days cash*	6,320,869	6,590,721	6,922,154	7,039,364	6,995,323	7,124,718	7,244,491	7,358,278
Amount over (short) of goal of 40 days true cash*	6,316,659	4,875,606	2,944,409	860,826	(1,522,812)	(5,523,802)	(10,508,370)	(16,007,391)
Salary & Benefit Costs / Total Costs (Target Range <= 80-83%)	72.77%	71.76%	73.54%	75.69%	75.96%	76.28%	76.55%	76.79%
Salary & Benefit Costs / Total Rev. (Target Range <= 80-83%)	71.23%	71.96%	75.86%	78.59%	79.03%	81.18%	82.70%	83.56%
Salary & Benefit Costs / Total Rev. + Unresrvd Bal (Target<=75%)	58.65%	60.41%	65.34%	69.69%	72.56%	79.10%	87.36%	97.18%

**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

PRINTED: **10/13/2017**

FOR BOARD APPROVAL: **10/16/2017**

FINDLAY CITY SCHOOLS FORECAST ASSUMPTIONS – October 16, 2017

REVENUES:

1.010-1.020 Property Tax - Property tax revenues are based on historical growth patterns, including scheduled updates and reappraisals. 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 on which collections began in calendar year 2014. A full appraisal occurred in 2016. Residential values increased 4.24% resulting in 176K more from inside millage. Commercial valuation netted a slight decrease. 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.

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.

New levies may be proposed during this time period, and will likely need to be passed in CY2019 for collections to begin in FY2020 (i.e. receipts in January 2020).

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

1.035-1.040 Grants-in-Aid –The FY16 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. For FY17 Findlay just barely moved off of the cap so we did receive the full amount that the FY17 formula allows given our enrollment and demographics. 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). FY18 state funding projects a 102K (or 0.4%) increase and another 57K (or 0.2%) in FY19. A key consideration is that although the State may profess more in state funding going into one district pocket, they are quick to take even more out of the district's other pocket in order to fund failing charter schools and voucher programs, as well as add additional mandates such as College Credit Plus which puts K-12 tax dollars into the coffers of Ohio colleges and universities.

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 present biennial budget resumed it at 759K per year beginning with FY16. That same annual phase out is assumed throughout the rest of the forecast where FY21 assumes the final remaining phase out of 427K.

1.060 All Other Revenues – FY2018-2022 anticipate lower investment income due to low 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. 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.

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 2.7% for teachers and 1.7% for all other employees 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 FY18 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 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. FY16 reflects a net increase of 9 new certified positions to reduce class size while also dealing with increasing elementary enrollment. FY18 reflects 3 RIFs at Millstream, as well as 1 RIF at FHS and fewer rehired retirees at FHS due to decreasing enrollment. FY19 reflects 8 fewer teaching positions from changing the middle school schedule. FY19 also reflects 11 fewer teaching, administrative, and support staff positions to better adjust to current enrollment. FY19 salaries are reduced 185K for fewer intervention services at the buildings.

3.020 Employees' Retirement/Insurance Benefits – FY18 is based on July 2017 total renewal quote of $8.56 million from Anthem, and 8.0%, 7.0%, 6.0%, and 5.0% increases respectively in the next four years. There is also 584K 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 100K 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 22.5% since FY17 (20% since mid-FY12), which is covered by higher employee premiums and/or higher deductibles depending on which plan the employee chooses. 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 about 1% per year in FY18 through FY22. FY18 includes 366K of additional costs for outgoing open enrollment. Starting in FY18, 300K will no longer be available for district projects. FY15 and FY16 show larger increases due to HB264 energy efficiency purchases via Plug Smart. This line includes tuition paid to charter schools for which the Findlay Learning Center is helping to reduce since FY16. Supplies are forecast to remove textbooks in FY18 which will be purchased from PI funds. FY19 assumes a 25% reduction to building budgets.

3.050 Capital Outlay – FY16 and FY17 show increases due to the dark fiber technology project with some final payments yet to be 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 –$75,000 per year had been transferred to fund 432 to cover EMIS costs until that grew to $80,000 in FY15 and then stopped in FY16. $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 2018-2022, 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. 15K was advanced to fund 506 in FY15 and returned in FY16. 70K was advanced to funds 524 and 572 in FY17 and returned in FY18.

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 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, but a new levy will likely need to be passed in CY2019 such that collections can begin in FY2020 (i.e. receipts in January 2020).

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.