

Findlay City School District

Five Year Forecast Financial Report

Fiscal Year 2021 - November 2021

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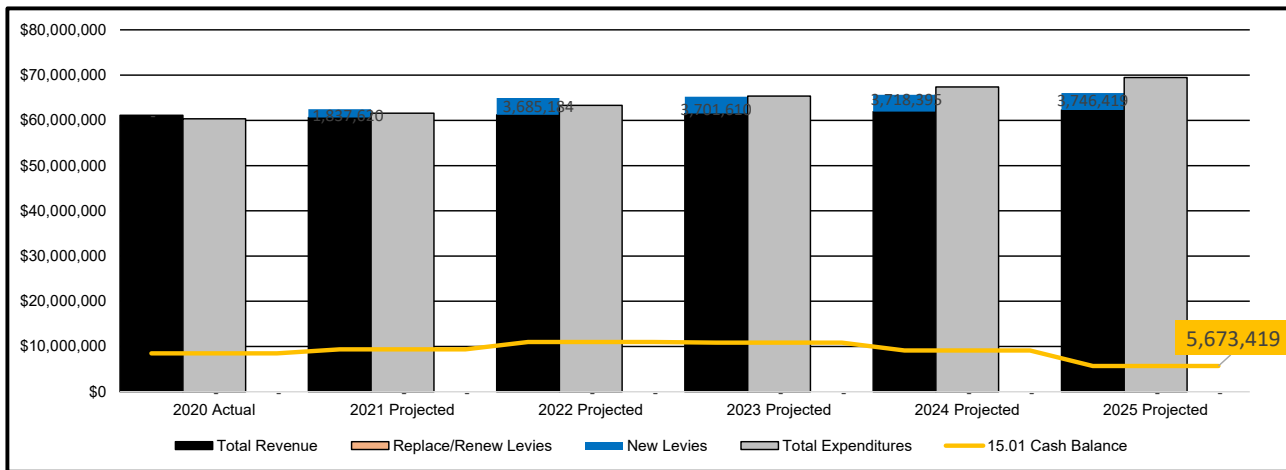
Forecast Purpose/Objectives

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.

Forecast Summary



Note: Cash balance includes any existing levy modeled as renewed during the forecast.
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	8,494,280	9,378,256	10,993,379	10,853,317	9,111,234
+ Revenue	60,634,965	61,251,601	61,520,635	61,931,842	62,297,319
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	1,837,620	3,685,184	3,701,610	3,718,395	3,746,419
- Expenditures	(61,588,609)	(63,321,662)	(65,362,306)	(67,392,319)	(69,481,553)
= Revenue Surplus or Deficit	883,976	1,615,123	(140,062)	(1,742,083)	(3,437,815)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	9,378,256	10,993,379	10,853,317	9,111,234	5,673,419

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(953,644)	(2,070,061)	(3,841,672)	(5,460,477)	(7,184,235)
Ending Balance w/o Levies	7,540,636	5,470,575	1,628,903	(3,831,574)	(11,015,809)

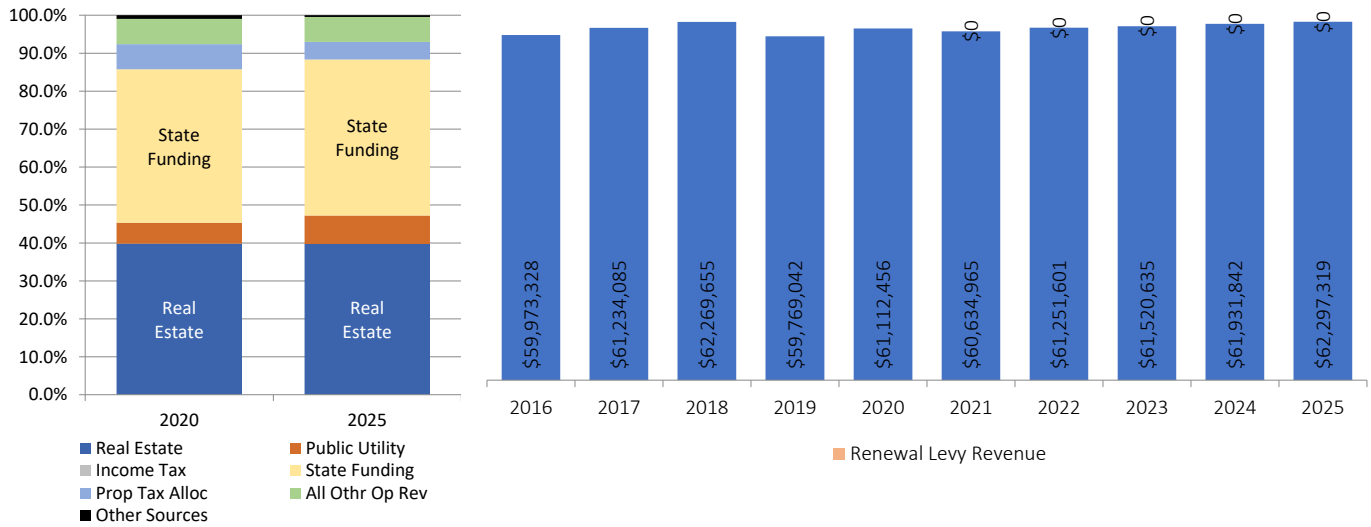
In FY 2021 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$953,644 in FY 2021. By the last year of the forecast, FY 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$7,184,235. The district would need to cut its FY 2025 projected expenses by 11.53% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2021 and is projected to worsen by FY 2025. A worsening cash balance can erode the district's financial stability over time.

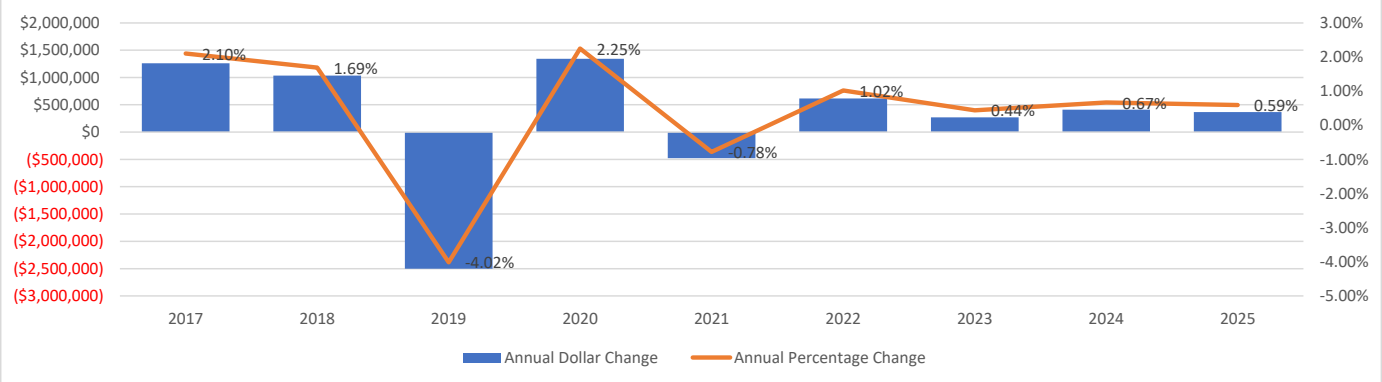
The district expenditures are projected to exceed revenue going forward. The limited opportunity for natural revenue growth coupled with expected inflation for expenditures contributes to the growing shortfall between revenue and expenses. The district has proposed a 3.9 mill levy in November, 2020 that voters will consider. In addition the district is modeling expenditure reductions and developing forecast models to help guide decision making over the next several months. The forecast above reflects a negative cash balance of \$11,015,809 in fiscal year 2025 with cuts modeled and should the levy not pass.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



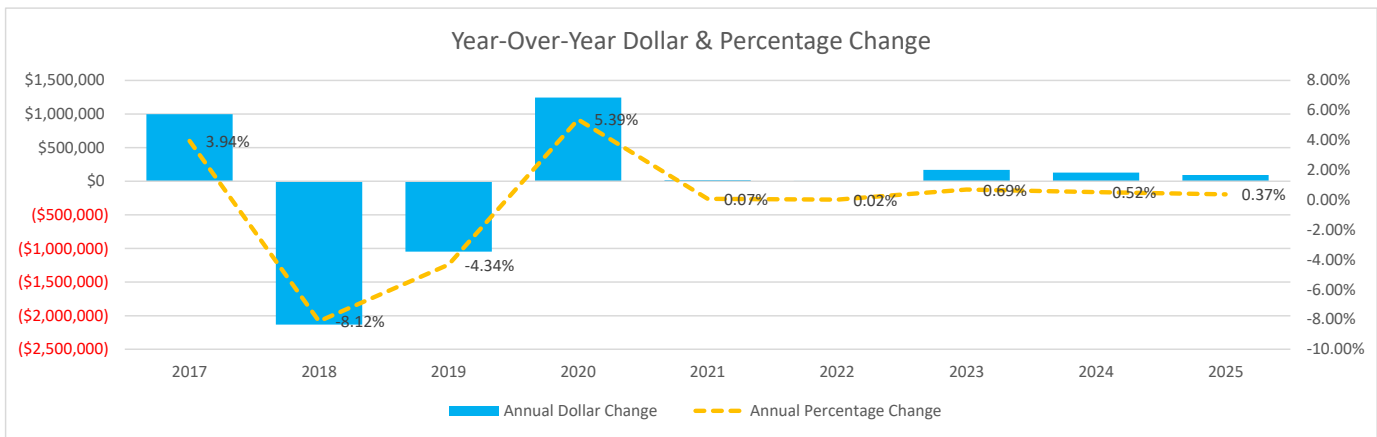
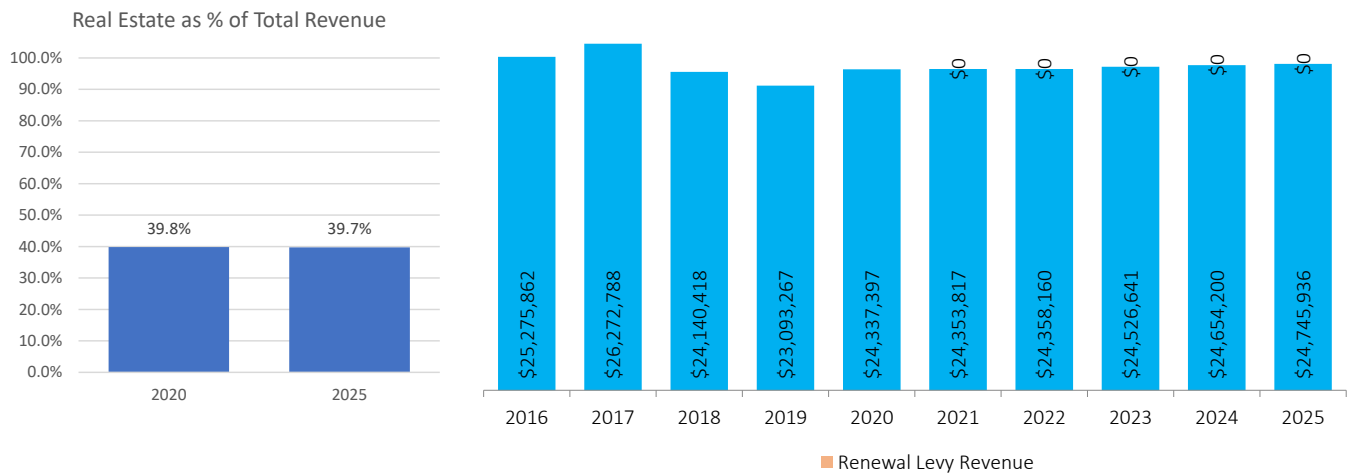
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Real Estate	(\$645,130)	\$81,708	\$726,838	Total revenue decreased -0.03% or -\$40,543 annually during the past five years and is projected to increase 0.39% or \$236,973 annually through FY2025. Public Utility has the most projected average annual variance compared to the historical average at -\$856,350
Public Utility	\$1,121,839	\$265,488	(\$856,350)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$325,919)	\$176,963	\$502,882	
Prop Tax Alloc	(\$504,019)	(\$229,363)	\$274,656	
All Othr Op Rev	\$148,422	\$2,177	(\$146,245)	
Other Sources	\$164,265	(\$60,000)	(\$224,265)	
Total Average Annual Change	(\$40,543)	\$236,973	\$277,516	As each of the subsequent revenue notes explain, the district's sources of revenue growth are not subject to natural or inflationary growth. State funding is frozen unless a new state funding formula would benefit the district. With nearly flat revenue the district's expenditure growth is projected to grow faster than revenue.
	-0.03%	0.39%	0.41%	

Note: Expenditure average annual change is projected to be > \$1,825,931 On an annual average basis, expenditures are projected to grow faster than revenue.

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).



Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2019	872,277,620	94,865,030	27.55	-	45.64	-	100.5%
2020	876,577,620	4,300,000	27.56	0.02	45.69	0.05	99.9%
2021	877,677,620	1,100,000	27.57	0.01	45.62	(0.07)	99.9%
2022	912,227,620	34,550,000	26.71	(0.86)	45.38	(0.24)	99.9%
2023	913,027,620	800,000	26.73	0.01	45.33	(0.05)	99.9%
2024	918,077,620	5,050,000	26.73	0.01	45.29	(0.05)	99.9%

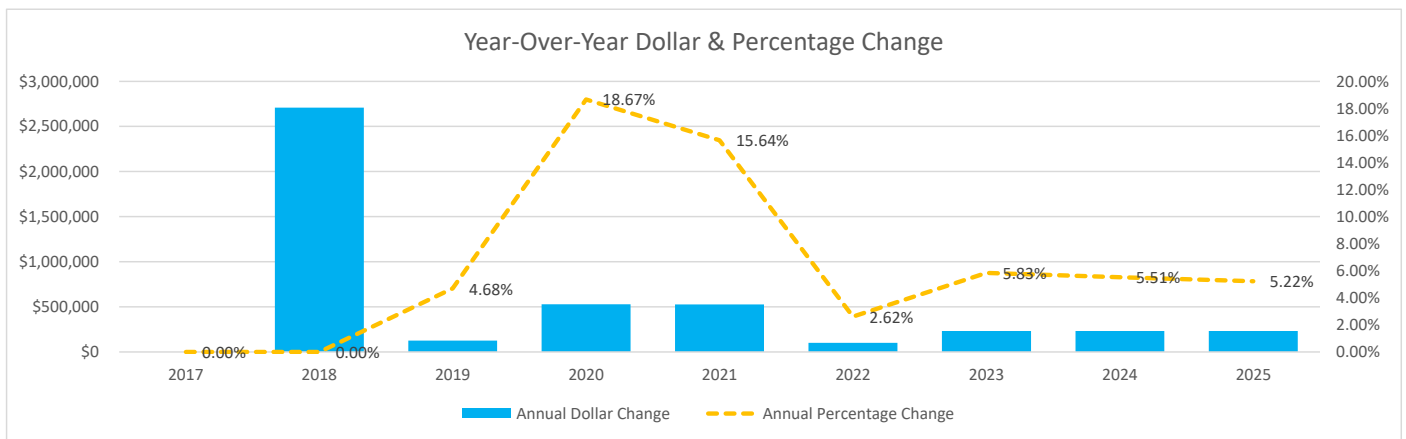
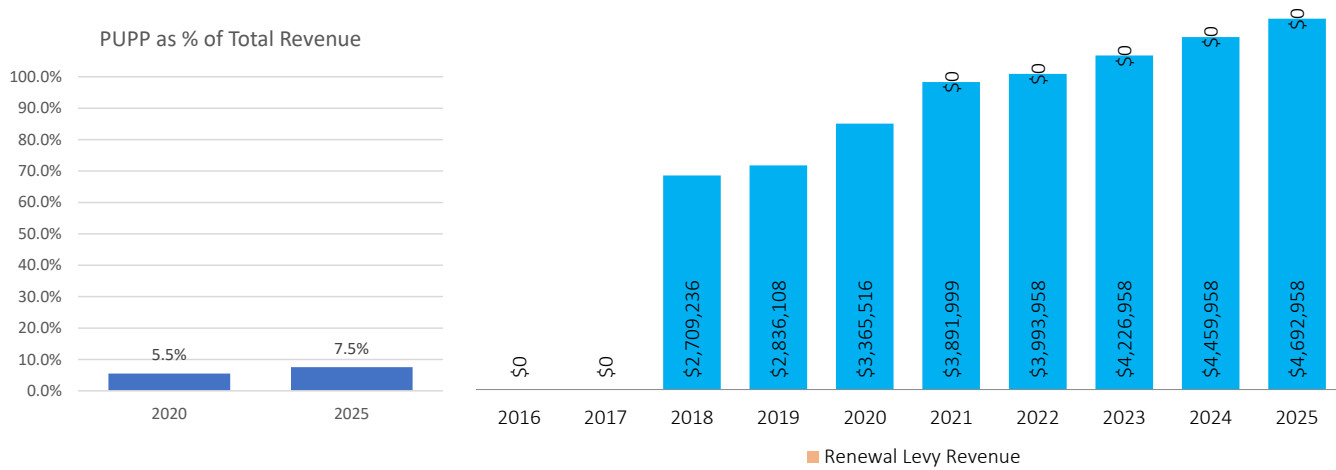
Real estate property tax revenue accounts for 39.82% of total revenue. Class I or residential/agricultural taxes make up approximately 63.23% of the real estate property tax revenue. The Class I tax rate is 27.56 mills in tax year 2020. The projections reflect an average gross collection rate of 99.9% annually through tax year 2024. The revenue changed at an average annual historical rate of -2.36% and is projected to change at an average annual rate of 0.33% through FY 2025.

Property values are projected to grow in response to the county-wide reappraisal and updates. In accordance with state law the district's tax rates are reduced (HB 920) to mitigate revenue increase from property growth. As a result the district's revenue is expected to experience only very slight net growth through FY 2025.

*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.



Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2019	67,065,470	18,510,170	58.25	0.00	100.0%	
2020	66,565,470	(500,000)	58.25	(0.00)	100.0%	
2021	70,565,470	4,000,000	58.25	-	100.0%	
2022	74,565,470	4,000,000	58.25	-	100.0%	
2023	78,565,470	4,000,000	58.25	-	100.0%	
2024	82,565,470	4,000,000	58.25	-	100.0%	

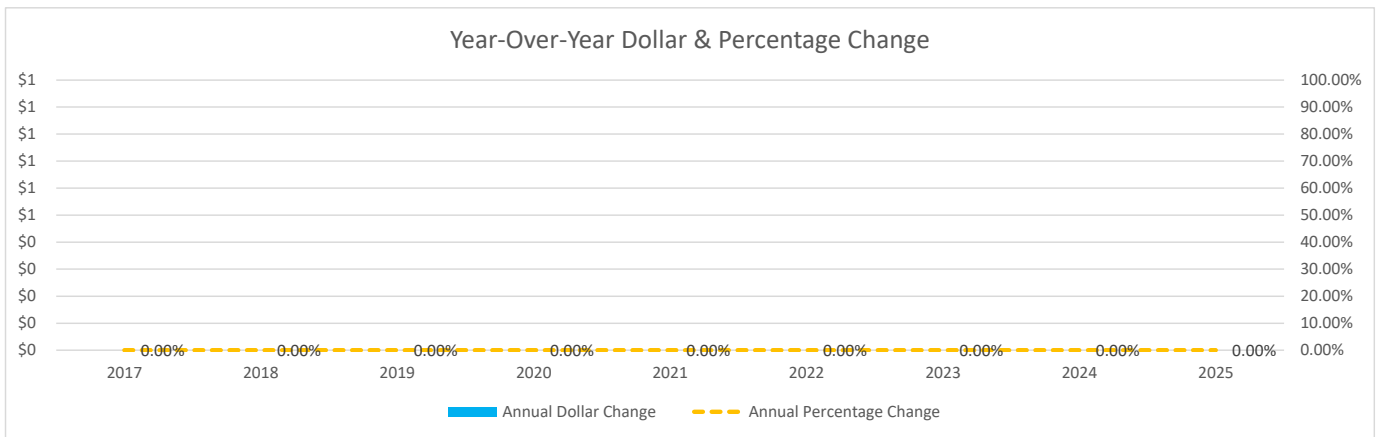
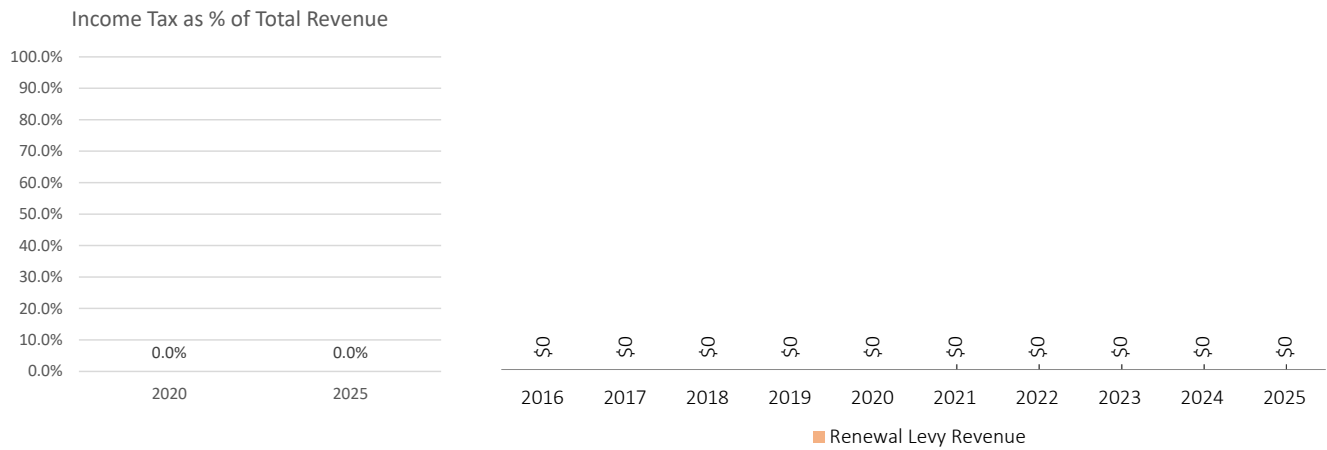
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 5.51% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 58.25 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$1,121,839 and is projected to change at an average annual dollar amount of \$265,488 through FY 2025.

Public utility property values are projected to increase similar to historical average, revenue will increase commensurate at tax rates, for this property-type remain at the full-voted rate.

*Projected % trends include renewal levies

1.030 - No 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.

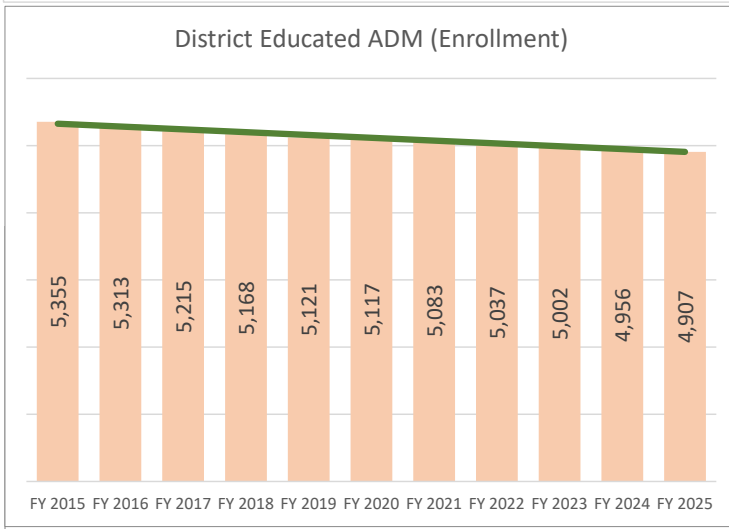
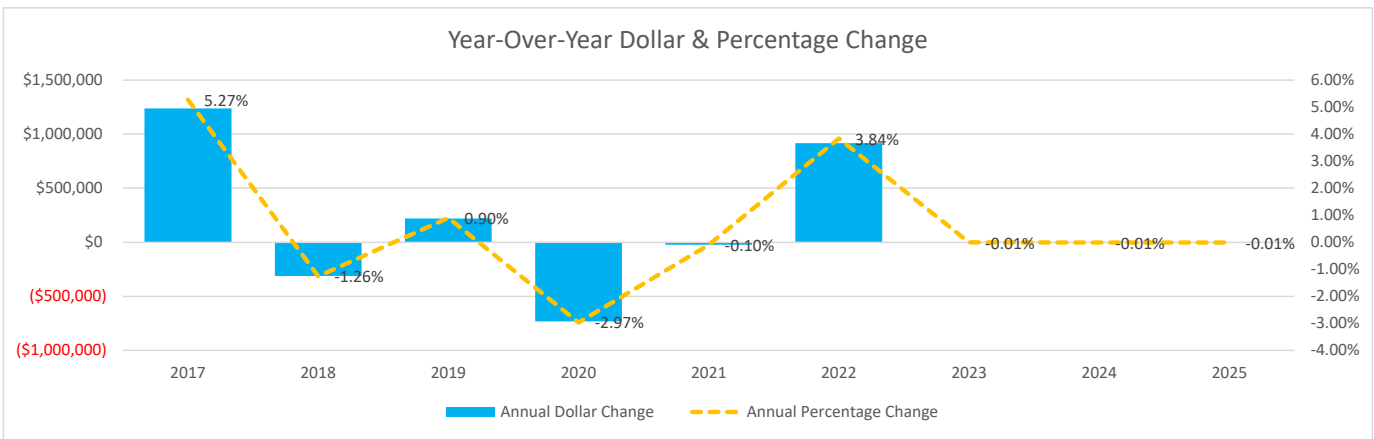
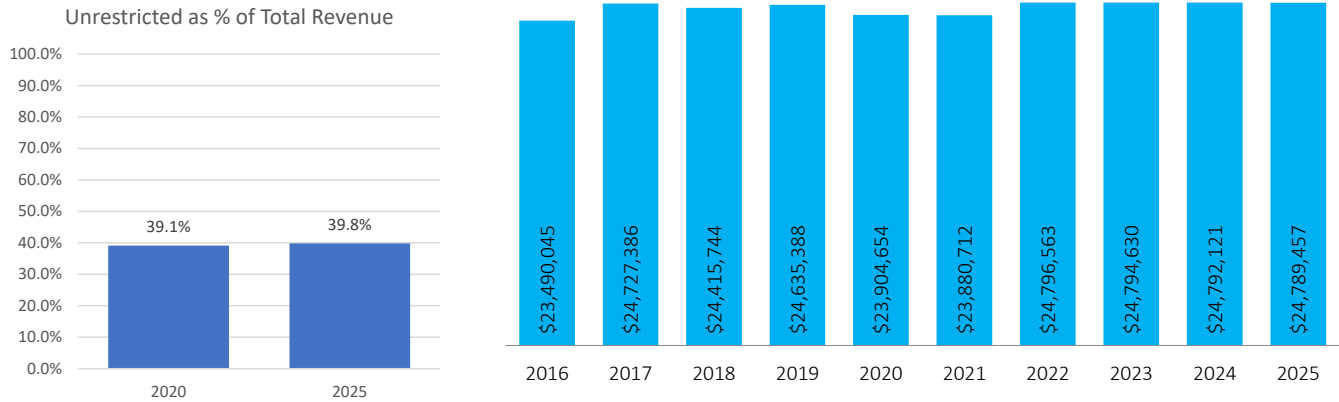


The district does not have an income tax levy.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

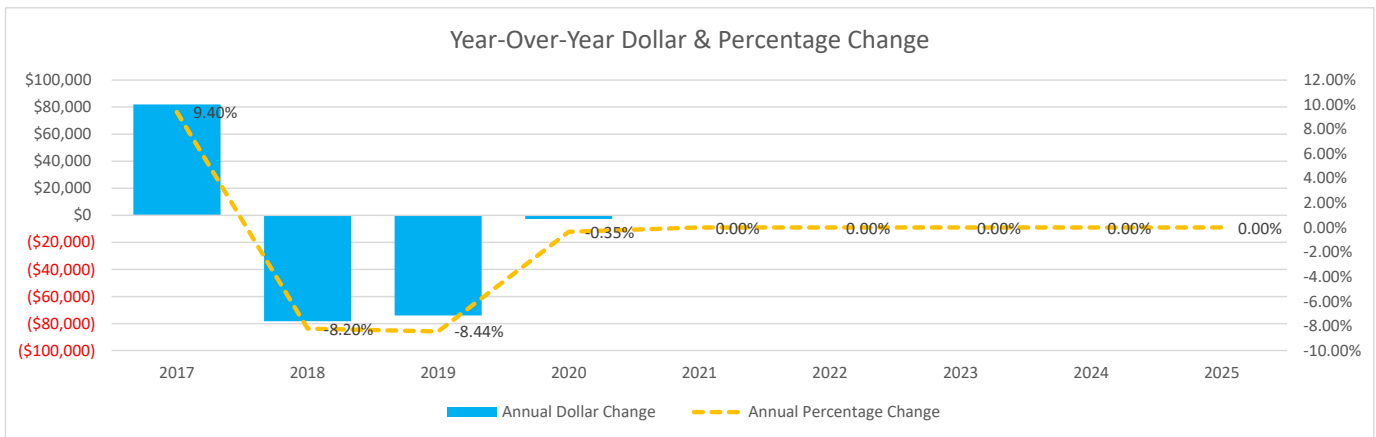
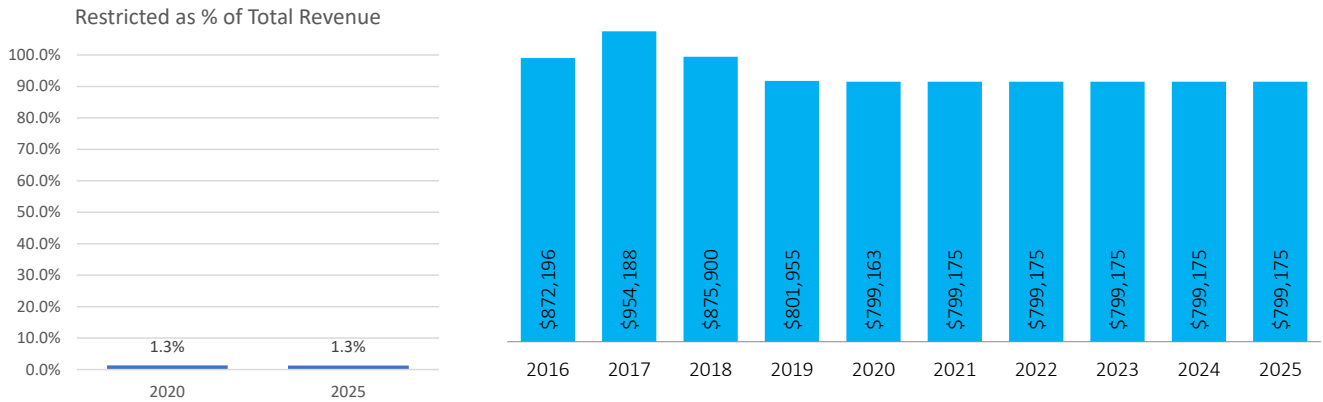


The FY 2019 per pupil and foundation revenue amount is the base aid amount used in FY 2019. In addition to its FY 2021 base funding amount of \$22,044,545 the district calculated FY 2021 categorical funding such as spec. ed., preschool, casino of \$883,404. Projected amounts less than the FY 2019 base indicate state budget cuts and other assumed change. For fiscal year 2022 - 2025, the district is projecting an average annual increase of 0.95% Note: Wellness funding is not included in these calculations.

The district's state funding was reduced in FY 2020 in response to state-wide budget cuts. This reduced level of funding is expected through FY 2021. In FY 2022 the funding is projected to be restored to the FY 2019 level and remain at that level through FY 2025. The district was on the per pupil funding guarantee in FY 2019 and the guarantee status is projected to continue. A new state funding formula could impact revenue.

1.040 & 1.045 - Restricted Grants-in-Aid

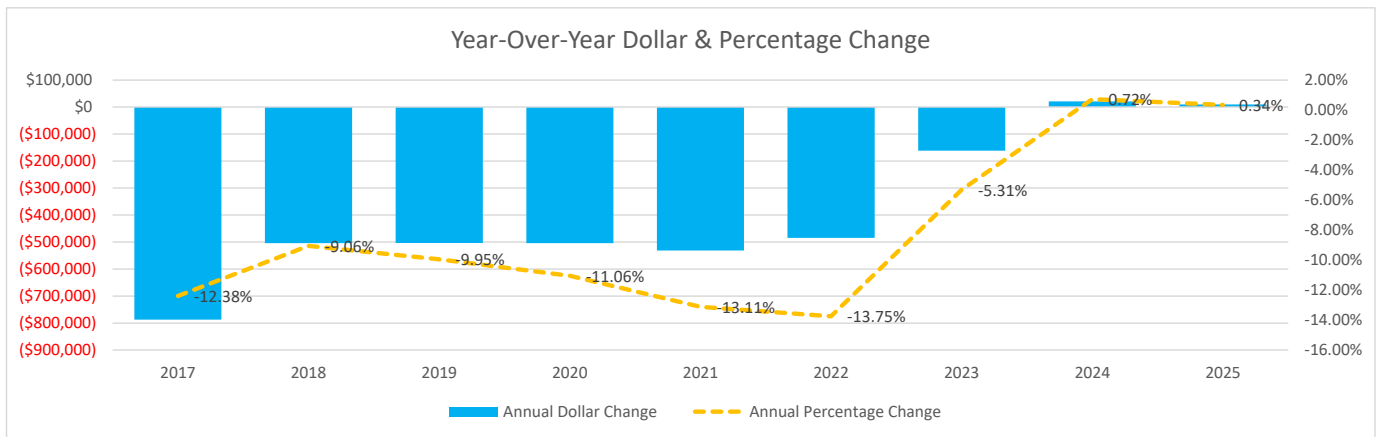
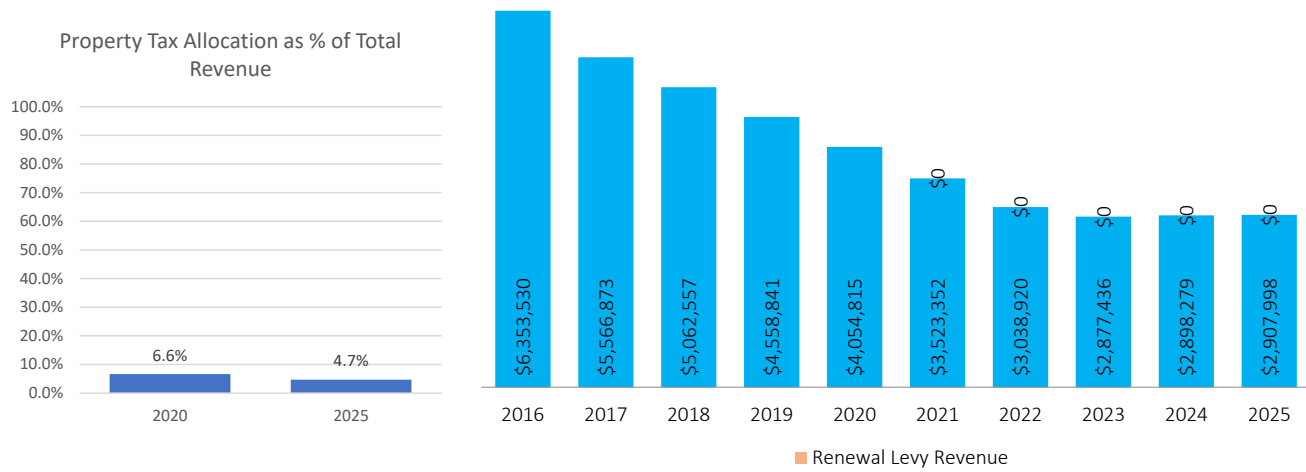
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by -\$51,675 and is projected to change annually on average by \$2. Restricted funds represent 1.31% of total revenue.

1.050 - Property Tax Allocation

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



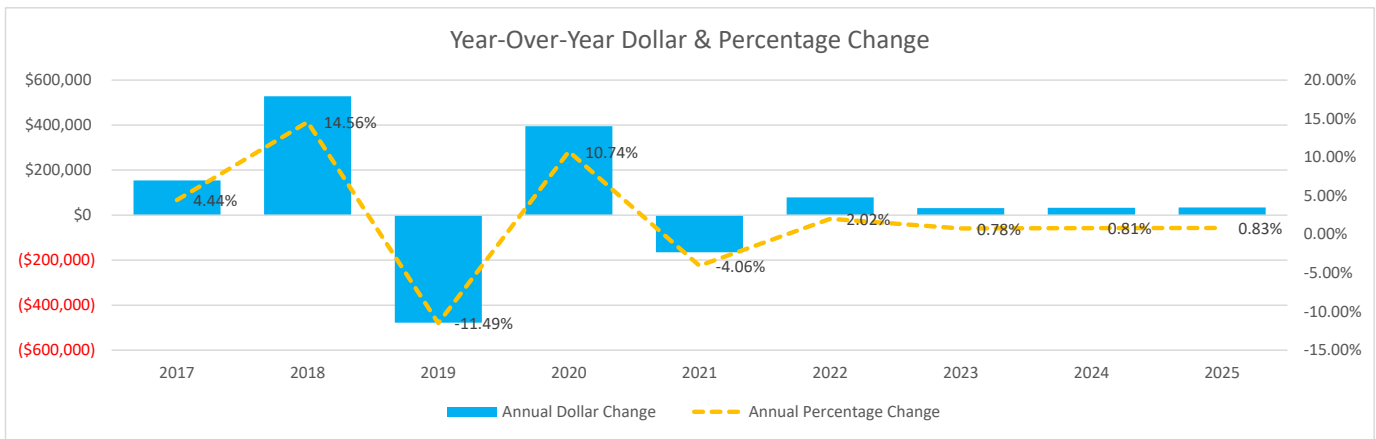
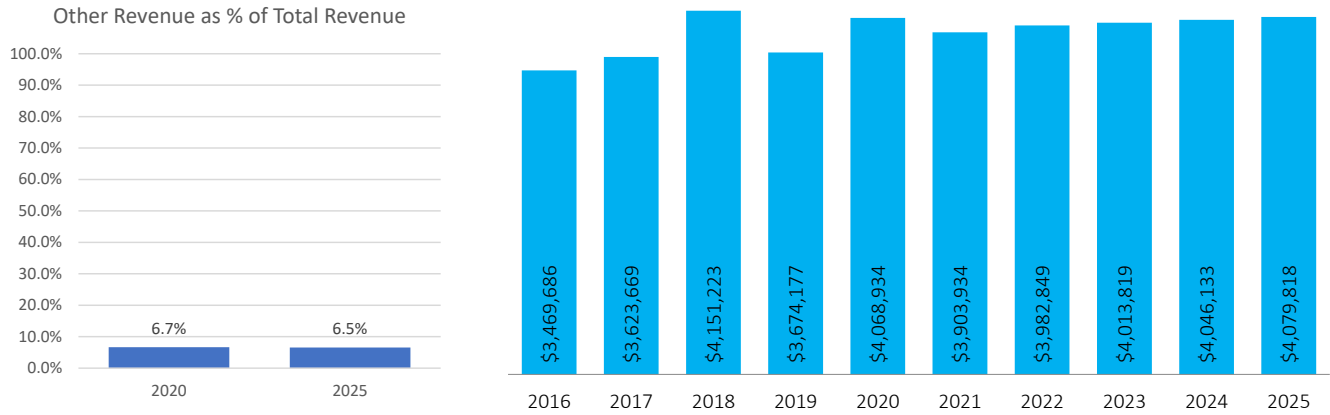
Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 12.0% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 2.6% will be reimbursed in the form of qualifying homestead exemption credits.

The district has lost a significant amount of tangible personal property reimbursement since FY 2008 when state laws changed and eliminated this particular business tax. The district will receive a small amount of reimbursement in FY 2021 and FY 2022 and then the reimbursement is completely phased out.

*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.

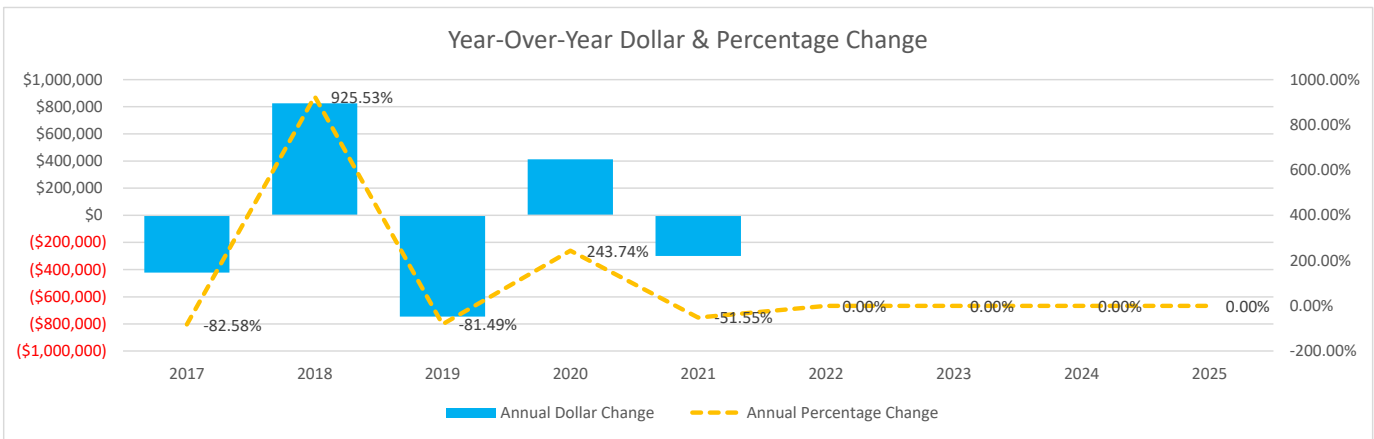
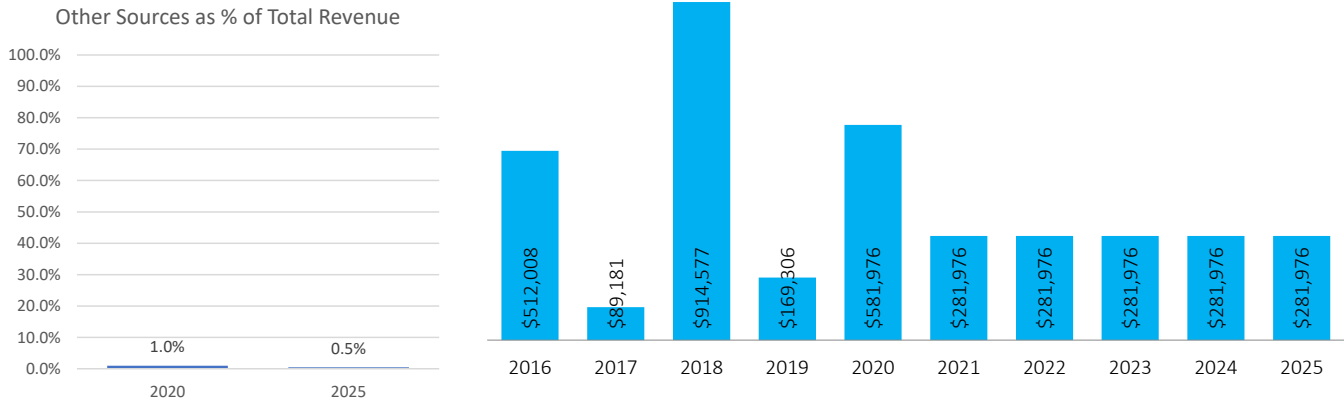


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$148,422. The projected average annual change is \$2,177 through FY 2025.

Open enrollment tuition paid by other schools districts for their students attending Findlay is the primary source of Other Revenue. The revenue is projected to remain consistent through FY 2025.

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.

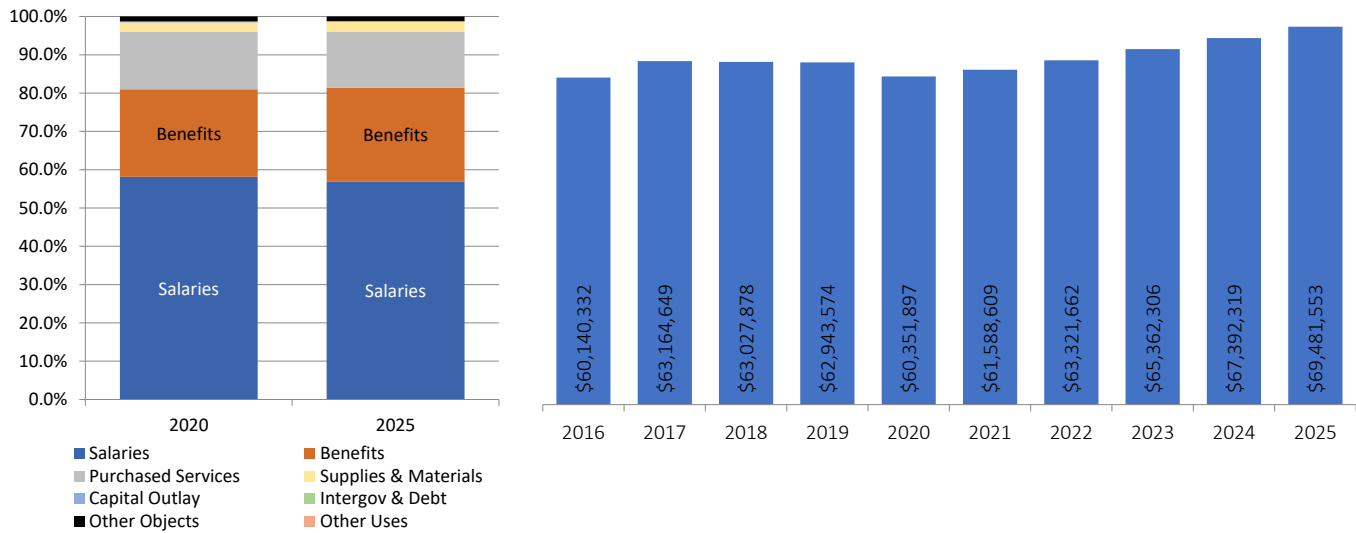


	FORECASTED					
	2020	2021	2022	2023	2024	2025
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	581,976	281,976	281,976	281,976	281,976	281,976

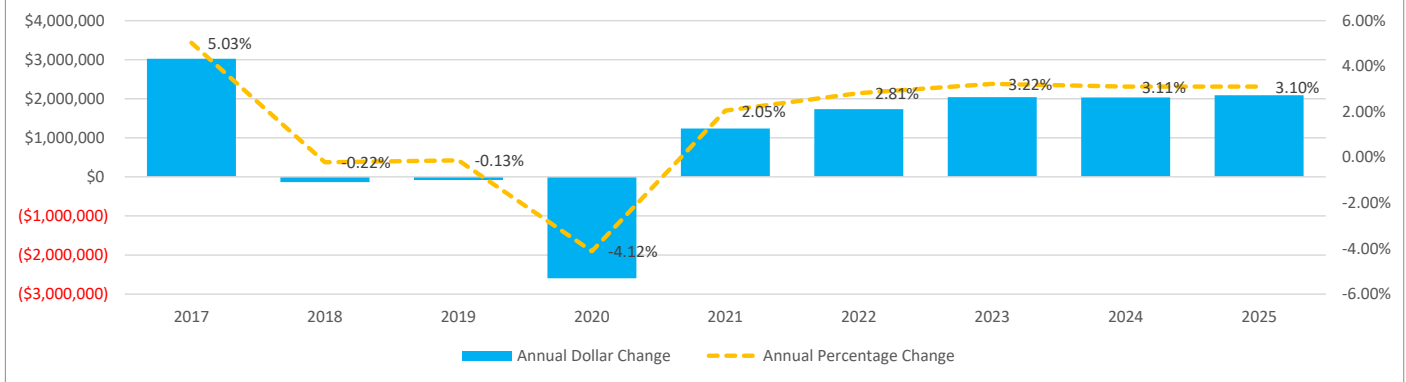
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district received \$0 as advances-in and is projecting advances of \$0 in FY 2021. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$281,976 in FY 2021 and average \$281,976 annually through FY 2025.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



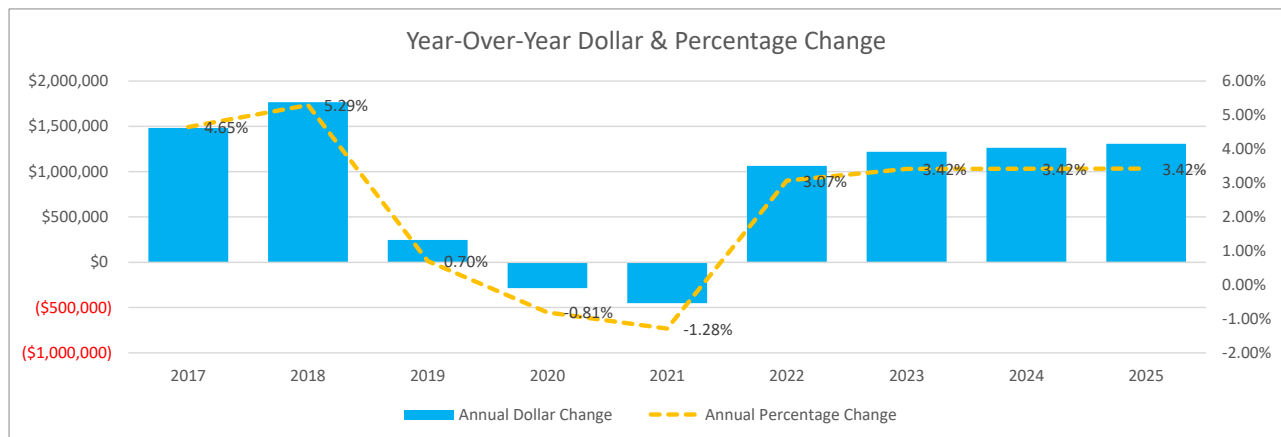
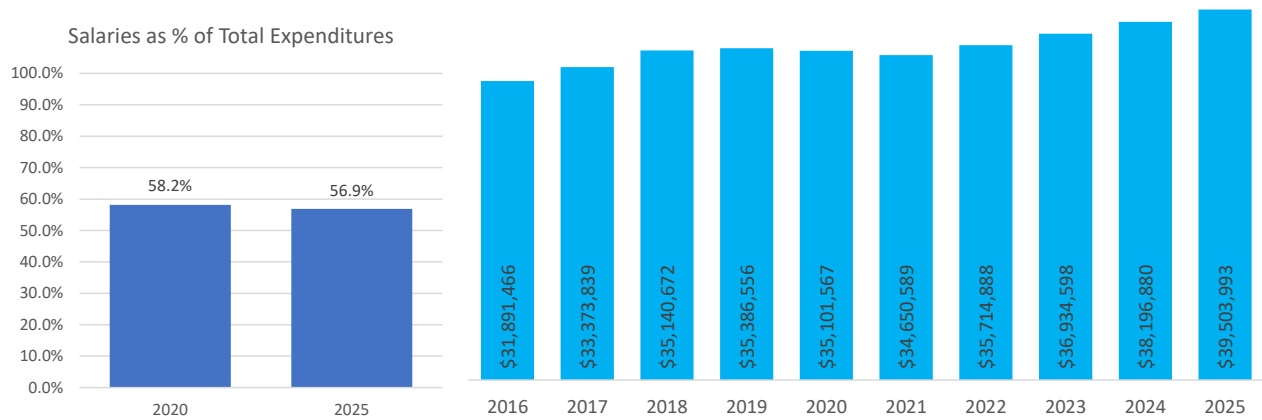
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Salaries	\$575,909	\$880,485	\$304,576	Total expenditures decreased -1.49% or -\$937,584 annually during the past five years and is projected to increase 3.03% or \$1,825,931 annually through FY2025. Purchased Services has the largest projected average annual variance compared to the historical average at \$1,116,535. Inflationary growth will be the main factors that will cause projected expenses for subsequent fiscal years to increase. This growth is projected to occur even with the efforts by the district to contain costs by making reductions to major expenditure line items.
Benefits	\$234,441	\$654,921	\$420,481	
Purchased Services	(\$895,926)	\$220,609	\$1,116,535	
Supplies & Materials	(\$256,229)	\$60,136	\$316,365	
Capital Outlay	(\$578,494)	\$0	\$578,494	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$6,048	\$9,780	\$3,731	
Other Uses	(\$23,333)	\$0	\$23,333	
Total Average Annual Change	(\$937,584)	\$1,825,931	\$2,763,515	
	-1.49%	3.03%	4.51%	

Note: Expenditure average annual change is projected to be > \$1,825,931 On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

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



Salaries represent 58.16% of total expenditures and increased at a historical average annual rate of 1.73% or \$575,909. This category of expenditure is projected to grow at an average annual rate of 2.41% or \$880,485 through FY 2025. The projected average annual rate of change is 0.68% more than the five year historical annual average.

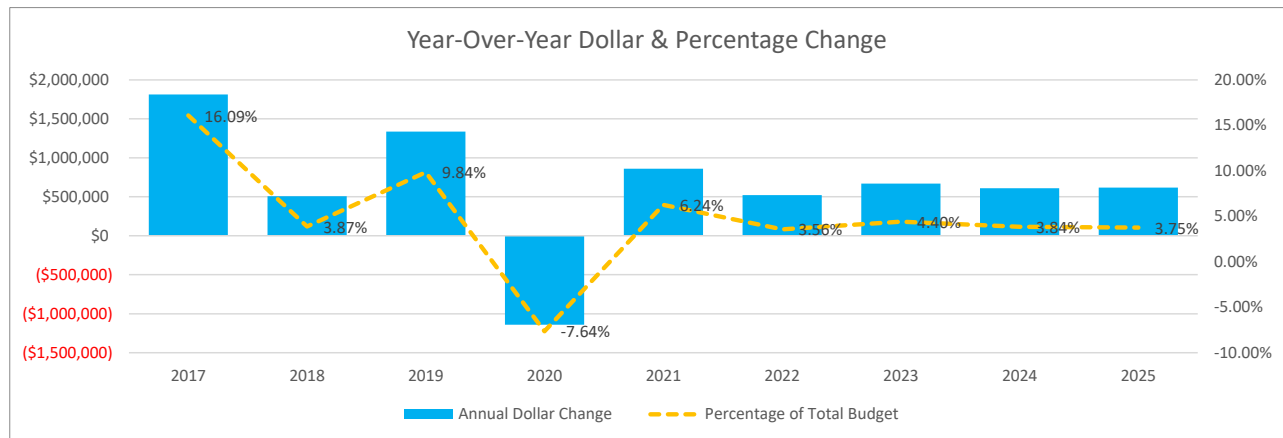
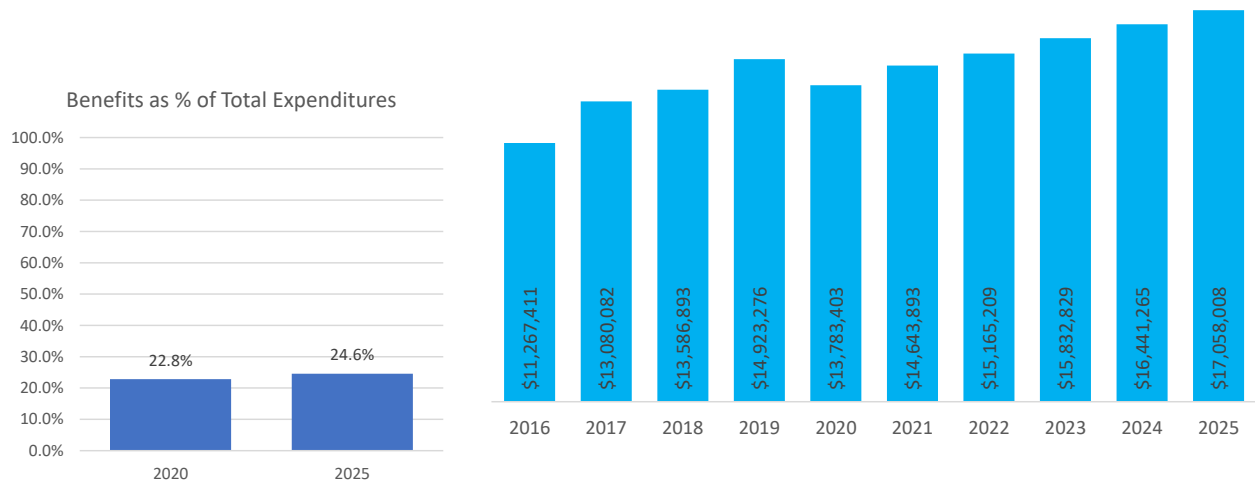
For the current fiscal year, the district's salary expenses are lower than the amount expended in the previous fiscal year due to the district making staffing reductions and using Federal COVID Cares funds to offset approximately \$775,000 in salary and benefit related expenses.

In addition, the district will continue to use State wellness dollars to offset qualifying General Fund expenses. This is anticipated to continue through the forecast period.

For fiscal year 2022, the district is anticipating reducing 12 positions due to the expected closing of two elementary schools. Those reductions are included in these salary projections. Furthermore, additional annual costs are projected due to inflationary growth and longevity costs.

3.020 - Employees' Benefits

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

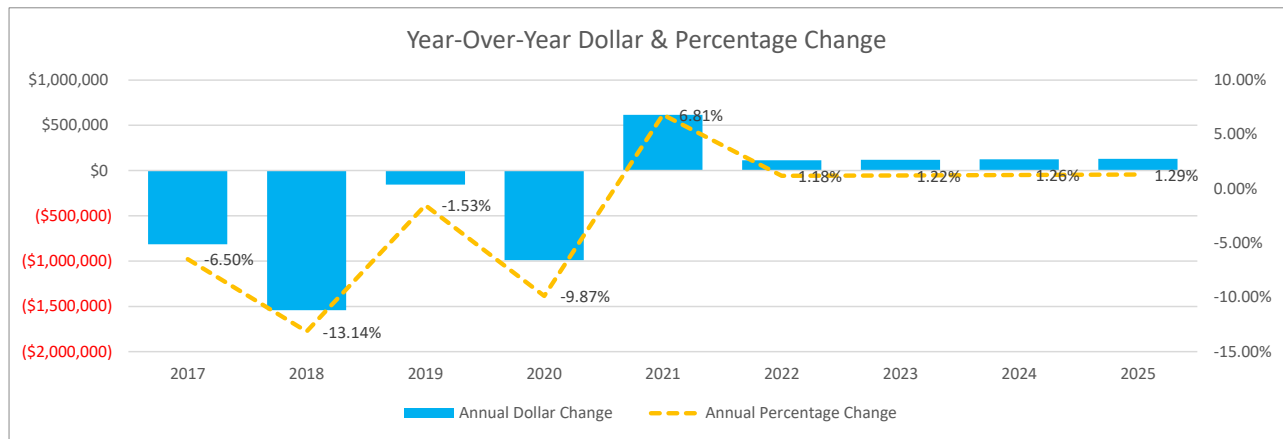
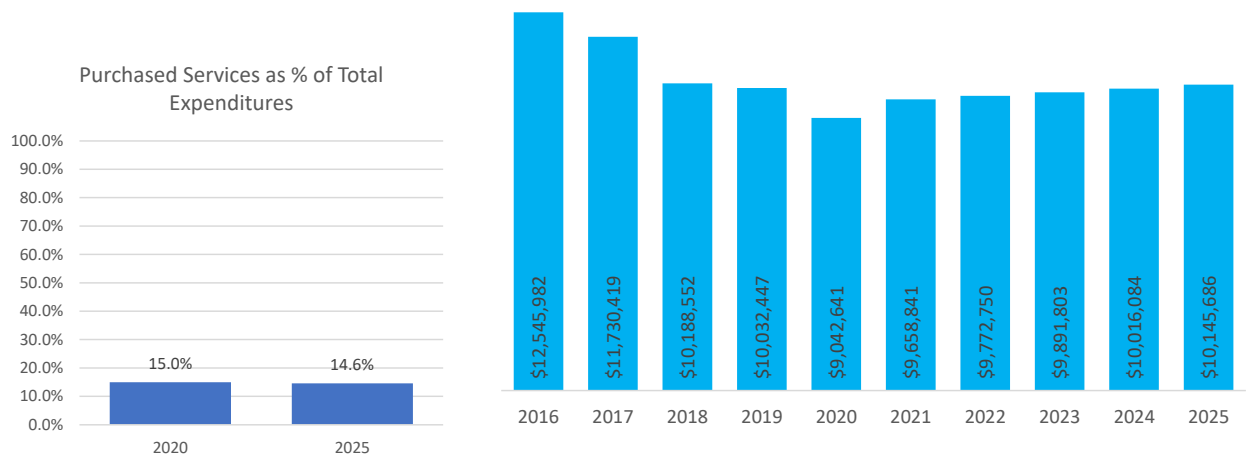


Benefits represent 22.84% of total expenditures and increased at a historical average annual rate of 2.02%. This category of expenditure is projected to grow at an annual average rate of 4.36% through FY 2025. The projected average annual rate of change is 2.34% more than the five year historical annual average.

Health insurance premiums and retirement contributions comprise the majority of fringe benefit cost. Naturally, retirement contributions are based upon salary levels. Health insurance premiums are established through recommendation made by the health insurance consultant. In FY 2020 the premium level was reduced in May and June because of plan costs were substantially less than estimated and the self-insurance fund cash increased significantly prior to May. Therefore the decrease in FY 2020 cost was attributed to this realignment of plan cost with premium charged. In FY 2021 the premium being modeled is the consultant's expected claims and fee level. If the plan costs are lower than additional savings could be realized. The trend growth in health insurance premium for FY 2022 through FY 2025 is based upon the consultants trend expectations. The district will continue to monitor plan costs with premium and adjust accordingly.

3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



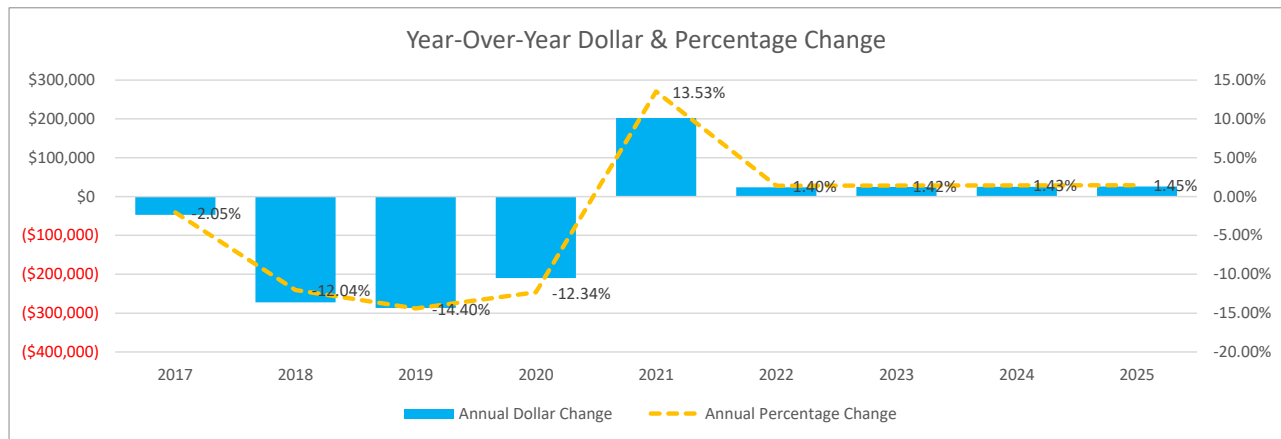
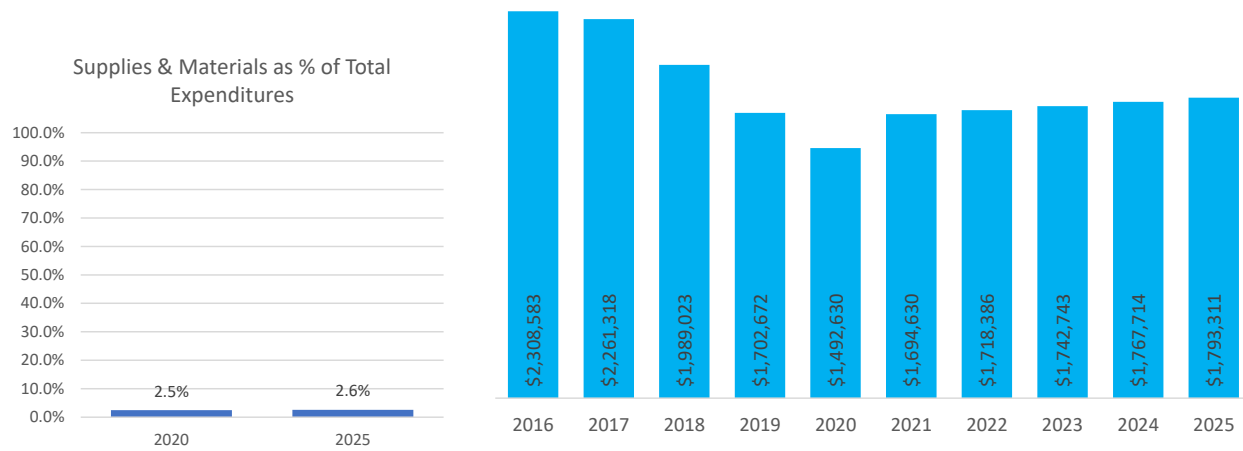
Purchased Services represent 14.98% of total expenditures and decreased at a historical average annual rate of -8.18%. This category of expenditure is projected to grow at an annual average rate of 2.35% through FY 2025. The projected average annual rate of change is 10.53% more than the five year historical annual average.

During FY2020, the district experienced some reductions in annual operating costs due the school closure that was caused by the COVID shutdown. For the current fiscal year, these operating costs have been restored to normal annual levels. In addition, inflationary growth has been included in subsequent fiscal year projections.

The district's largest purchased service expenditure, tuition has declined over the past few years. These costs are expected to flatten in future 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.

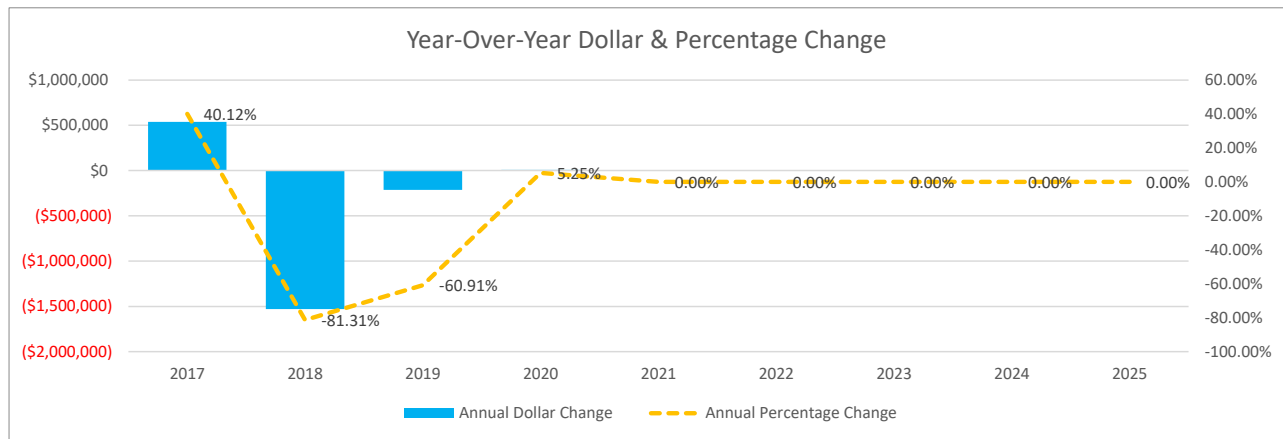
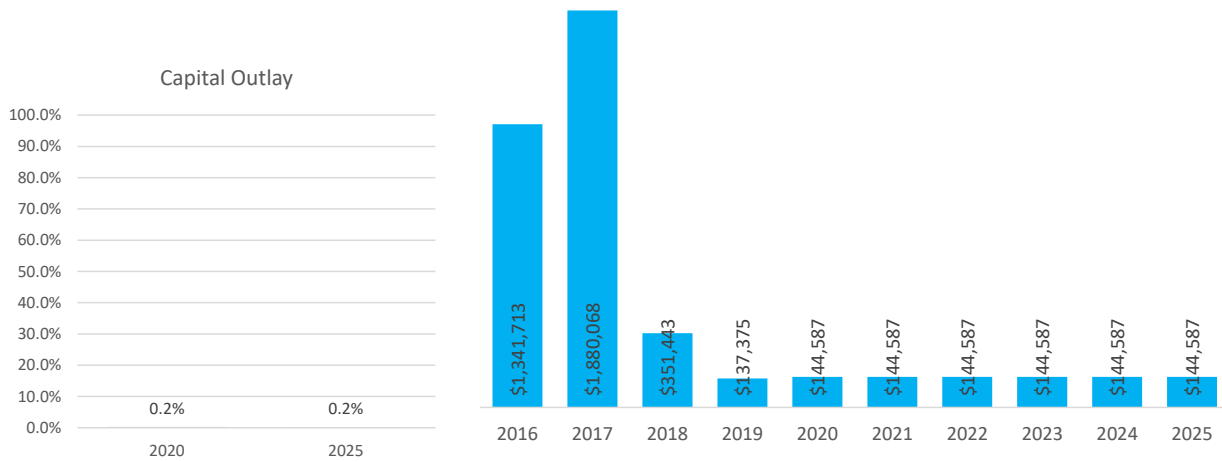


Supplies & Materials represent 2.47% of total expenditures and decreased at a historical average annual rate of -12.92%. This category of expenditure is projected to grow at an annual average rate of 3.85% through FY 2025. The projected average annual rate of change is 16.77% more than the five year historical annual average.

The district has reduced supply and material costs for the past four fiscal years. A portion of the reduction that occurred in FY2020 was due to the COVID school closure. These costs are expected to be restored to the FY 2019 level for FY 2020.

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.

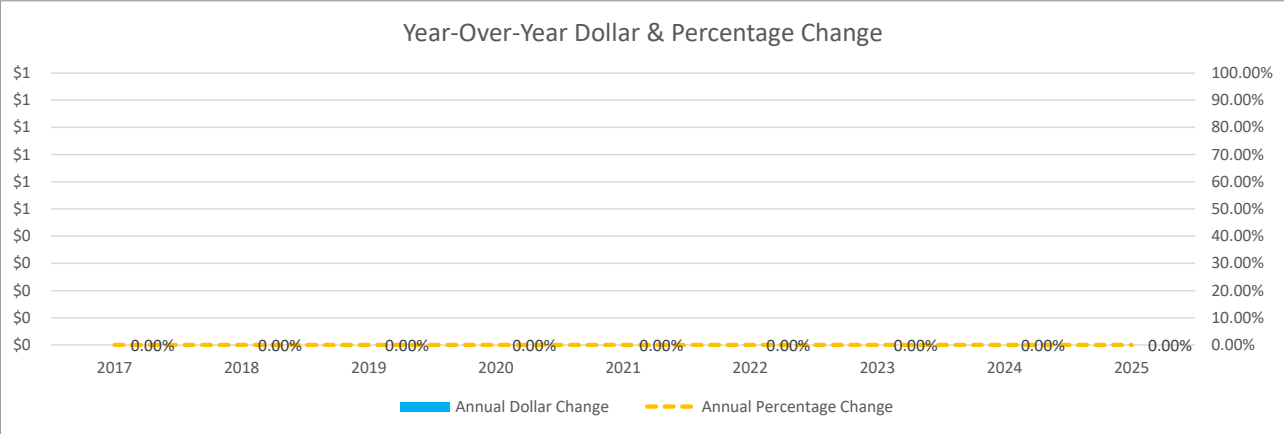
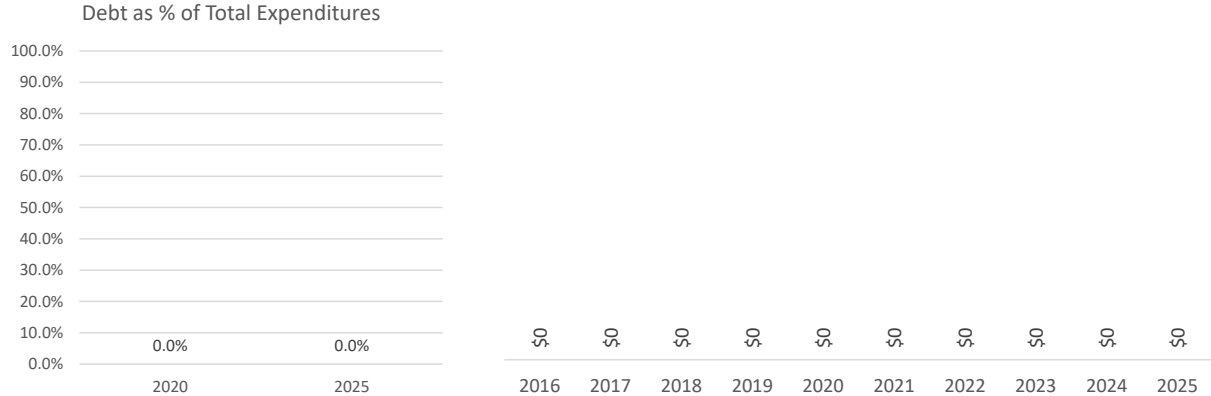


Capital Outlay represent 0.24% of total expenditures and decreased at a historical average annual amount of -\$578,494. This category of expenditure is projected to remain unchanged \$ through FY 2025. The projected average annual change is more than the five year historical annual average.

Because of past fluctuation there is no credible average.

3.060-4.060 - Intergovernmental & Debt

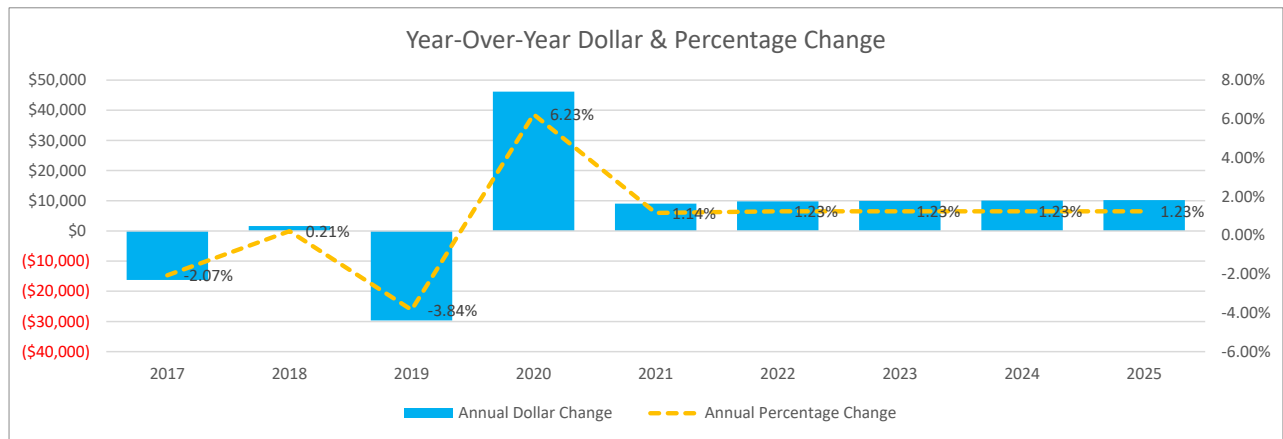
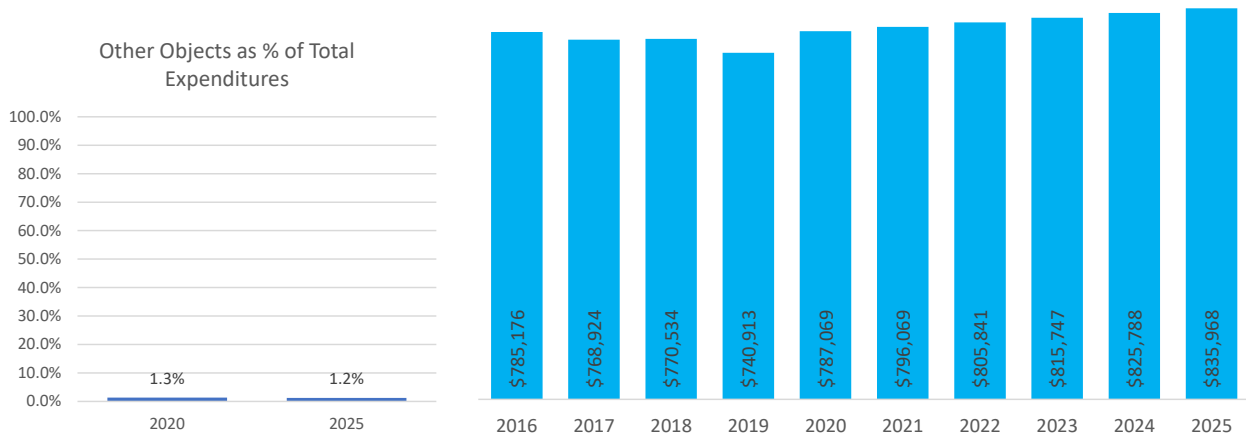
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

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.

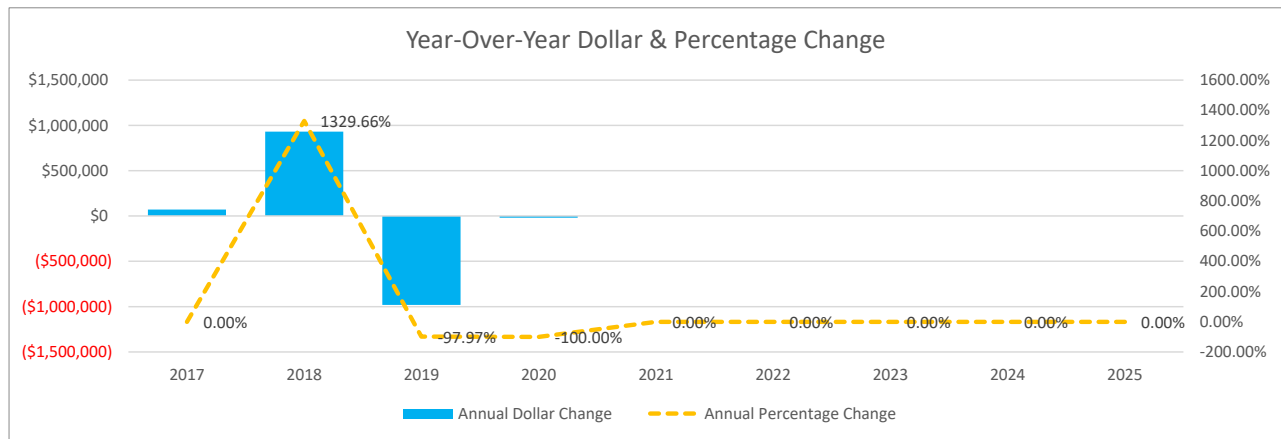
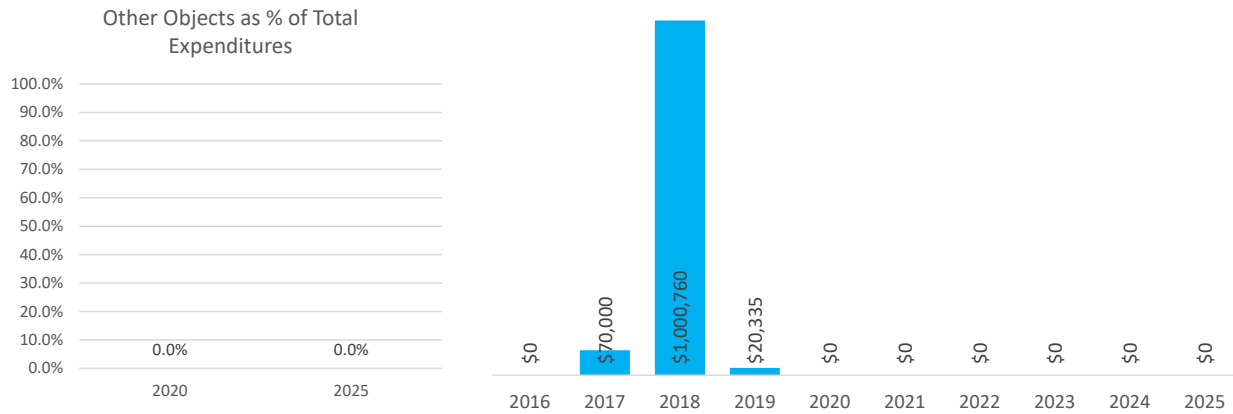


Other Objects represent 1.30% of total expenditures and increased at a historical average annual rate of 0.86%. This category of expenditure is projected to grow at an annual average rate of 1.21% through FY 2025. The projected average annual rate of change is 0.35% more than the five year historical annual average.

Other objects are primarily treasurer and auditor fees.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	2020	FORECASTED				
		2021	2022	2023	2024	2025
Transfers Out	-	-	-	-	-	-
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2020 the district had no advances-out and has no advances-out forecasted through FY 2025. The district can also move general funds permanently to other funds and as the schedule above presents, the district has no transfers forecasted through FY 2025. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Findlay City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
Revenue:						
1.010 - General Property Tax (Real Estate)	24,337,397	24,353,817	24,358,160	24,526,641	24,654,200	24,745,936
1.020 - Public Utility Personal Property	3,365,516	3,891,999	3,993,958	4,226,958	4,459,958	4,692,958
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	23,904,654	23,880,712	24,796,563	24,794,630	24,792,121	24,789,457
1.040 - Restricted Grants-in-Aid	799,163	799,175	799,175	799,175	799,175	799,175
1.050 - Property Tax Allocation	4,054,815	3,523,352	3,038,920	2,877,436	2,898,279	2,907,998
1.060 - All Other Operating Revenues	4,068,934	3,903,934	3,982,849	4,013,819	4,046,133	4,079,818
1.070 - Total Revenue	60,530,480	60,352,989	60,969,625	61,238,659	61,649,866	62,015,343
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	-	-	-	-	-	-
2.060 - All Other Financing Sources	581,976	281,976	281,976	281,976	281,976	281,976
2.070 - Total Other Financing Sources	581,976	281,976	281,976	281,976	281,976	281,976
2.080 - Total Rev & Other Sources	61,112,456	60,634,965	61,251,601	61,520,635	61,931,842	62,297,319
Expenditures:						
3.010 - Personnel Services	35,101,567	34,650,589	35,714,888	36,934,598	38,196,880	39,503,993
3.020 - Employee Benefits	13,783,403	14,643,893	15,165,209	15,832,829	16,441,265	17,058,008
3.030 - Purchased Services	9,042,641	9,658,841	9,772,750	9,891,803	10,016,084	10,145,686
3.040 - Supplies and Materials	1,492,630	1,694,630	1,718,386	1,742,743	1,767,714	1,793,311
3.050 - Capital Outlay	144,587	144,587	144,587	144,587	144,587	144,587
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	787,069	796,069	805,841	815,747	825,788	835,968
4.500 - Total Expenditures	60,351,897	61,588,609	63,321,662	65,362,306	67,392,319	69,481,553
Other Financing Uses						
5.010 - Operating Transfers-Out	-	-	-	-	-	-
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	-	-	-	-	-	-
5.050 - Total Exp and Other Financing Uses	60,351,897	61,588,609	63,321,662	65,362,306	67,392,319	69,481,553
6.010 - Excess of Rev Over/(Under) Exp	760,559	(953,644)	(2,070,061)	(3,841,672)	(5,460,477)	(7,184,235)
7.010 - Cash Balance July 1 (No Levies)	7,733,721	8,494,280	7,540,636	5,470,575	1,628,903	(3,831,574)
7.020 - Cash Balance June 30 (No Levies)	8,494,280	7,540,636	5,470,575	1,628,903	(3,831,574)	(11,015,809)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	8,494,280	7,540,636	5,470,575	1,628,903	(3,831,574)	(11,015,809)
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	8,494,280	7,540,636	5,470,575	1,628,903	(3,831,574)	(11,015,809)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	1,837,620	3,685,184	3,701,610	3,718,395	3,746,419
13.030 - Cumulative Balance of New Levies	-	1,837,620	5,522,804	9,224,414	12,942,808	16,689,228
15.010 - Unreserved Fund Balance June 30	8,494,280	9,378,256	10,993,379	10,853,317	9,111,234	5,673,419