



Findlay City Schools Forecast

Financial Forecast Summary (FY2025-FY2029)

Findlay City Schools' financial forecast reflects a transition period from short-term operating deficits to long-term financial stability, primarily driven by the implementation and growth of the district income tax. While traditional revenue sources such as real estate taxes and state funding remain relatively stable with modest growth, these revenues alone are not sufficient to keep pace with rising operational costs. For FY26, state funding is down due to various reasons including loss of revenue for reduced bussing and enrollment.

Description	Actual 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
General Property Tax (Real Estate)	\$25,067,047	\$25,819,058	\$26,335,439	\$26,862,148	\$27,668,012
Tangible Personal Property Taxes	\$5,995,963	\$6,595,559	\$6,925,337	\$7,271,604	\$7,635,184
Income Tax	\$0	\$3,946,539	\$9,208,591	\$13,155,130	\$13,681,335
Unrestricted Grants-in-Aid	\$25,061,576	\$23,975,755	\$24,275,755	\$24,275,755	\$24,275,755
Restricted Grants-in-Aid	\$2,151,109	\$2,280,805	\$2,227,818	\$2,230,318	\$2,232,843
State Share of Local Property Taxes	\$2,869,970	\$2,902,907	\$2,936,258	\$2,970,028	\$3,004,225
All Other Operating Revenue	\$3,855,537	\$3,114,381	\$2,954,399	\$2,969,542	\$2,984,835
Total Revenue	\$65,001,201	\$68,635,003	\$74,863,597	\$79,734,524	\$81,482,190
All other Financing Sources	\$27,524	\$30,000	\$25,000	\$25,000	\$25,000
Total Other Financing Sources	\$27,524	\$30,000	\$25,000	\$25,000	\$25,000
Total Revenue and Other Financing Sources	\$65,028,725	\$68,665,003	\$74,888,597	\$79,759,524	\$81,507,190

Revenue Outlook

Local property tax revenues are projected to increase gradually over the forecast period, reflecting typical post-reappraisal growth patterns. Real estate tax collections rise steadily each year, while tangible personal property tax revenue experiences a larger increase in the early years before normalizing to more moderate growth.

State funding remains essentially flat beginning in FY2027, which is consistent with statewide funding trends and conservative forecasting practices. Other local and state revenue sources remain stable or decline slightly, indicating the district is not relying on one-time or unpredictable revenue streams to balance the budget.

The most significant change in the revenue structure is the introduction of the district income tax. Income tax collections are projected to increase rapidly from approximately \$4 million in FY2026 to over \$13 million annually by FY2028, then stabilize in FY2029. This revenue source becomes the primary driver of long-term solvency within the forecast.

Description	Actual 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Personal Services - Employee Salaries & Wages	\$42,595,956	\$40,672,750	\$42,792,206	\$44,395,659	\$46,062,965
Employees' Retirement and Insurance Benefits	\$18,935,966	\$20,791,194	\$21,785,468	\$22,833,777	\$23,766,100
Purchased Services	\$5,902,950	\$5,654,033	\$5,781,453	\$5,912,832	\$6,048,296
Supplies and Materials	\$1,980,369	\$1,902,644	\$1,993,306	\$2,042,963	\$2,094,579
Capital Outlay	\$298,471	\$357,035	\$360,605	\$364,211	\$375,138
Other Objects	\$472,171	\$715,078	\$722,112	\$729,236	\$748,724
Total Expenditures	\$70,185,882	\$70,092,734	\$73,435,150	\$76,278,678	\$79,095,802
Operational Transfers-Out	\$0	\$800,000	\$800,000	\$800,000	\$800,000
Total Other Financing Uses	\$0	\$800,000	\$800,000	\$800,000	\$800,000
Total Expenditures and Other Financing Uses	\$70,185,882	\$70,892,734	\$74,235,150	\$77,078,678	\$79,895,802

Expenditure Trends

Total expenditures increase gradually each year, reflecting ongoing salary obligations, benefits costs, purchased services, and routine capital and operational needs. Salary and benefit costs remain the largest portion of the budget but are projected to decline slightly as a percentage of total revenue during the early years of the forecast as new revenue sources come online. Overall spending assumptions remain conservative and consistent with historical cost trends.

Description	Actual 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
Excess Of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-\$5,157,157	-\$2,227,731	\$653,447	\$2,680,846	\$1,611,387
Beginning Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$13,326,464	\$8,169,306	\$5,941,576	\$6,595,022	\$9,275,869
Ending Cash Balance June 30 - Excluding Proposed Renewal/Replacement and New Levies	\$8,169,306	\$5,941,576	\$6,595,022	\$9,275,869	\$10,887,256
Estimated Encumbrances June 30	\$0	\$800,000	\$800,000	\$800,000	\$800,000
Fund Balance June 30 For Certification of Appropriations	\$8,169,306	\$5,141,576	\$5,795,022	\$8,475,869	\$10,087,256
Fund Balance June 30 For Certificates of Contracts	\$8,169,306	\$5,141,576	\$5,795,022	\$8,475,869	\$10,087,256
Unreserved Fund Balance June 30th	\$8,169,306	\$5,141,576	\$5,795,022	\$8,475,869	\$10,087,256

Operating Results

The district projects operating deficits in FY2025 and FY2026 as it transitions into the income tax implementation period. Beginning in FY2027, revenues exceed expenditures, generating operating surpluses that continue through the remainder of the forecast period.

This shift marks the point at which the district's revenue structure becomes sustainable under current assumptions.

Cash Balance & Financial Stability

General Fund cash balances decline during the initial deficit years but begin to recover in FY2027 as operating surpluses are realized. By FY2029, the district projects a significantly improved cash position, providing stronger financial reserves and improved fiscal stability.

Scenario testing indicates that even if expenditures grow moderately faster than forecasted levels, the district remains financially solvent, though the available cash cushion is reduced. However, removal of the income tax revenue from the forecast results in negative cash balances by FY2027, demonstrating that the income tax is essential to long-term fiscal health.

Key Takeaways for the Board of Education

- The district's long-term financial stability is **primarily dependent on income tax revenue growth**
- Property taxes and state funding increases alone are **not sufficient to sustain operations**
- Operating deficits in the near term are **temporary and planned to ensure the best education for our students**
- The forecast returns to positive operating margins beginning in **FY2027**
- Cash reserves strengthen significantly by **FY2029**
- Conservative revenue assumptions improve the reliability of the forecast

Overall Conclusion

Findlay City Schools' forecast presents a realistic and sustainable financial plan. The combination of modest property tax growth, stable state funding, controlled expenditures, and the phased implementation of income tax revenue positions the district to move from short-term financial pressure into long-term fiscal stability. Continued monitoring of expenditure growth and economic conditions affecting income tax collections will remain critical to maintaining this positive trajectory.

FINDLAY CITY SCHOOLS
Fiscal Year 2025-2026 Five-Year Forecast

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