

Bryan City School District

Five Year Forecast Financial Report

November 2023

Table of Contents

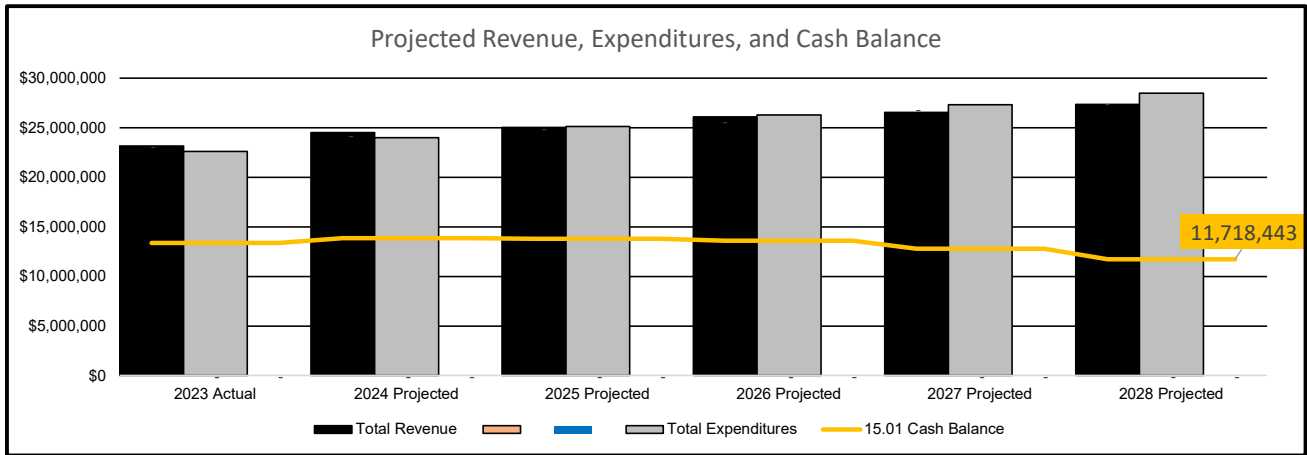
	<u>Page</u>
Table of Contents	2
Forecast Summary	3
Revenue Sources and Forecast Year-Over-Year Projected Overview	4
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - State Share-Local Property Taxes	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
Expenditures Overview	13
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
Five Year Forecast	22

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.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast

	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	13,354,970	13,868,540	13,780,728	13,600,680	12,810,336
+ Revenue	24,513,574	25,034,613	26,103,064	26,563,570	27,371,036
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(24,000,005)	(25,122,425)	(26,283,111)	(27,353,914)	(28,462,928)
= Revenue Surplus or Deficit	513,570	(87,812)	(180,047)	(790,344)	(1,091,893)
Line 7.020 Ending Balance with renewal/new levies	13,868,540	13,780,728	13,600,680	12,810,336	11,718,443

Analysis Without Renewal Levies Included:

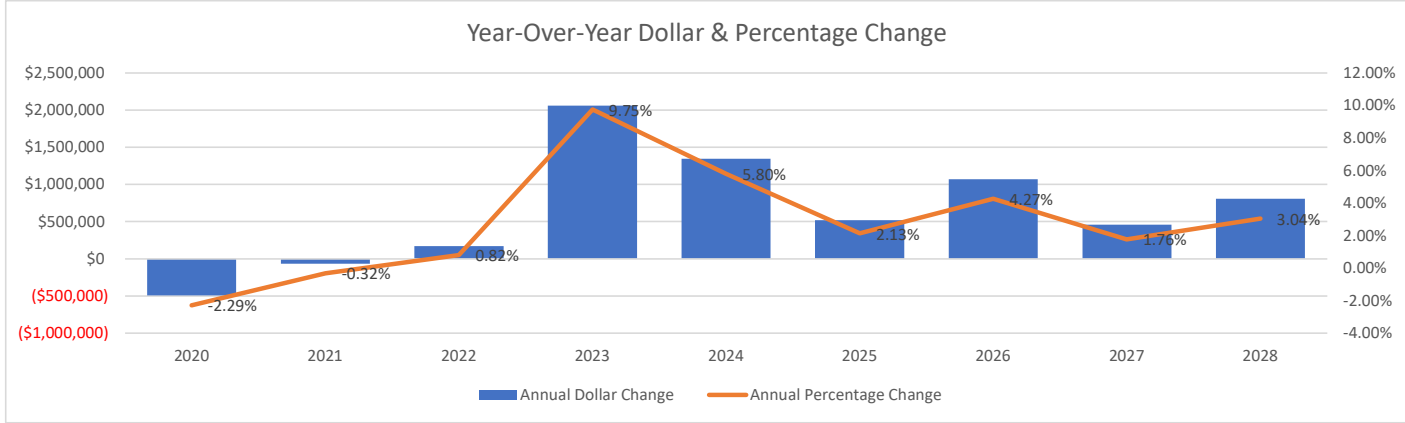
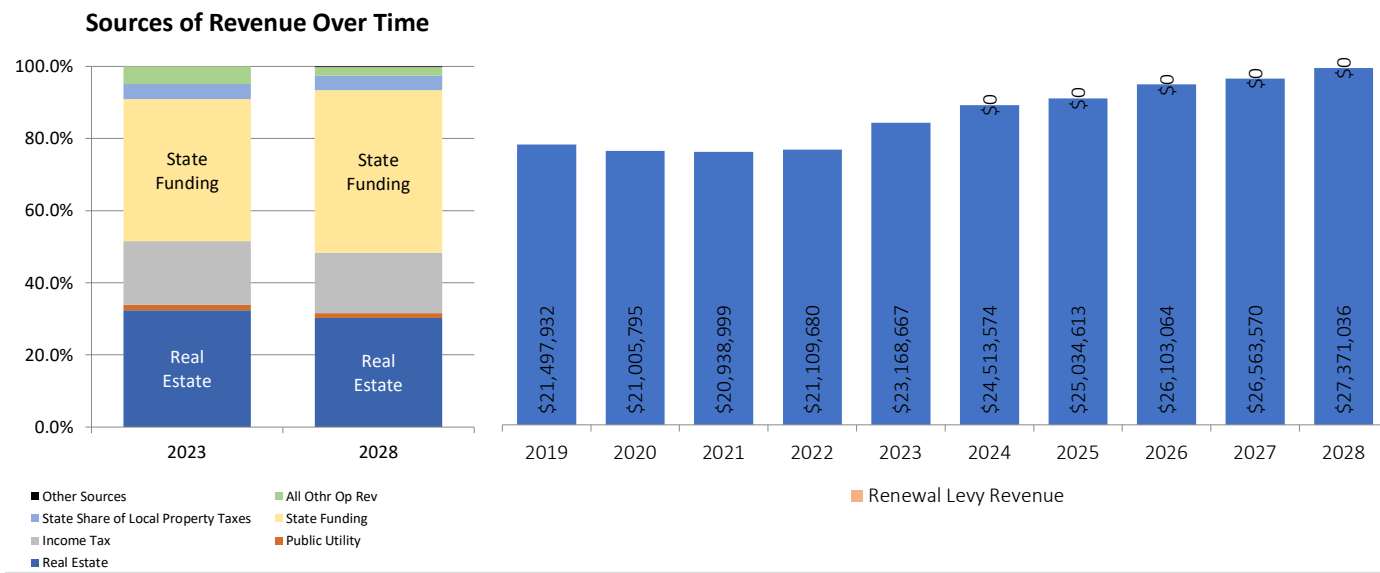
Revenue Surplus or Deficit w/o Levies	513,570	(87,812)	(180,047)	(790,344)	(1,091,893)
Ending Balance w/o Levies	13,868,540	13,780,728	13,600,680	12,810,336	11,718,443

In FY 2024 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$513,570 in FY 2024. By the last year of the forecast, FY 2028, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$1,091,893. The district would need to cut its FY 2028 projected expenses by 3.84% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2024 and is projected to worsen by FY 2028. A worsening cash balance can erode the district's financial stability over time.

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. In addition to calculated results, this forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a formula district in FY 2023. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Revenue Sources and Forecast Year-Over-Year Projected Overview



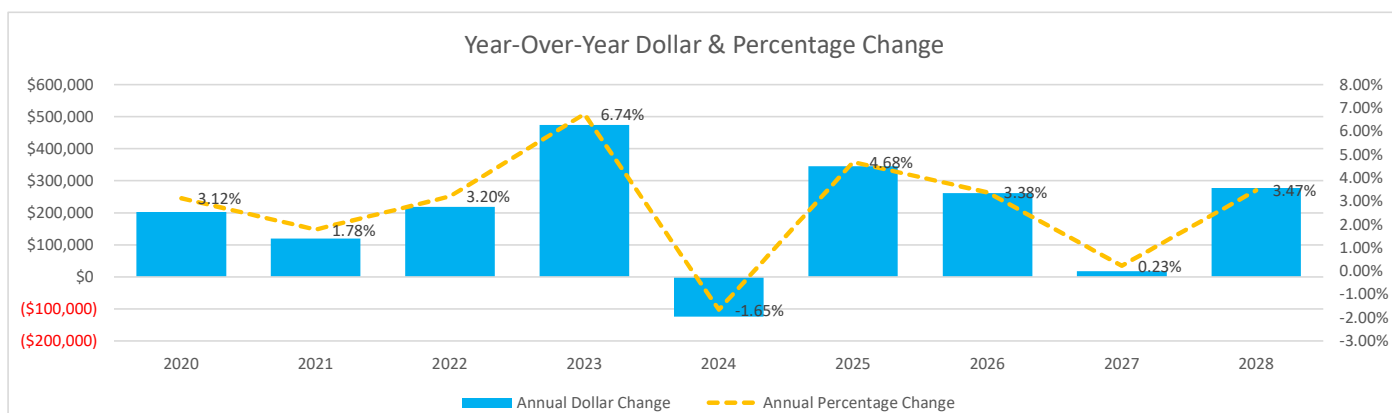
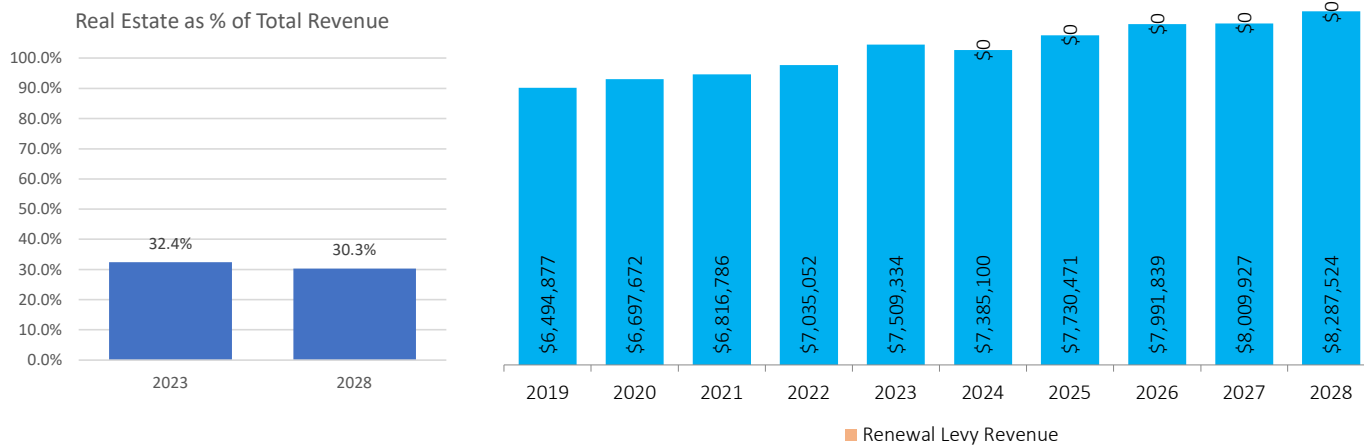
4-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 1.99% or \$417,684 annually during the past 4-Year period and is projected to increase 3.40% or \$840,474 annually through FY2028. State Funding has the most projected average annual variance compared to the historical average at \$372,006
Real Estate	253,614	155,638	(\$97,976)	
Public Utility	\$12,356	\$4,821	(\$7,536)	
Income Tax	\$175,494	\$95,620	(\$79,874)	
State Funding	\$270,935	642,940	\$372,006	
Prop Tax Alloc	(\$135,198)	\$30,429	\$165,627	
All Othr Op Rev	(\$151,261)	(\$94,524)	\$56,737	
Other Sources	(\$8,256)	\$5,549	\$13,806	
Total Average Annual Change	417,684	840,474	\$422,790	
	1.99%	3.40%	1.41%	

Note: Expenditure average annual change is projected to be > \$1,169,285 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		
2022	301,126,920	1,503,430	26.30	-	32.73	-	100.1%	
2023	301,926,920	800,000	26.30	(0.00)	32.72	(0.00)	99.7%	
2024	343,476,920	41,550,000	25.56	(0.74)	29.58	(3.14)	99.7%	
2025	344,276,920	800,000	25.56	(0.00)	29.58	(0.00)	99.7%	
2026	345,076,920	800,000	25.56	(0.00)	29.58	(0.00)	99.7%	
2027	379,326,920	34,250,000	25.07	(0.48)	26.91	(2.67)	99.7%	

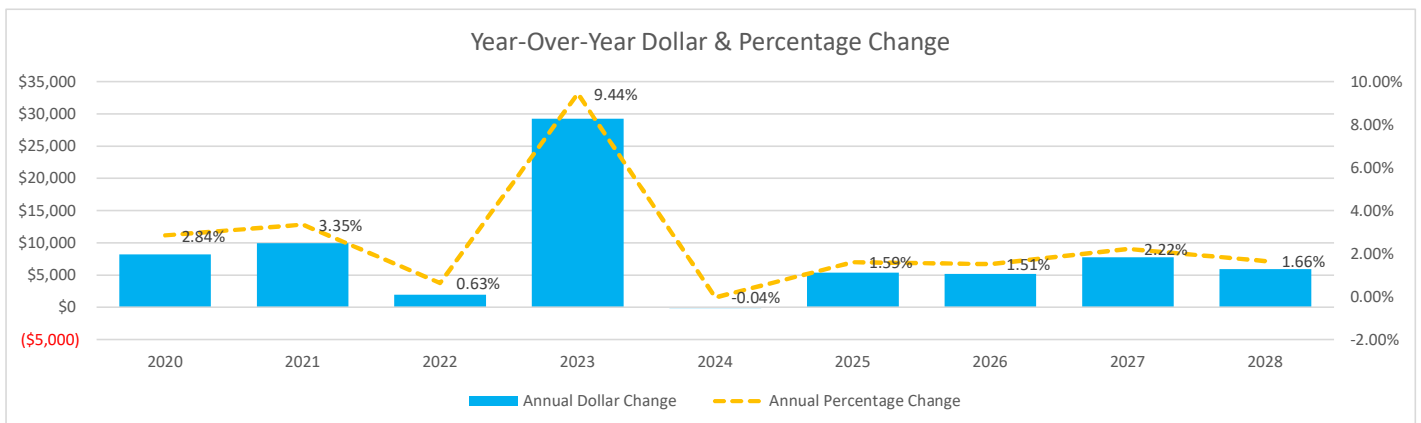
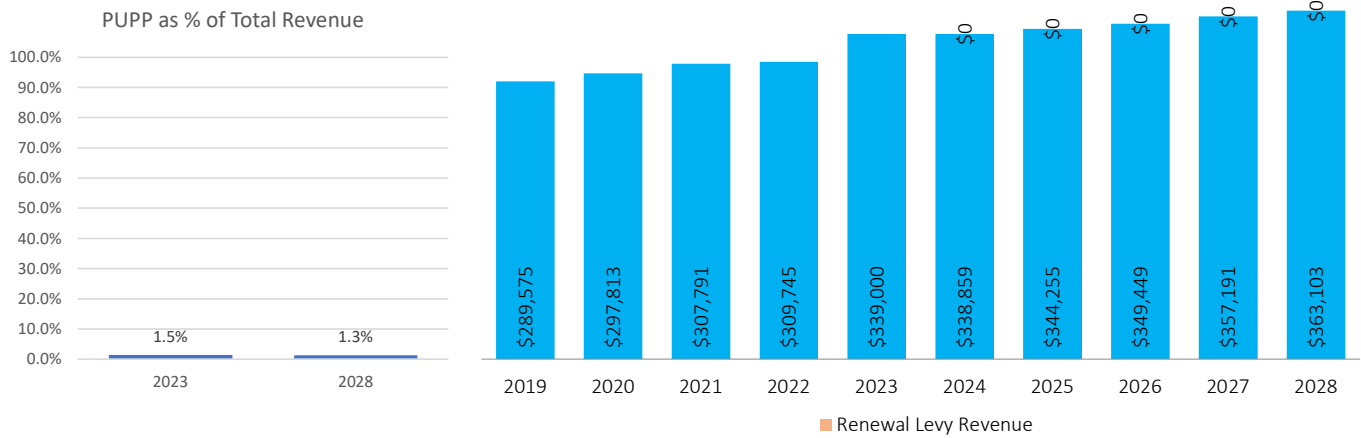
Real estate property tax revenue accounts for 32.41% of total revenue. Class I or residential/agricultural taxes make up approximately 69.68% of the real estate property tax revenue. The Class I tax rate is 26.3 mills in tax year 2023. The projections reflect an average gross collection rate of 99.7% annually through tax year 2027. The revenue changed at an average annual historical rate of 3.71% and is projected to change at an average annual rate of 2.02% through FY 2028.

As of the time of this forecast HB187 is pending in the Ohio Senate. The main provision of HB187 at this time is changing the valuation method for real property to a 3 year average of values instead of an appraisal of current value. The district estimates that this provision would cause the valuation of property in the district to increase at a much slower rate than has been seen in neighboring counties over the past three years. The district originally estimated property values to increase by approximately 30% (or 10% per annum) since the last reappraisal, but has revised that estimate down to 15% on the assumption that HB187 will become law before the districts next appraisal.

*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.



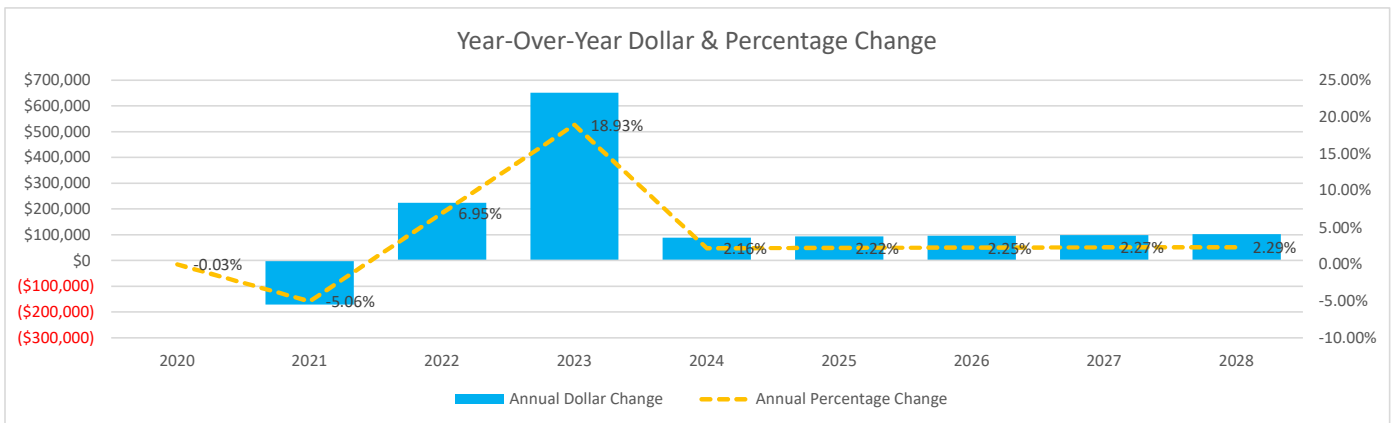
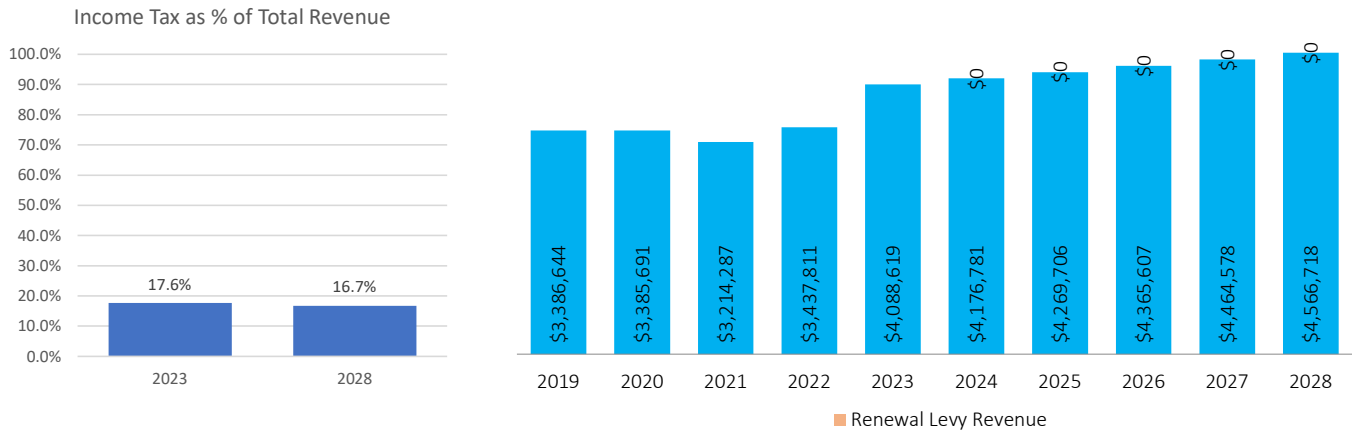
Values and Tax Rates					Gross Collection Rate Including Delinquencies	
Tax Year	Valuation	Value Change	Full Voted Rate	Change		
2022	6,804,340	220,550	49.20	-	100.3%	
2023	6,964,340	160,000	49.20	(0.00)	100.0%	
2024	7,124,340	160,000	48.46	(0.73)	100.1%	
2025	7,284,340	160,000	48.46	(0.00)	100.1%	
2026	7,444,340	160,000	48.46	(0.00)	100.1%	
2027	7,604,340	160,000	47.97	(0.48)	100.1%	

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 1.46% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2023 is 49.2 mills. The forecast is modeling an average gross collection rate of 100.07%. The revenue changed historically at an average annual dollar amount of \$12,356 and is projected to change at an average annual dollar amount of \$4,821 through FY 2028.

*Projected % trends include renewal levies

1.030 - 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.

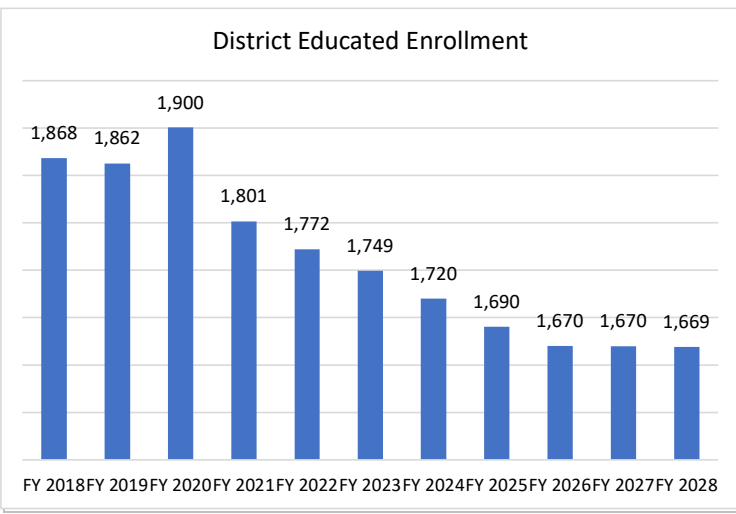
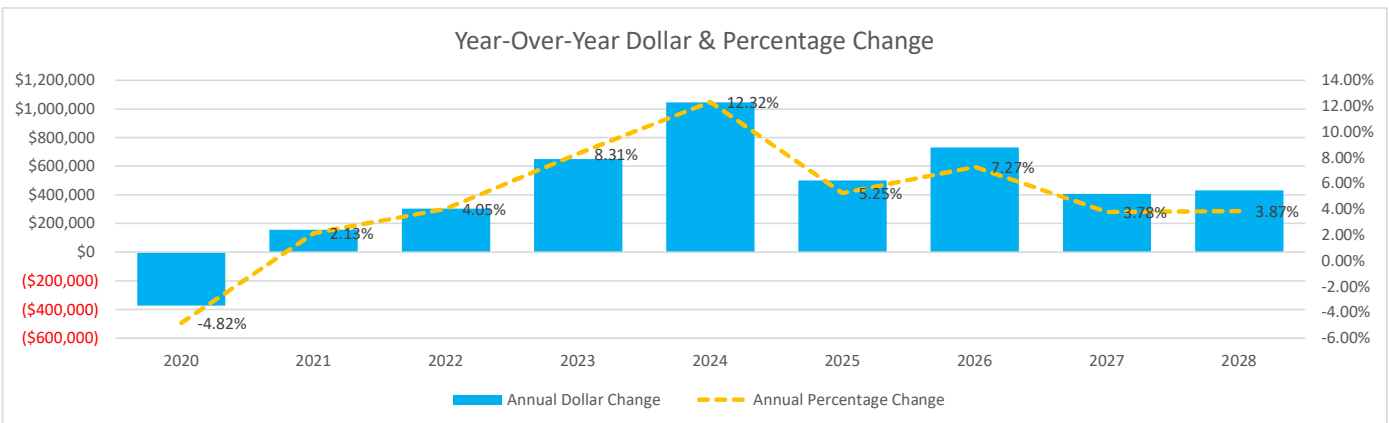
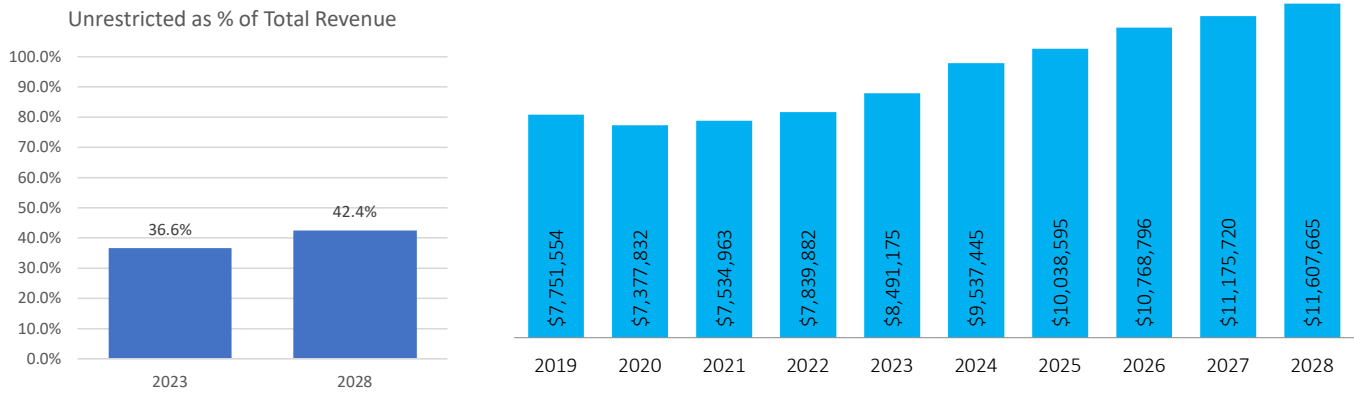


The district maintained one income tax levy in FY 2023. The average annual dollar change in total income tax revenue is forecasted to be \$95,620 through FY 2028. Income tax revenue is projected to account for 16.7% of total district revenue in FY 2028.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



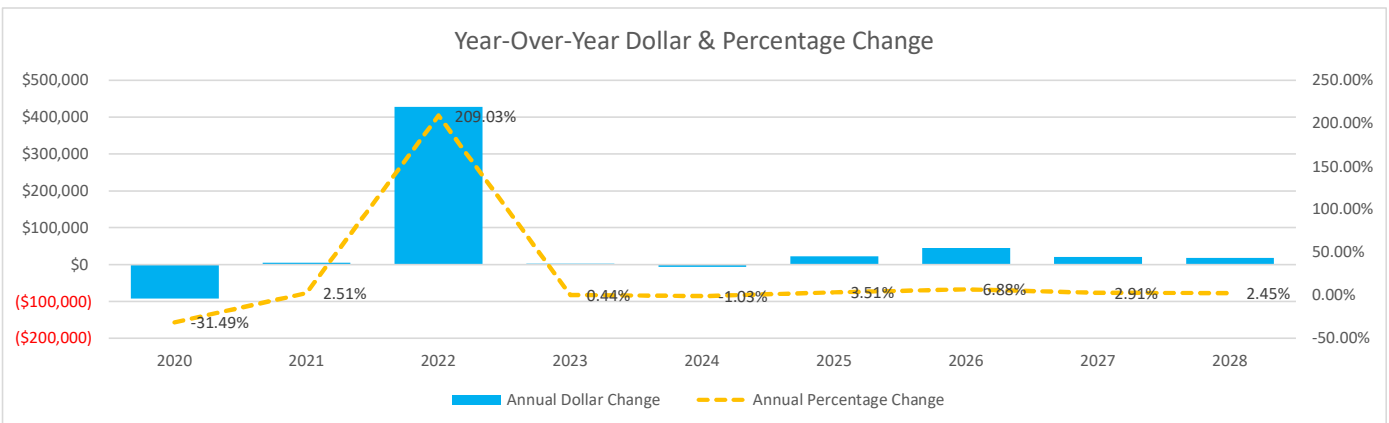
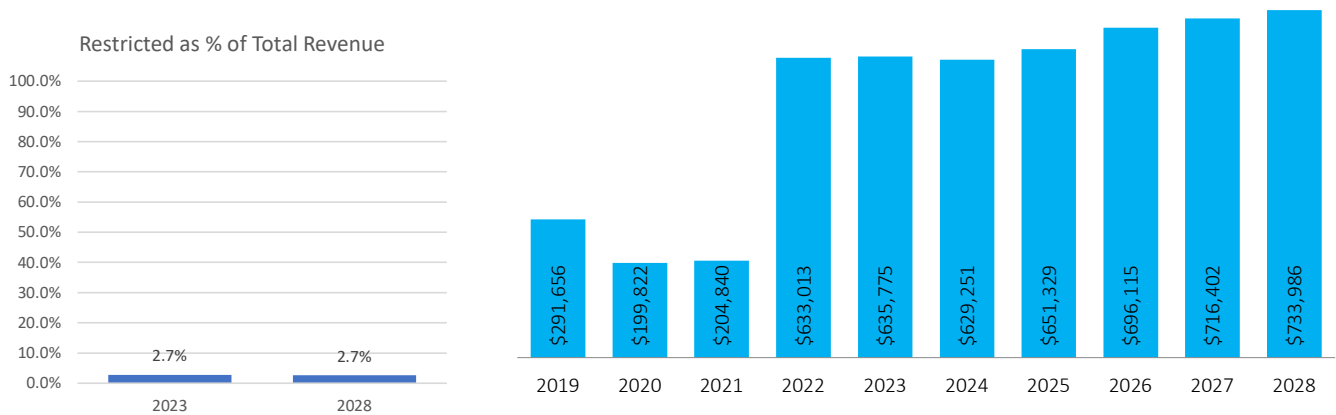
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Bryan City School District the calculated Base Cost total is \$14,447,135 in FY 2023. The state's share of the calculated Base Cost total is \$8,200,097 or \$4,768 per pupil.

The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts.

1.040 & 1.045 - Restricted Grants-in-Aid

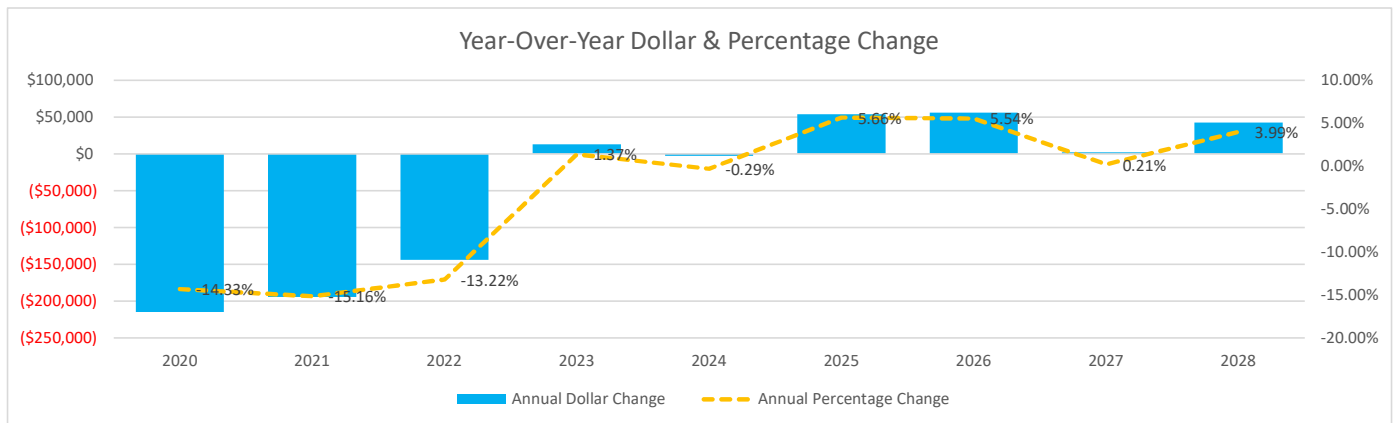
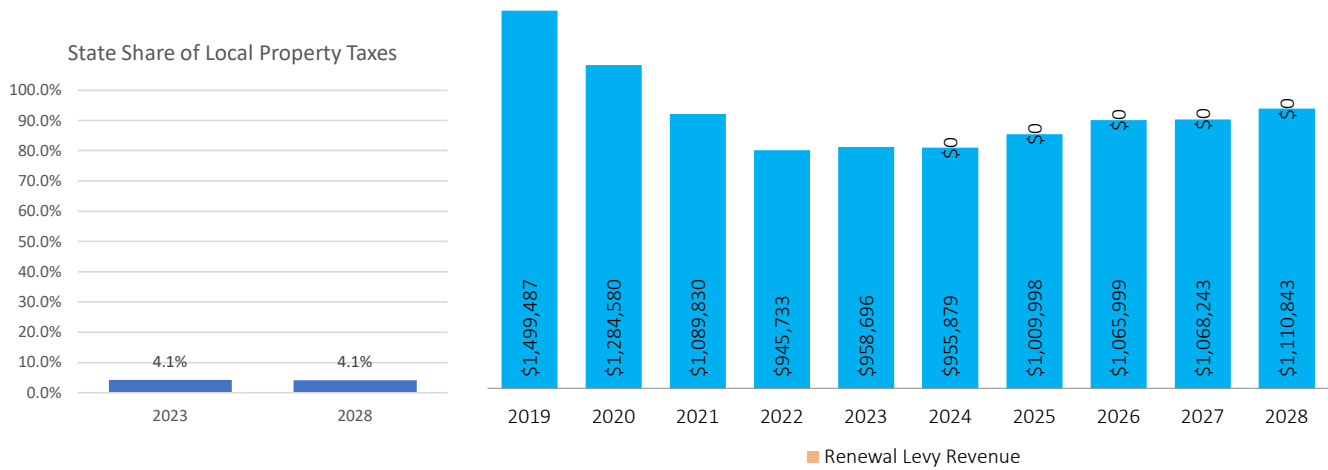
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 \$145,317 and is projected to change annually on average by \$19,642. Restricted funds represent 2.74% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$315,007. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

1.050 - State Share of Local Property Taxes

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

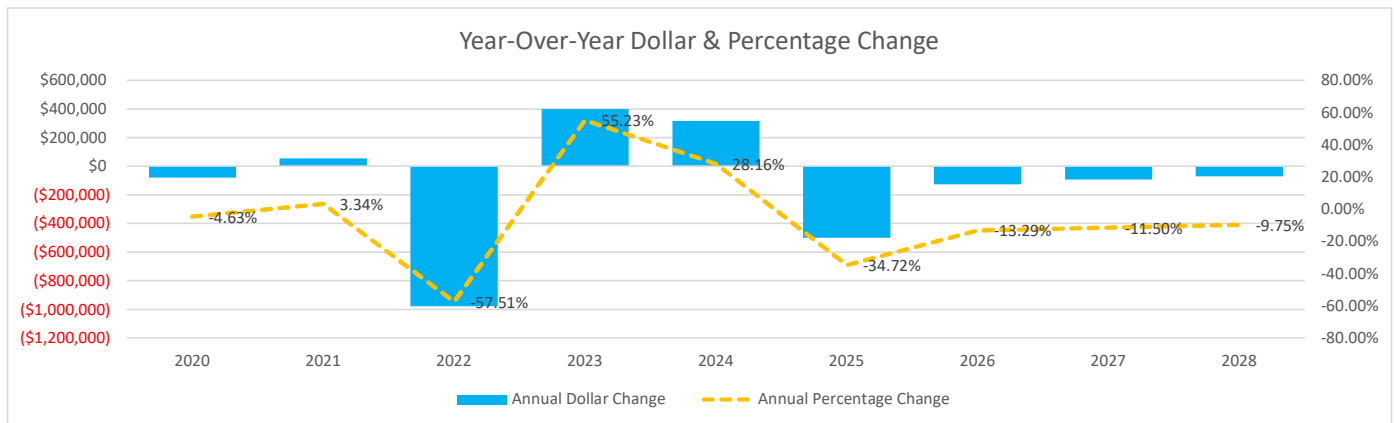
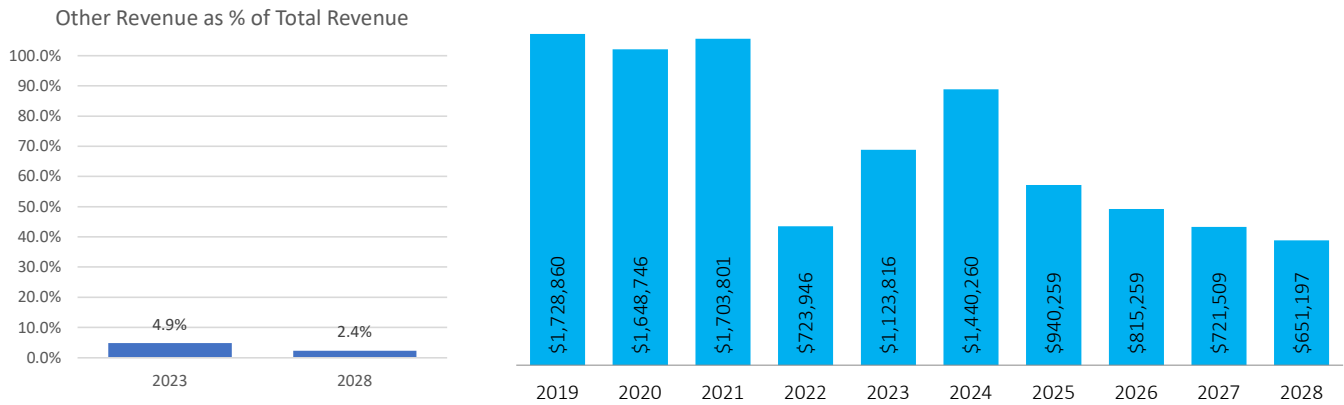


State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2024, approximately 11.8% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 3.5% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

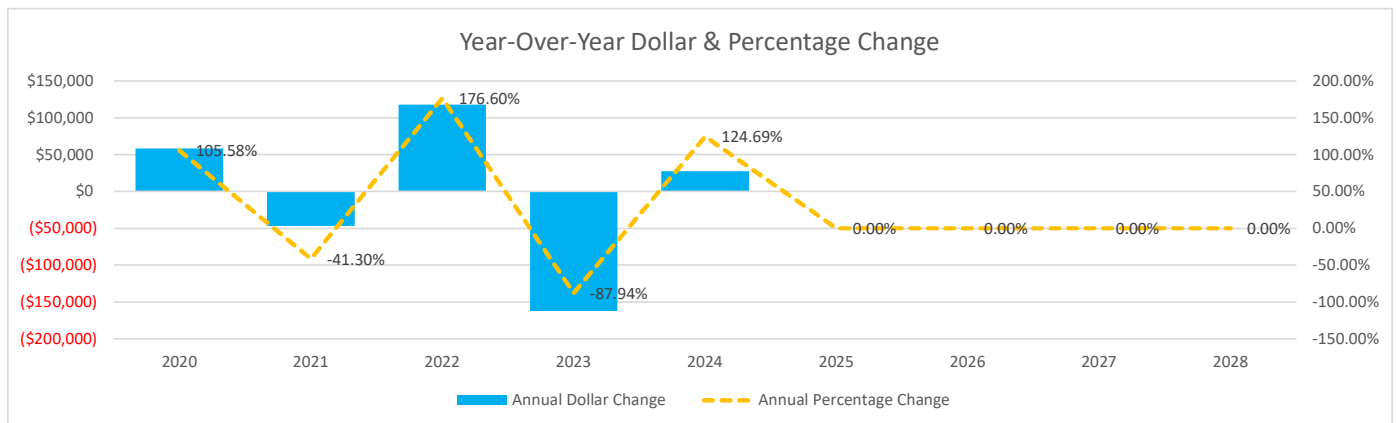
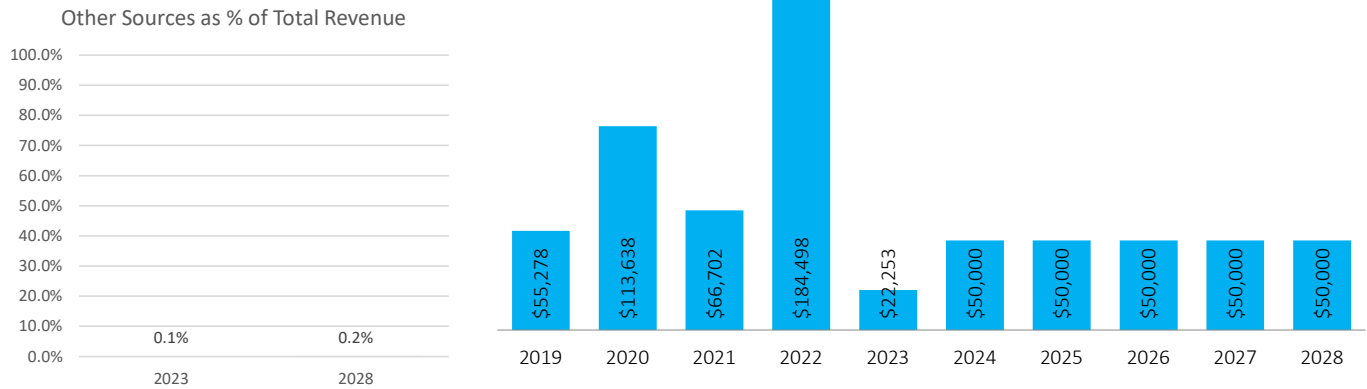
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



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 -\$151,261. The projected average annual change is -\$94,524 through FY 2028.

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.

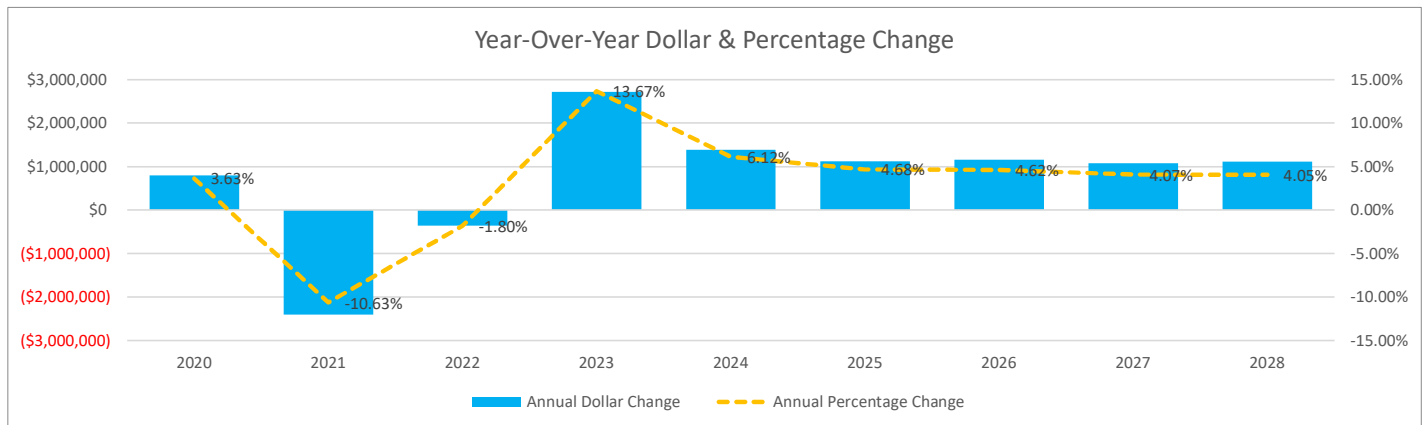
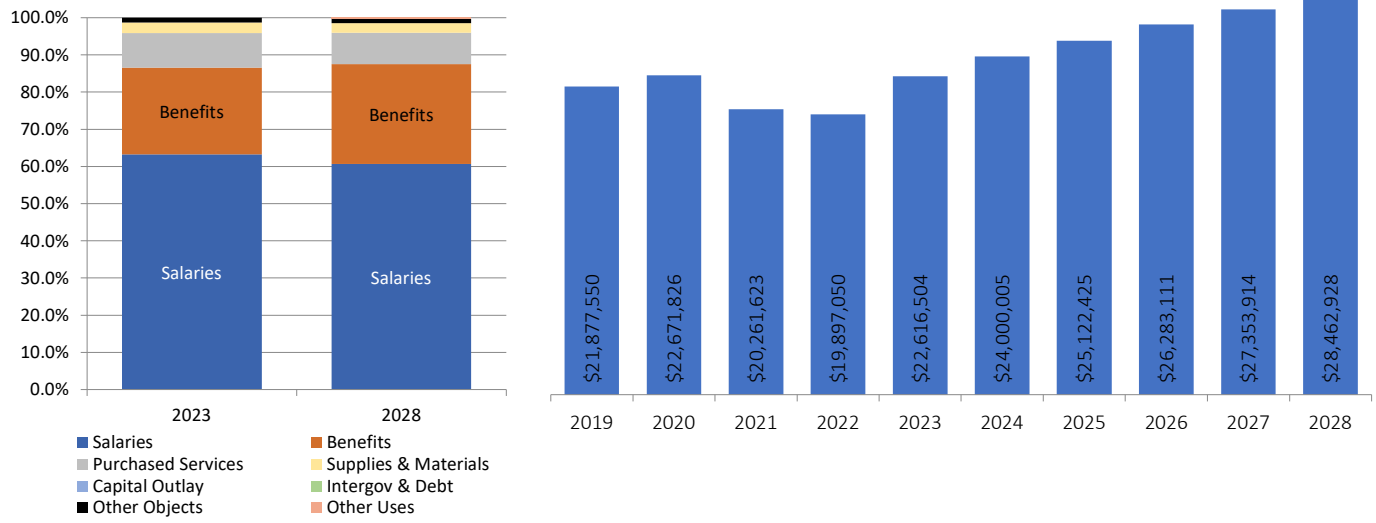


	2023	FORECASTED				
		2024	2025	2026	2027	2028
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	22,253	50,000	50,000	50,000	50,000	50,000

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2023 the district receipted \$0 as advances-in and is projecting advances of \$0 in FY 2024. 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 \$50,000 in FY 2024 and average \$50,000 annually through FY 2028.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



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

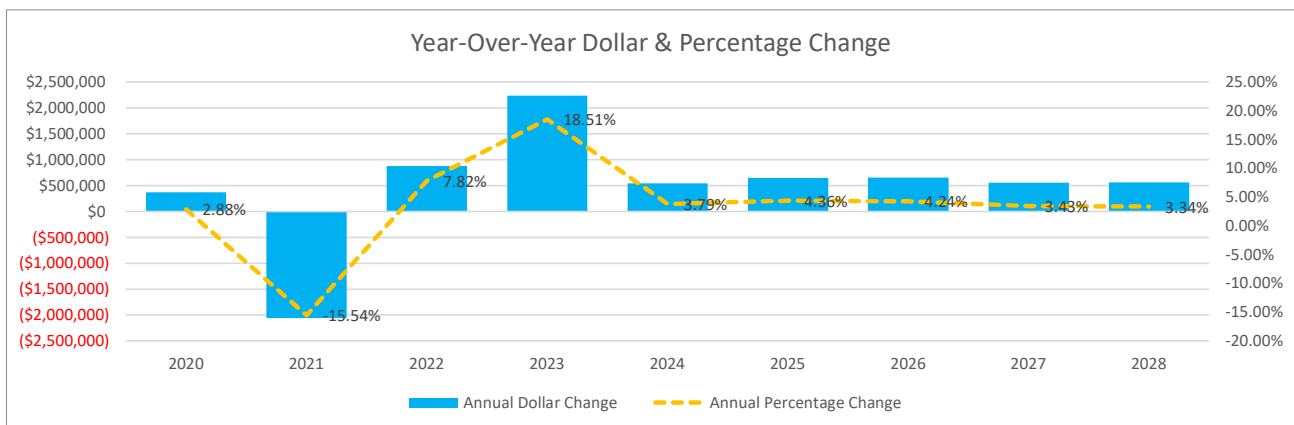
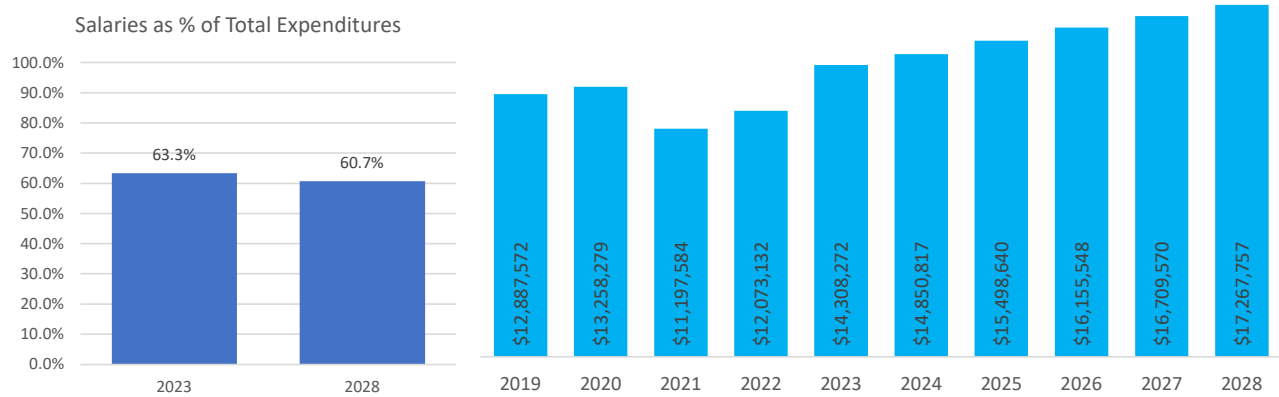
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 1.22% or \$184,739 annually during the past 4-Year period and is projected to increase 5.17% or \$1,169,285 annually through FY2028. Benefits has the largest projected average annual variance compared to the historical average at \$475,100.
Salaries	355,175	591,897	\$236,722	
Benefits	\$3,212	\$478,313	\$475,100	
Purchased Services	(\$202,977)	\$55,035	\$258,012	
Supplies & Materials	\$32,372	\$22,369	(\$10,002)	
Capital Outlay	\$0	\$0	\$0	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$12,148	\$1,670	(\$10,478)	
Other Uses	(\$15,192)	\$20,000	\$35,192	
Total Average Annual Change	\$184,739	\$1,169,285	\$984,546	
	1.22%	5.17%	3.95%	

Note: Revenue average annual change is projected to be > \$840,474

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.

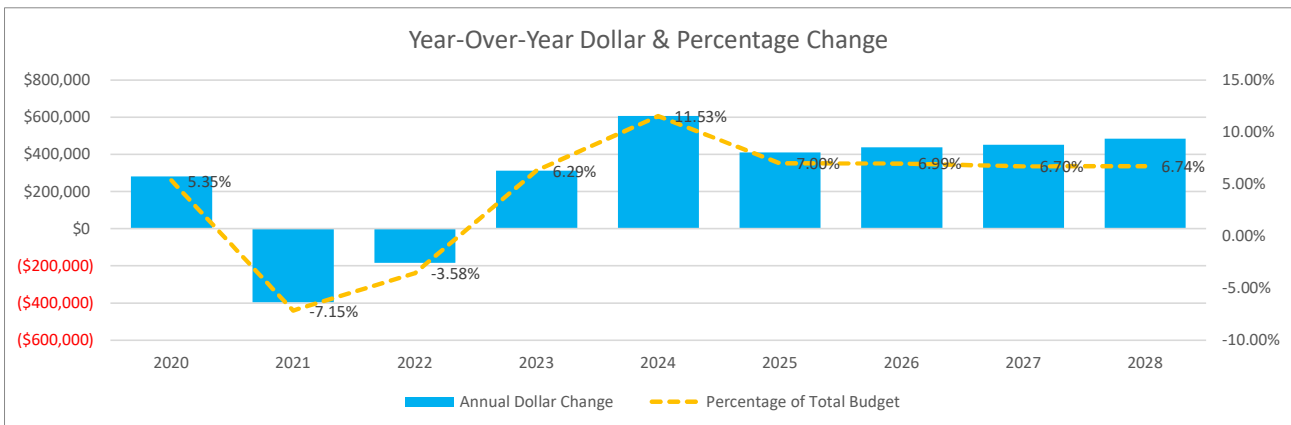
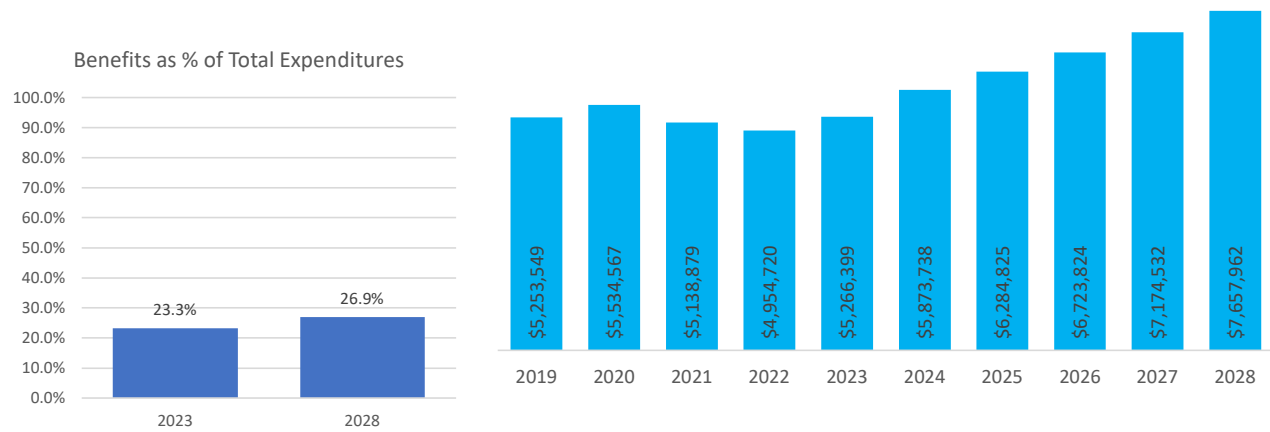


Salaries represent 63.26% of total expenditures and increased at a historical average annual rate of 3.42% or \$355,175. This category of expenditure is projected to grow at an annual average rate of 3.83% or \$591,897 through FY 2028. The projected average annual rate of change is 0.42% more than the five year historical annual average.

The district is in the first year of its negotiated agreements with both its teaching and classified unions. These agreements provide for a 3% increase in the base salary each year of the contract. Beginning with FY2027, the forecast returns to a 2% increase per year which is the historical normal annual increase in base salary.

3.020 - Employees' Benefits

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

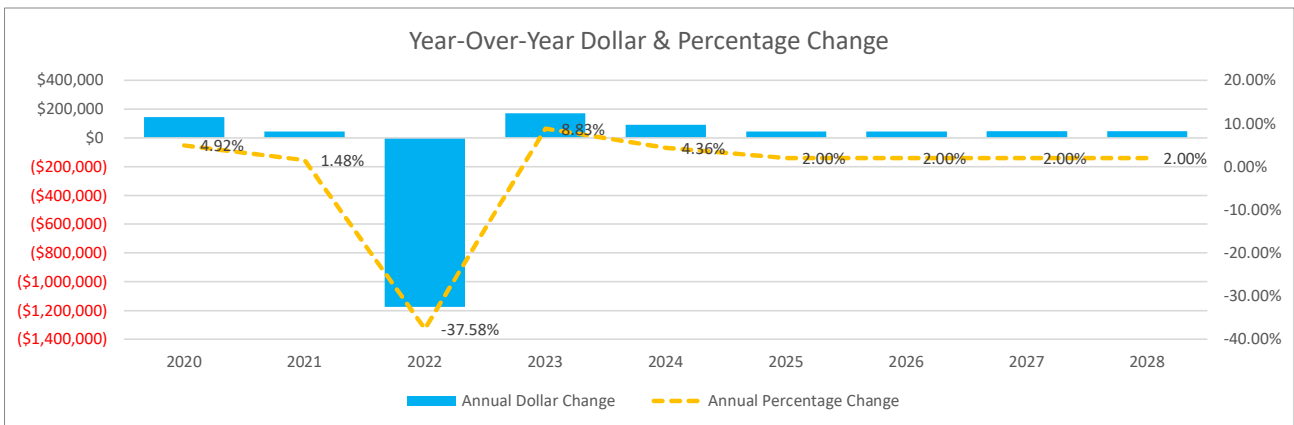
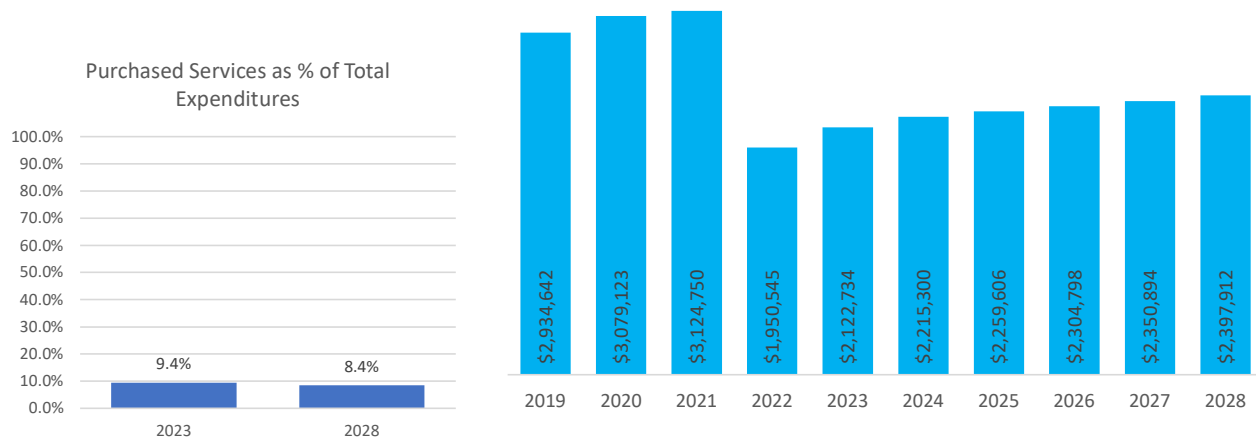


Benefits represent 23.29% of total expenditures and increased at a historical average annual rate of 0.23%. This category of expenditure is projected to grow at an annual average rate of 7.79% through FY 2028. The projected average annual rate of change is 7.56% more than the five year historical annual average.

The negotiated agreements with the teaching and classified unions provides for a set dollar amount contribution to insurance premiums for full-time employees. This amount is increased each insurance year by the amount of change in premium on an index plan, but is capped at a 9% increase. This forecast uses the 9% cap for its rate of increase in insurance premium contributions.

3.030 - Purchased Services

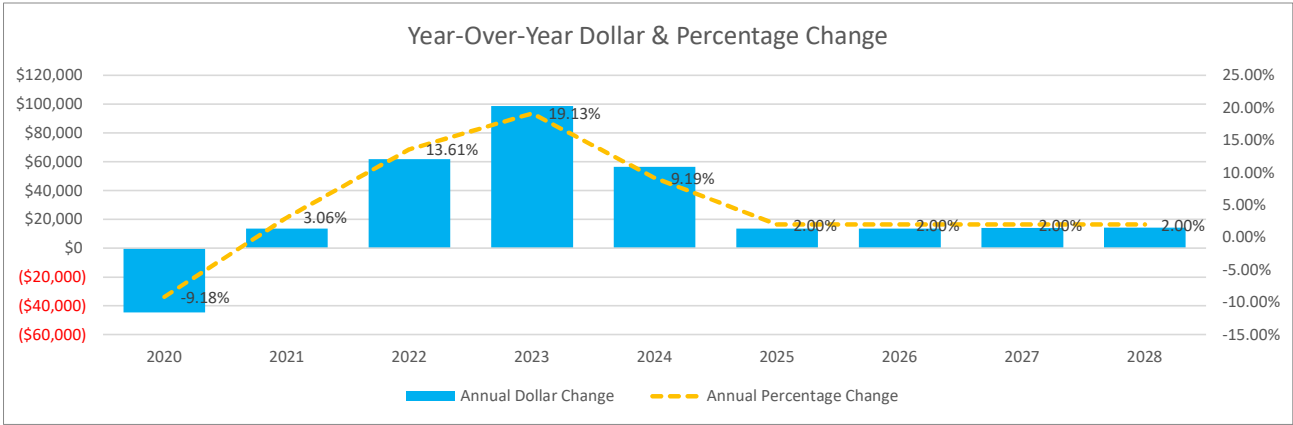
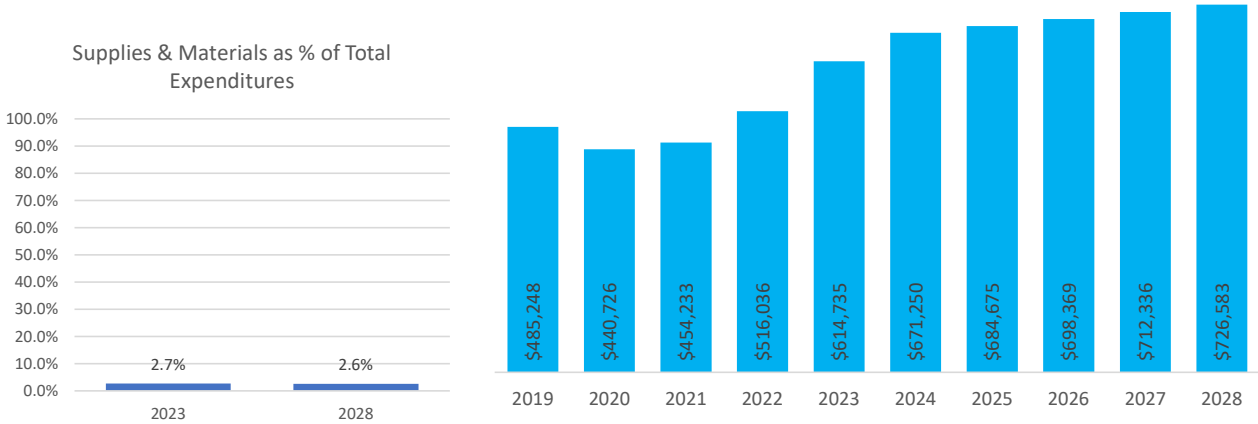
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 9.39% of total expenditures and decreased at a historical average annual rate of -5.59%. This category of expenditure is projected to grow at an annual average rate of 2.47% through FY 2028. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. This change resulted in lower district cost but also less per pupil state revenue since per pupil funding was paid directly by the state to the attending school.

3.040 - Supplies & Materials

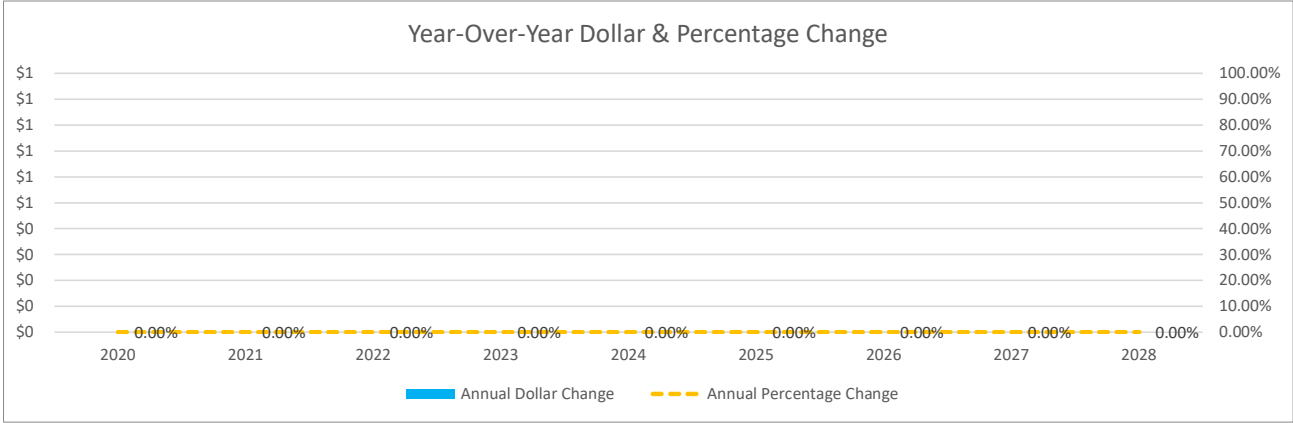
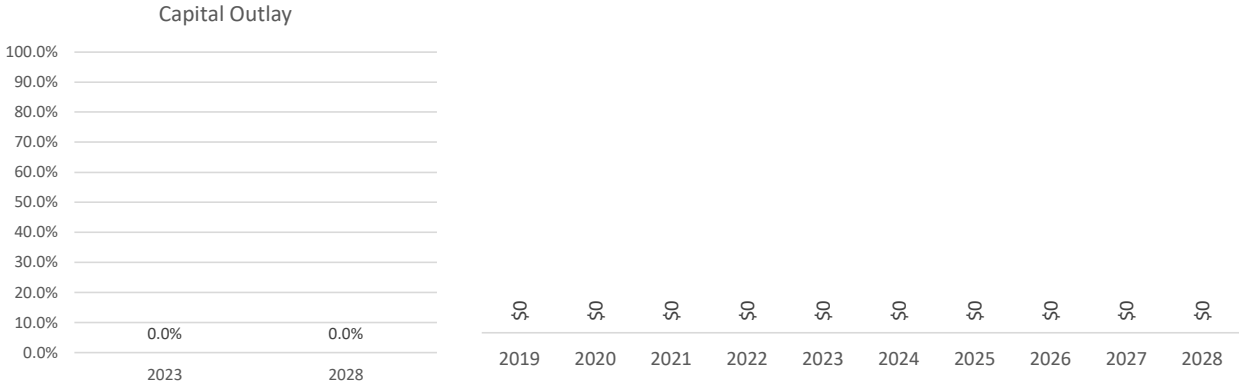
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 2.72% of total expenditures and increased at a historical average annual rate of 6.66%. This category of expenditure is projected to grow at an annual average rate of 3.44% through FY 2028. The projected average annual rate of change is -3.22% less than the five year historical annual average.

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.

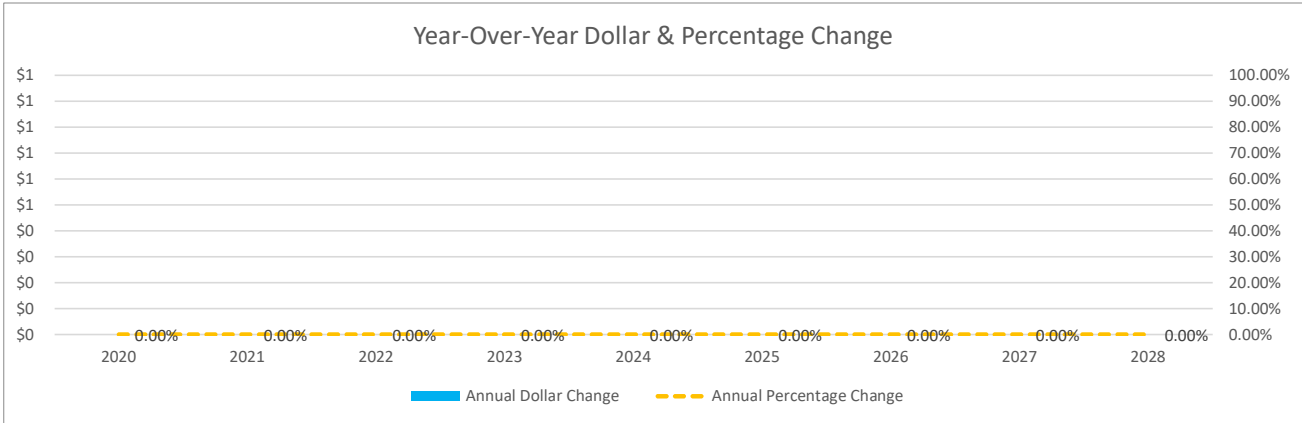
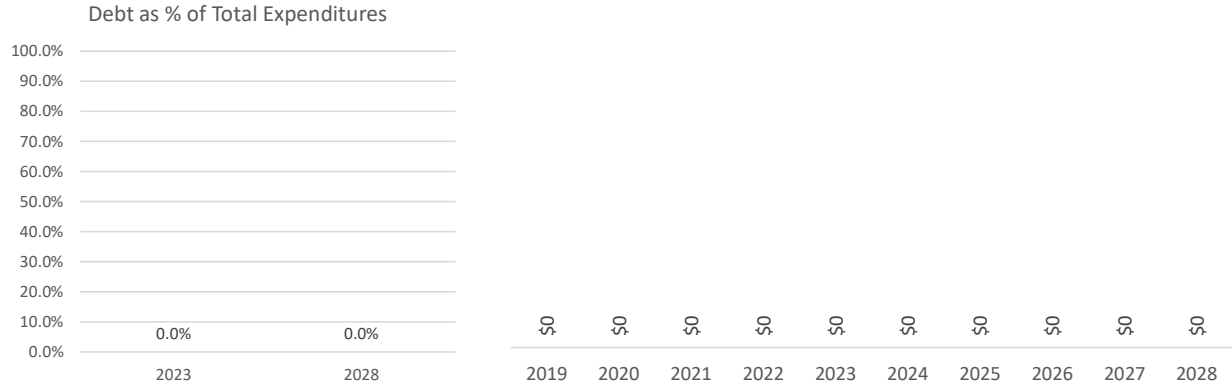


Capital Outlay represent 0.00% of total expenditures and remained unchanged at a historical average annual amount of \$. This category of expenditure is projected to remain unchanged \$ through FY 2028. The projected average annual change is the same as the five year historical annual average.

The district exclusively uses its Permanent Improvement Fund for capital outlays.

3.060-4.060 - Intergovernmental & Debt

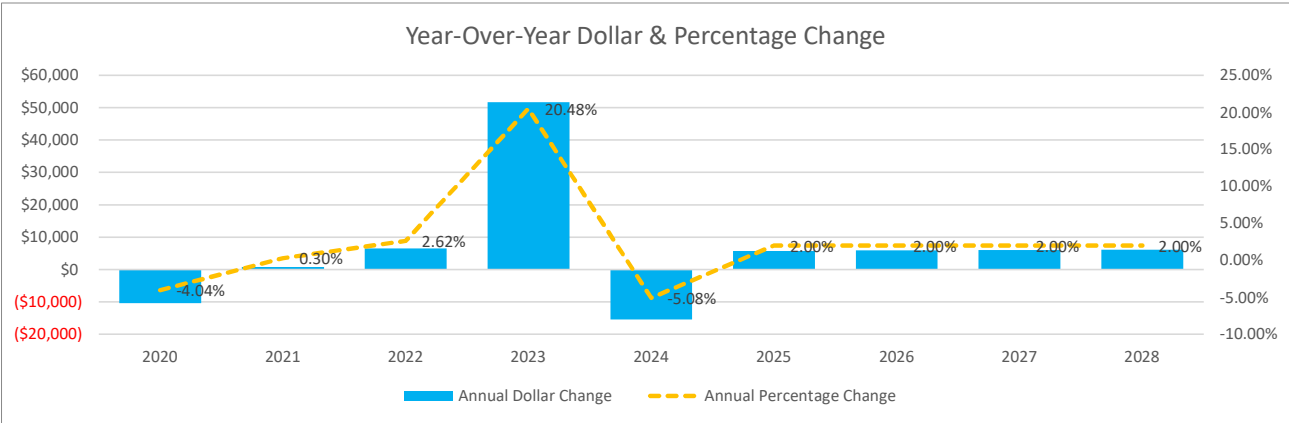
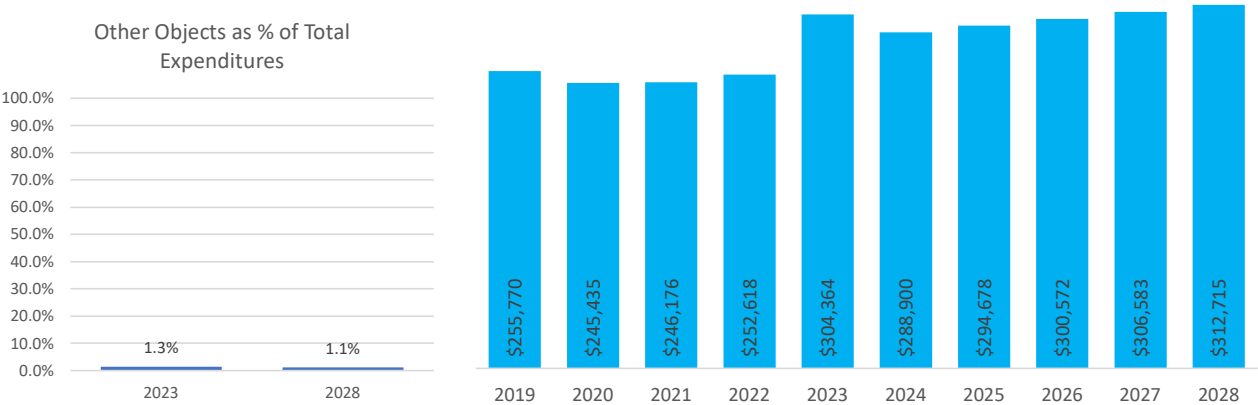
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



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

4.300 - Other Objects

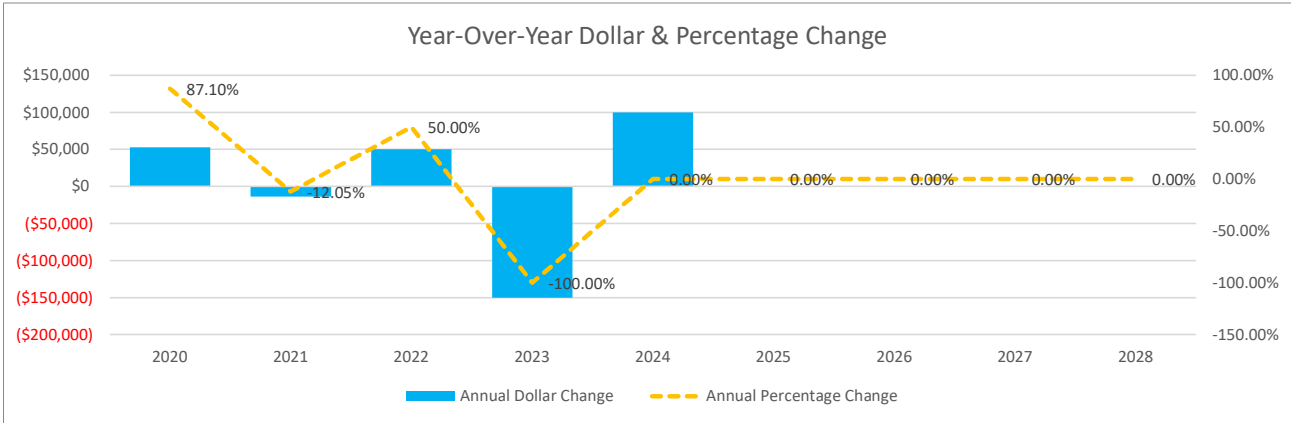
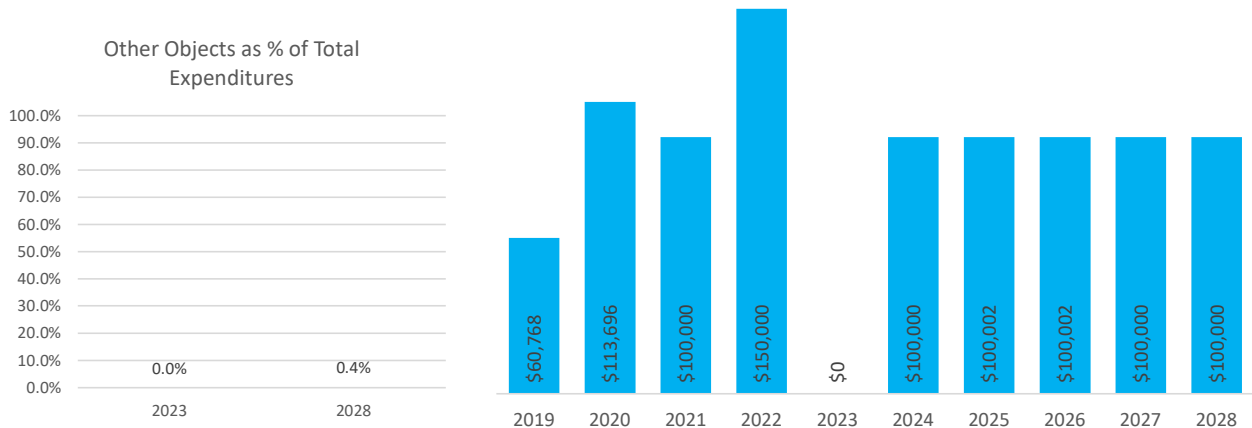
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.35% of total expenditures and increased at a historical average annual rate of 4.84%. This category of expenditure is projected to grow at an annual average rate of 0.58% through FY 2028. The projected average annual rate of change is -4.26% less than the five year historical annual average.

5.040 - Total Other Financing Uses

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



	2023	FORECASTED				
		2024	2025	2026	2027	2028
Transfers Out	-	100,000	100,002	100,002	100,000	100,000
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 2023 the district had no advances-out and has no advances-out forecasted through FY 2028. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2028. 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.

Bryan City School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2023	2024	2025	2026	2027	2028
Revenue:						
1.010 - General Property Tax (Real Estate)	7,509,334	7,385,100	7,730,471	7,991,839	8,009,927	8,287,524
1.020 - Public Utility Personal Property	339,000	338,859	344,255	349,449	357,191	363,103
1.030 - Income Tax	4,088,619	4,176,781	4,269,706	4,365,607	4,464,578	4,566,718
1.035 - Unrestricted Grants-in-Aid	8,491,175	9,537,445	10,038,595	10,768,796	11,175,720	11,607,665
1.040 - Restricted Grants-in-Aid	635,775	629,251	651,329	696,115	716,402	733,986
1.050 - State Share-Local Property Taxes	958,696	955,879	1,009,998	1,065,999	1,068,243	1,110,843
1.060 - All Other Operating Revenues	1,123,816	1,440,260	940,259	815,259	721,509	651,197
1.070 - Total Revenue	23,146,414	24,463,574	24,984,614	26,053,064	26,513,570	27,321,036
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	22,253	50,000	50,000	50,000	50,000	50,000
2.070 - Total Other Financing Sources	22,253	50,000	50,000	50,000	50,000	50,000
2.080 - Total Rev & Other Sources	23,168,667	24,513,574	25,034,613	26,103,064	26,563,570	27,371,036
Expenditures:						
3.010 - Personnel Services	14,308,272	14,850,817	15,498,640	16,155,548	16,709,570	17,267,757
3.020 - Employee Benefits	5,266,399	5,873,738	6,284,825	6,723,824	7,174,532	7,657,962
3.030 - Purchased Services	2,122,734	2,215,300	2,259,606	2,304,798	2,350,894	2,397,912
3.040 - Supplies and Materials	614,735	671,250	684,675	698,369	712,336	726,583
3.050 - Capital Outlay	-	-	-	-	-	-
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	304,364	288,900	294,678	300,572	306,583	312,715
4.500 - Total Expenditures	22,616,504	23,900,005	25,022,424	26,183,110	27,253,915	28,362,929
Other Financing Uses						
5.010 - Operating Transfers-Out	-	100,000	100,002	100,002	100,000	100,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	-	100,000	100,002	100,002	100,000	100,000
5.050 - Total Exp and Other Financing Uses	22,616,504	24,000,005	25,122,425	26,283,111	27,353,914	28,462,928
6.010 - Excess of Rev Over/(Under) Exp	552,163	513,570	(87,812)	(180,047)	(790,344)	(1,091,893)
7.010 - Cash Balance July 1 (No Levies)	12,802,807	13,354,970	13,868,540	13,780,728	13,600,680	12,810,336
7.020 - Cash Balance June 30 (No Levies)	13,354,970	13,868,540	13,780,728	13,600,680	12,810,336	11,718,443
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	13,354,970	13,868,540	13,780,728	13,600,680	12,810,336	11,718,443
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	13,354,970	13,868,540	13,780,728	13,600,680	12,810,336	11,718,443
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	13,354,970	13,868,540	13,780,728	13,600,680	12,810,336	11,718,443

