BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2022, 2023 and 2024 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2025 THROUGH 2029

APPROVED RESOLUTION NO 083-2024

Forecast Provided By
Bradford Exempted Village School District
Treasurer's Office
Carla Surber, CPA, CGMA, Treasurer/CFO
November 12, 2024

Bradford Exempted Village School District

Miami County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
1.010	General Property Tax (Real Estate)	$1,006,051	$1,078,268	$1,194,964	9.0%	$1,251,512	$1,296,265	$1,318,087	$1,323,896	$1,327,660
1.020	Public Utility Personal Property Tax	51,799	64,565	64,008	11.9%	69,733	72,667	75,257	77,847	80,437
1.030	Income Tax	1,400,828	1,714,347	1,590,280	7.6%	1,696,247	1,713,208	1,730,341	1,747,644	1,765,120
1.035	Unrestricted State Grants-in-Aid	4,170,451	4,236,160	4,783,674	7.3%	5,025,908	5,034,251	5,035,163	5,036,095	5,037,050
1.040	Restricted State Grants-in-Aid	300,327	326,192	429,958	20.2%	422,373	422,051	422,052	422,053	422,054
1.045	Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050	State Share of Local Property Taxes	161,192	168,743	184,464	7.0%	193,734	196,860	200,770	201,775	202,380
1.060	All Other Revenues	309,452	656,683	908,856	75.3%	686,739	550,193	469,715	378,806	374,594
1.070	*Total Revenues*	$7,400,100	$8,244,958	$9,156,204	11.2%	$9,346,246	$9,285,495	$9,251,385	$9,188,116	$9,209,295
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0
2.050	Advances-In	744,709	888,778	2,130,354	79.5%	734,172	350,000	350,000	350,000	350,000
2.060	All Other Financing Sources	35,679	49,898	33,958	4.0%	35,000	35,000	35,000	35,000	35,000
2.070	*Total Other Financing Sources*	$780,388	$938,676	$2,164,312	75.4%	$769,172	$385,000	$385,000	$385,000	$385,000
2.080	*Total Revenues and Other Financing Sources*	$8,180,488	$9,183,634	$11,320,516	17.8%	$10,115,417	$9,670,495	$9,636,385	$9,573,116	$9,594,295
	Expenditures									
3.010	Personal Services	$3,927,467	$4,159,323	$4,184,078	3.2%	$4,527,368	$4,885,610	$5,175,636	$5,484,008	$5,784,486
3.020	Employees' Retirement/Insurance Benefits	1,727,933	1,731,939	1,812,651	2.4%	2,030,428	2,253,100	2,476,190	2,712,099	2,968,015
3.030	Purchased Services	923,841	984,326	1,100,751	9.2%	1,480,596	1,622,400	1,702,770	1,792,158	1,886,015
3.040	Supplies and Materials	104,345	86,184	105,429	2.5%	192,669	182,242	191,293	200,795	210,772
3.050	Capital Outlay	45,297	239,978	156,421	197.5%	524,549	274,140	432,673	304,928	514,399
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	0	72,672	66,650	0.0%	65,150	63,000	60,200	57,300	54,300
4.300	Other Objects	131,615	131,735	123,425	-3.1%	143,303	150,267	156,979	164,616	172,006
4.500	*Total Expenditures*	$6,860,498	$7,406,157	$7,549,405	4.9%	$8,964,063	$9,430,759	$10,195,741	$10,715,904	$11,589,993
	Other Financing Uses									
5.010	Operating Transfers-Out	$3,205,000	$162,157	$30,000	-88.2%	$1,644,678	$243,350	$261,200	$279,050	$279,050
5.020	Advances-Out	753,709	1,808,778	1,458,491	60.3%	734,172	350,000	350,000	350,000	350,000
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	$3,958,709	$1,970,935	$1,488,491	-37.3%	$2,378,850	$593,350	$611,200	$629,050	$629,050
5.050	*Total Expenditures and Other Financing Uses*	$10,819,207	$9,377,092	$9,037,896	-8.5%	$11,342,913	$10,024,109	$10,806,941	$11,344,954	$12,219,043
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses*	($2,638,719)	($193,458)	$2,282,620	-686.3%	($1,227,496)	($353,614)	($1,170,556)	($1,771,838)	($2,624,748)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$7,600,531	$4,961,812	$4,768,354	-19.3%	$7,050,974	$5,823,478	$5,469,865	$4,299,309	$2,527,471
7.020	*Cash Balance June 30*	$4,961,812	$4,768,354	$7,050,974	22.0%	$5,823,478	$5,469,865	$4,299,309	$2,527,471	($97,277)
8.010	*Estimated Encumbrances June 30*	$452,387	$352,080	$338,013	-13.1%	$400,000	$400,000	$400,000	$400,000	$400,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal Reservations of fund Balance*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$4,509,425	$4,416,274	$6,712,961	25.0%	$5,423,478	$5,069,865	$3,899,309	$2,127,471	($497,277)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300	Cumulative Balance of Renewal Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$4,509,425	$4,416,274	$6,712,961	25.0%	$5,423,478	$5,069,865	$3,899,309	$2,127,471	($497,277)
	Revenue from New Levies									
13.010	Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	$4,509,425	$4,416,274	$6,712,961	25.0%	$5,423,478	$5,069,865	$3,899,309	$2,127,471	($497,277)

Bradford Exempted Village School District – Miami County
Notes to the Five-Year Forecast
General Fund Only
November 12, 2024

Introduction to the Five Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, enrollment variances, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially change their forecast or, at a minimum when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected. It is recommended that the Treasurer/Chief Fiscal Officer be contacted with any questions you may have.

Here are three important purposes or objectives of the five-year forecast:

(1) To engage the local board of education and the community in 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 Workforce and Auditor of State to identify school districts with potential financial problems.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal forecast is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2024 filing.

Economic Outlook

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. However, recent Federal Reserve Bank interest rate cuts foretell of a possible recession in the next six to twelve months from this forecast. The persistently high inflation that has impacted our state, country, and broader globalized economy has slowed to an annualized rate of 2.53% in August 2024 that is down from the 40 year high of 9.1% annualized rate posted in June 2022. Costs for goods and services in FY23 and FY24 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Inflation affecting district costs is expected to continue in FY25. There is some good news, the Federal Reserve is projecting inflation to be closer to their target rate of 2% by calendar year end 2024 or early in 2025. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over the forecast period.

The Federal Reserve Bank cut Federal Fund rates In September 2024 by 50 basis points (.5%) which indicates slowing inflation and a slowing economy. Employment levels have begun to fall. The unemployment rate was 3.8% in September 2023 and rose to 4.2% in September 2024. A survey of prominent leading economists predicts there is roughly a 50% chance of a mild recession in the calendar year 2025. How this news impacts the state of Ohio's FY26 and FY27 biennium budget deliberations and actions in late spring 2025 is unknown as this forecast is filed.

The state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at $3.7 Billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, the state's economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio's economy should enable the state to finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

Since 2020 all school districts were being aided in varying degrees by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER). The most recent allocation of ESSER funds must be encumbered by September 30, 2024. The loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district General Fund.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

1) Property tax collections are an important revenue source for the school system because of the stability that they bring. The housing market in our district is stable. We project growth in appraised values and new construction every three (3) years, with modest increases in local taxes. Total local revenues, which are predominately local taxes, equate to 39.5 % of the district's resources. Our tax collections in the March 2024 and August 2024 settlements fell slightly from the prior year. We believe this fluctuation is immaterial and is within a normal range.

2) Miami County will undergo a reappraisal in tax year 2025, for collection in 2026. We estimate an increase of 3% or $2.3 million for Class I and an additional 1% for Class II property. We do not anticipate any reduction in property values. Darke County will have an update in tax year 2026, collected in 2027. We estimate a very nominal increase in values.

3) Due to recent historic property value increases, the Ohio Legislature has considered various proposals to help reduce non-voted tax increases on taxpayers. Recently, the Senate has proposed SB271 that seeks to limit growth through refund or a reduction of taxes to ensure annual income and property taxes do not exceed 5% of a qualified taxpayer's income. If passed by the General Assembly, this will result in lowering tax increases for the residents who qualify. We are watching this legislation closely.

In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation by December 31, 2024. We are watching these deliberations closely as they could impact future reappraisals and possibly the 20-mill floor currently in law. Our district is on the 20-mill floor for both Class I and Class II values. We will be watching the Joint Committee carefully.

4) HB33, the current state budget, continues to phase in the Fair School Funding Plan (FSFP). FY25 reflects 66.67% of the implementation as year four of a six-year phase-in plan, which increases by 16.66% each year. The final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget.

5) State funds represent 60.5% of District revenues, of which 57.8% is our state foundation funding. This could be an area of risk. The future risk comes in FY26 and beyond if the state economy stalls or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. Two future State Biennium Budgets, covering FY26-FY27 and FY28-FY29, are included in the forecast period. This forecast assumes state funding will remain flat through FY29. Adjustments will be made to the forecast as data that is more definitive becomes available.

6) The district has a 1.75% continuing income tax levy and is a critical source of revenue for the district. In Fiscal Year 2024, this levy generated $1.59M of revenue and is projected to represent 18.1% of district's operating revenue in 2025. Moderate increases of 1% are projected for the remainder of the forecast.

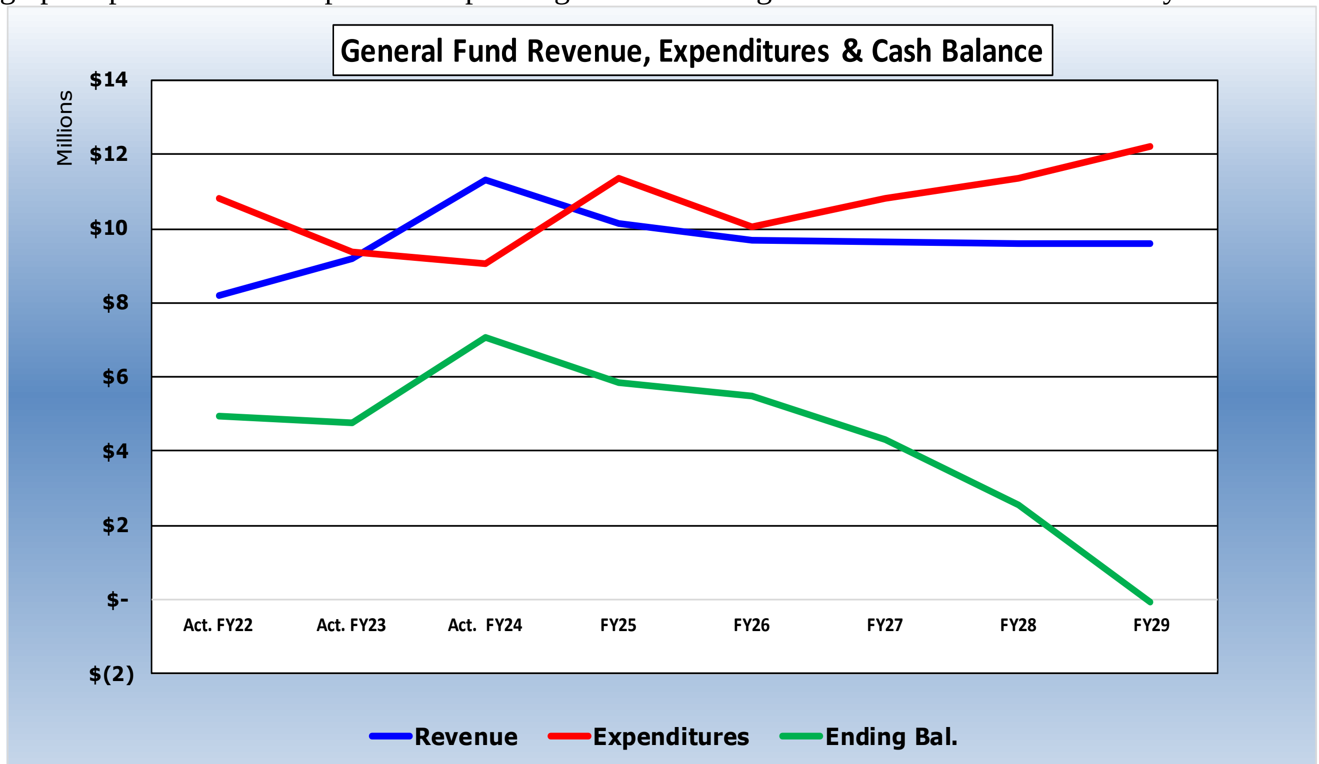
Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger. Our current negotiated agreement extends through FY25, with a 3% increase. Calculations for the remaining three years of the forecast include a step increase and a 3% base increase, with a drop to 2% in FY29.

The significant lines of reference for the forecast, noted below in the headings, will make it easier to relate the assumptions made for the forecast item back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district.

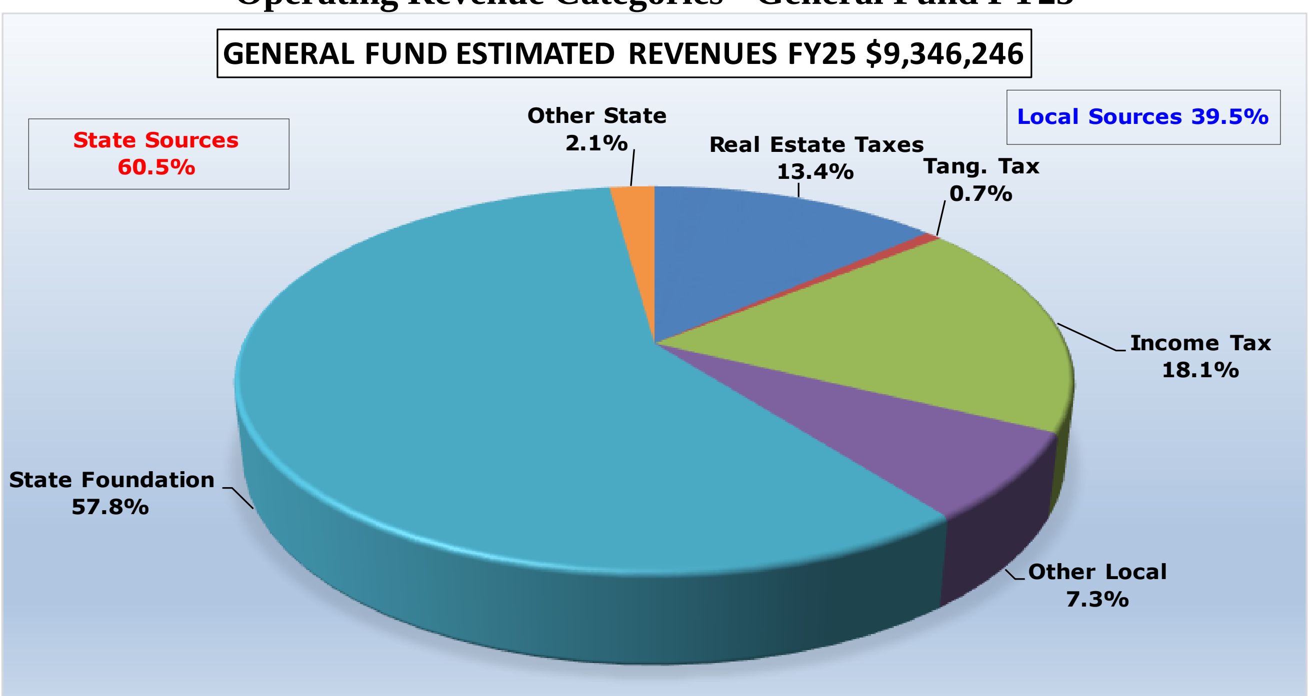
If you would like further information, please feel free to contact Carla G. Surber, CPA, Treasurer/CFO of Bradford Exempted Village School District at 937-448-2770, Extension 1116.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY22-24 and Estimated FY25-29

The graph captures in one snapshot the operating scenario facing the District over the next few years.



Revenue Assumptions
Operating Revenue Categories - General Fund FY25



Property Value Assumptions – Line # 1.010

Property Values are established each year by each County Auditor based on new construction, demolitions, Board of Revisions/Board of Tax Appeals activity and complete reappraisal or updated values.

A reappraisal occurred in Darke and Shelby Counties for Tax Year 2023, collected in 2024. We experienced a 12.99% increase in Class I and Class II property. This increase resulted in new tax revenue in Fiscal Year 2024 and will continue in Fiscal Year 2025. Miami County will undergo a full reappraisal in Tax Year 2025, for collection on 2026. We are conservatively estimating a 3% increase in Residential/Agricultural property and 1% in Commercial/Industrial property. The district's millage is at the floor (20 mills) so any increase in property values generates additional revenue.

Public Utility Personal Property (PUPP) values are stable. We expect our values to continue to grow by $100,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028
Classification	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028	COLLECT 2029
Res./Ag.	$70,419,320	$72,751,900	$73,262,907	$73,482,907	$73,702,907
Comm./Ind.	3,422,780	3,457,008	3,457,008	3,457,009	3,457,011
Public Utility Personal Property (PUPP)	2,744,160	2,844,160	2,944,160	3,044,160	3,144,160
Total Assessed Value	$76,586,260	$79,053,067	$79,664,075	$79,984,076	$80,304,078

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election.

The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 25.9 mills. Ohio law prevents the reduction factors from lowering the total millage rate for each class to less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, our district is on the floor for both Class I and Class II.

General Property Tax (Real Estate)– Line #1.010

Source	FY25	FY26	FY27	FY28	FY29
Est. Real Estate Taxes	1,251,512	1,296,265	1,318,087	1,323,896	1,327,660
Total Line #1.01 Real Estate Taxes	$1,251,512	$1,296,265	$1,318,087	$1,323,896	$1,327,660

Property tax levies were collected at 96.9% of the annual amount in CY24, which is a slight decrease over CY23. We will continue to estimate this percentage of collection. In general, 59% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the March tax settlement and 41% collected in the August tax settlement.

Tangible Personal Property and PUPP taxes– Line#1.020
The phase out of TPP also known as Tangible Personal Property taxes as noted earlier began in Fiscal Year 2006 with HB66 that was adopted in June 2005. Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above and are collected at the district's gross voted millage rate. These taxes are estimated to be received 61.5% in March and 38.5% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

Source	FY25	FY26	FY27	FY28	FY29
Public Utility Personal Property	$69,733	$72,667	$75,257	$77,847	$80,437
Total PUPP Tax Line #1.020	$69,733	$72,667	$75,257	$77,847	$80,437

Renewal and Replacement Levies – Line #11.02

No renewal or replacement levies are modeled in this forecast.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

School District Income Tax –Line #1.030

The 1.75% SDIT, approved in 1983, is continuing. Fiscal year 25 collections are 10% higher than FY24 at this time. We are estimating an annual growth rate of 1% for Fiscal Year 2026-Fiscal Year 2029 as the concerns over inflation may slow growth in this area.

School District Income Tax –Line #1.030 continued

Source	FY25	FY26	FY27	FY28	FY29
School District Income Tax	$1,590,280	$1,696,247	$1,713,208	$1,730,341	$1,747,644
Adjustments	105,967	16,961	17,133	17,303	17,476
Total SDIT Line #1.030	$1,696,247	$1,713,208	$1,730,341	$1,747,644	$1,765,120

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB33 through June 30, 2025

A) Unrestricted State Foundation Revenue– Line # 1.035
HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October #2, 2024 foundation settlement report. Our District is currently a **formula** district and is expected to continue as such in FY26-FY29.

For a detailed overview of how foundation funding is calculated please visit the Ohio Department of Education and Workforce at: https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding

State Funding Phase-In FY25 and Guarantees

The Fair School Funding Plan was presented as a six (6) year phase-in plan. HB33 continued the phase-in for

FY24 and FY25. The FSFP does not include caps on funding; instead, it consists of a general phase-in percentage for most components of 66.67% in FY25.

The funding formula includes three (3) guarantees: 1) "Formula Transition Aid," 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will receive fewer funds in FY24 and FY25 than they received in FY21.

Future State Budget Projections beyond Fiscal Year 2025

Our funding status for FY26-29 will depend on two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond FY25. For this reason, funding is held constant in the forecast for FY26 through FY29. The forecast will be updated as more information becomes available.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% gross casino revenue. These funds will be distributed to school districts on the 31st of January and August each year, which began for the first time on January 31, 2013.

Casino revenue in FY24 was $114.18 million for schools or $66.51 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	FY25	FY26	FY27	FY28	FY29
Basic Aid-Unrestricted	$4,934,272	$4,941,862	$4,941,862	$4,941,862	$4,941,862
Additional Aid Items	56,118	56,118	56,118	56,118	56,118
Basic Aid-Unrestricted Subtotal	4,990,390	4,997,980	4,997,980	4,997,980	4,997,980
Ohio Casino Commission ODT	35,518	36,271	37,183	38,115	39,070
Total Unrestricted State Aid Line #1.035	$5,025,908	$5,034,251	$5,035,163	$5,036,095	$5,037,050

B) Restricted State Foundation Revenue – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding, as well as Gifted, English Learners (ESL), and Student Wellness. The amount of DPIA is limited to 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29, due to uncertainty on continued funding of the current funding formula.

HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement requests. It is estimated that the district will receive approximately $51,000 from this one-time subsidy in FY25.

Source	FY25	FY26	FY27	FY28	FY29
DPIA	$74,876	$74,876	$74,876	$74,876	$74,876
Career Tech - Restricted	834	834	834	834	834
Gifted	60,104	60,104	60,104	60,104	60,104
EL	0	0	1	2	3
Student Wellness	286,237	286,237	286,237	286,237	286,237
Other Restricted State Funds	322	0	0	0	0
Total Restricted State Revenues Line #1.040	$422,373	$422,051	$422,052	$422,053	$422,054

C) Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

SUMMARY	FY25	FY26	FY27	FY28	FY29
Unrestricted Line #1.035	$5,025,908	$5,034,251	$5,035,163	$5,036,095	$5,037,050
Restricted Line #1.040	422,373	422,051	422,052	422,053	422,054
Rest. Federal Funds #1.045	0	0	0	0	0
Total State Foundation Revenue	$5,448,281	$5,456,302	$5,457,215	$5,458,148	$5,459,104

State Share of Local Property Tax – Line #1.050

A) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged residential taxpayers on levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after that time.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Share of Local Property Tax Reimbursement – Line #1.050

Source	FY25	FY26	FY27	FY28	FY29
Rollback and Homestead	$193,734	$196,860	$200,770	$201,775	$202,380
Total Tax Reimbursements #1.050	$193,734	$196,860	$200,770	$201,775	$202,380

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area are tuition for court placed students, student fees, and general rental fees. This area of revenue also includes our Medicaid and catastrophic cost and erate reimbursements.

Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, decreasing the opportunity for significant interest income for the district. We will continue to monitor the investments for the district. All other revenues are expected to continue on historic trends.

Source	FY25	FY26	FY27	FY28	FY29
Tuition Related Payments	$152,352	$152,352	$152,352	$152,352	$152,352
Open Enrollment	0	0	0	0	0
Class & Sports Oriented Fees	15,559	15,637	15,715	15,794	15,873
Interest Earnings	350,000	210,000	126,000	31,500	23,625
Miscellaneous(medicaid,cat cost,erate)	168,827	172,204	175,648	179,161	182,744
Total Other Local Revenue Line #1.060	$686,739	$550,193	$469,715	$378,806	$374,594

Short-Term Borrowing – Lines #2.010 & Line #2.020

The district entered into a Certificates of Participation financing agreement in Fiscal Year 2023 of $1,790,000. This debt will be repaid over 20 years, with the last payment due 12/1/2041. See Lines #3.020 and #4.060.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short-term loans to other funds during the fiscal year. All advances during the current year are planned to be returned at fiscal year-end.

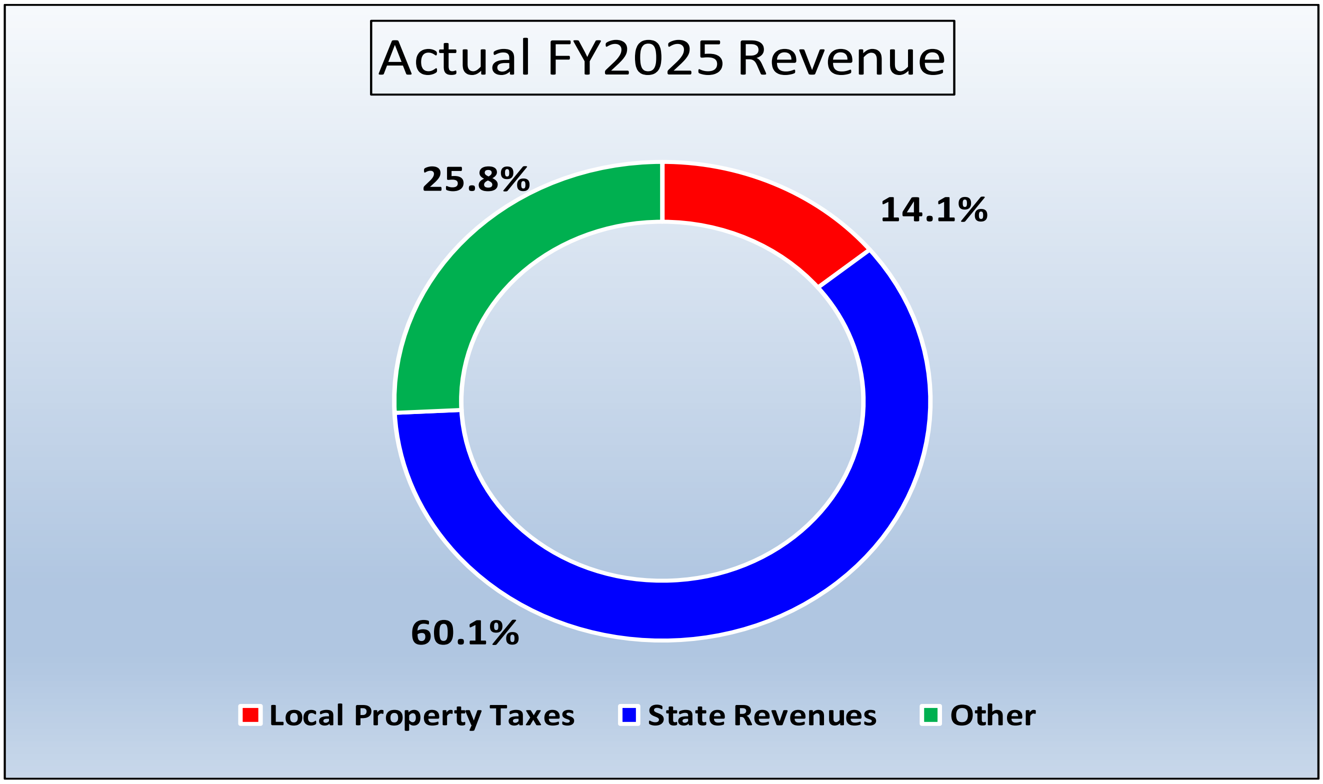
Source	FY25	FY26	FY27	FY28	FY29
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	734,172	350,000	350,000	350,000	350,000
Total Transfer & Advances In	$734,172	$350,000	$350,000	$350,000	$350,000

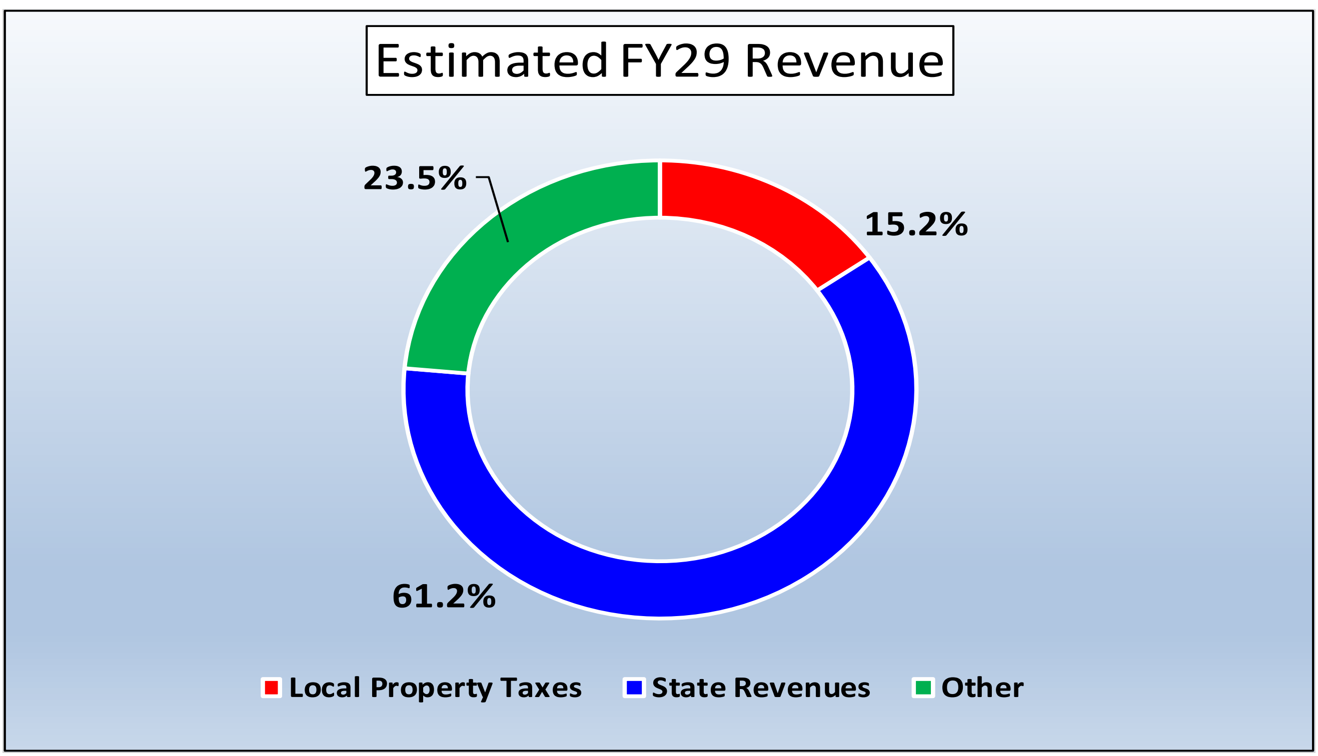
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable.

Source	FY25	FY26	FY27	FY28	FY29
Refund of prior years expenditures	$35,000	$35,000	$35,000	$35,000	$35,000

Comparison of Actual Historical Revenue and Future Revenues based on changing demographics as the district looks to other revenues for funding

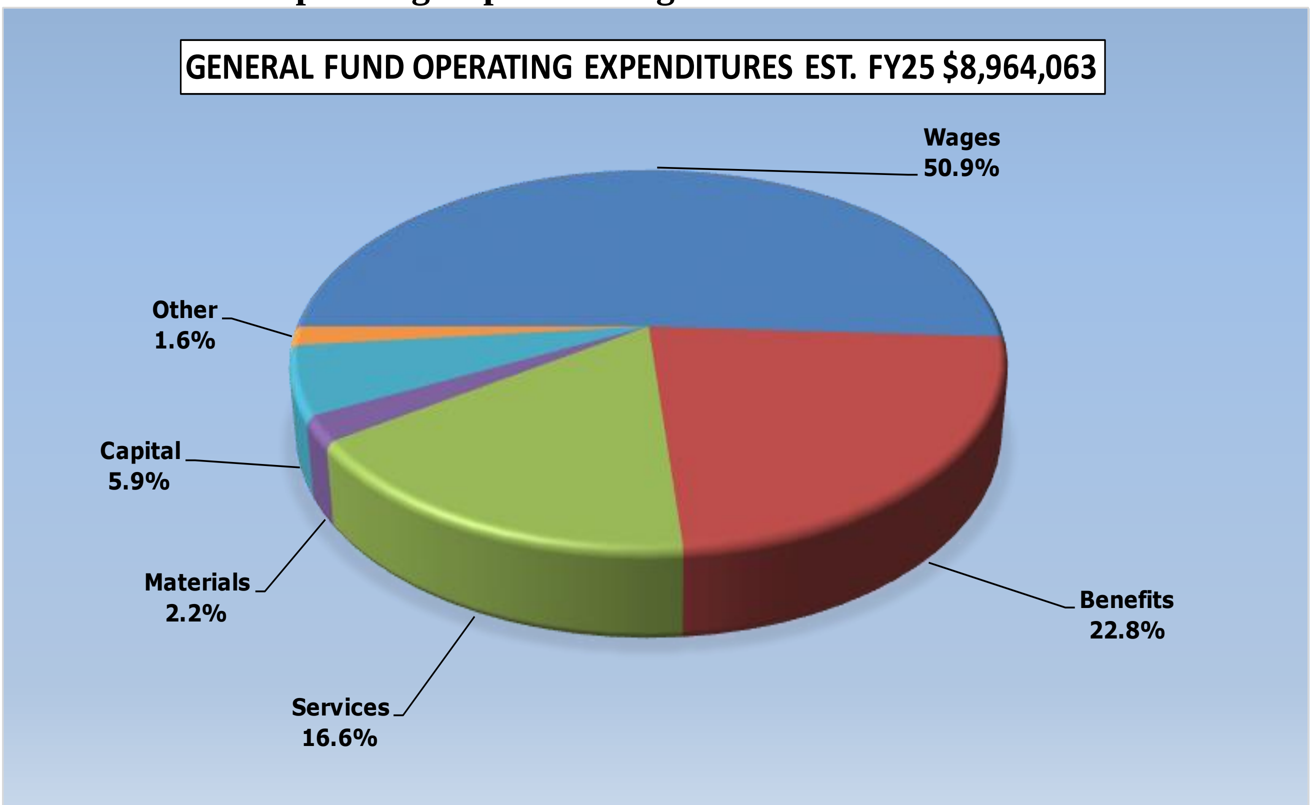




Expenditure Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY25



Personal Services – Wages – Line #3.010

In April 2022, the Board ratified a contract with the Bradford Exempted Village Education Association (BEA) effective July 1, 2022 through June 30, 2025. For Fiscal Year 2026-Fiscal Year 2028, we have included a 3% increase in base wages and increases for step and training adjustments, and 2% in FY2029.

Source	FY25	FY26	FY27	FY28	FY29
Base Wages	$3,927,204	$4,249,660	$4,543,765	$4,863,015	$5,160,168
Based Pay Increase	117,816	127,490	136,313	145,890	103,203
Steps & Academic Training	103,162	61,264	95,192	60,886	92,884
Growth Staff-Tab Breeze no longer on grant	80,335	82,745	87,745	90,377	94,879
New Building Staff	0	0	0	0	0
Substitutes	90,265	94,778	99,517	104,493	109,718
Supplementals	196,158	202,043	208,104	214,347	218,634
Severance	12,428	67,630	5,000	5,000	5,000
Other Adjustments/Reductions-tabs and extra cla:	0	0	0	0	0
Total Wages Line #3.010	$4,527,368	$4,885,610	$5,175,636	$5,484,008	$5,784,486

Employees' Retirement & Insurance Benefits – Line #3.020

This area of the forecast captures all costs associated with benefit and retirement costs.

A) STRS/SERS will increase as Wages Increase

As required by law, the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay a SERS Surcharge, which is an additional employer charge based on the salaries of lower-paid members. It is used exclusively to fund health care.

B) Insurance

The district introduced an HSA as well as spousal carve-out provisions and incentives in 2017 with an increase in rates for employees in the years beginning 2023, in the amount of 1% for each succeeding year during the contract. The district rewards nonparticipants in order to help curb costs. For a point of reference, the current billing of $ 112,599.03 as compared to September 2017 of $ 53,437.84 nearly doubled in fifty months. The current loss ratio of 148.5% over a two year period, is contributory to these escalating costs.

We had a rate increase of 8% for 2025. For planning purposes, we have included a 12% increase annually for Fiscal Year 2026-Fiscal Year 2029. Loss ratios continue to escalate due to the heavy burden of claims on the district and the continuation of the higher premium increase seems reasonable.

C) Workers Compensation & Unemployment Compensation

Workers Compensation and unemployment costs are expected to be approximately .25% of wages Fiscal Year 2025– Fiscal Year 2029. Unemployment is expected to remain at a very low level. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

Medicare will continue to increase with the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages. Few wages are not subject to this tax and exemption will eventually be phased out completely.

Summary of Retirement/Insurance Benefits – Line #3.020

Source	FY25	FY26	FY27	FY28	FY29
A) STRS/SERS	$736,802	$787,100	$841,419	$888,781	$934,311
B) Insurance's	1,196,094	1,362,309	1,525,786	1,708,880	1,913,946
C) Workers Comp/Unemployment	11,287	12,045	12,927	13,698	14,449
D) Medicare	65,647	70,842	75,046	79,518	83,875
Other/Tuition/Annuities	20,598	20,804	21,012	21,222	21,434
Total Fringe Benefits Line #3.020	$2,030,428	$2,253,100	$2,476,190	$2,712,099	$2,968,015

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22, as the Ohio Department of Education began to directly pay these costs to the educating districts for open enrollment, Community and STEM schools, and for scholarships granted to students to be educated elsewhere. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and are based on historical trend.

This area of expenses also includes utilities, ESC costs, maintenance expenses, professional services and the lease payment for the Certificates of Participation (COPS), aka Certificates of Participation borrowing. A general inflation of 5% is used for all categories. In FY26, there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period.

Source	FY25	FY26	FY27	FY28	FY29
Professional & Technical Services, ESC	$763,304	$801,469	$841,542	$883,619	$927,800
Maintenance, Insurance & Garbage Removal	198,515	208,441	218,863	234,806	251,546
Professional Development	6,078	6,382	6,701	7,036	7,388
Communications, Postage, & Telephone	34,534	31,261	32,824	34,465	36,188
Utilities	124,589	204,342	214,559	225,287	236,551
Tuition, Excess Costs & Scholarship Costs	240,419	252,440	265,062	278,315	292,231
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	51,210	53,771	56,460	59,283	62,247
Contract Transportation-cw transport	5,580	5,859	6,152	6,460	6,783
Other Adjustments SWSF, CARES, Etc.	15,000	15,000	15,000	15,000	15,000
Miscellaneous Purchased Services	41,367	43,435	45,607	47,887	50,281
Total Purchased Services Line #3.030	$1,480,596	$1,622,400	$1,702,770	$1,792,158	$1,886,015

Supplies and Materials – Line #3.040

An overall inflation of 5% is being estimated for this category of expenses, which are characterized by textbooks, copy paper, maintenance supplies and fuel. The District is working to improve the report card by funding innovative strategies. As our ESSER funds are gone, costs have increased in the general fund. Much thought is going into changes that will make the district more successful from a curriculum standpoint and as those plans are developed, funding will be firmer within the forecast.

Source	FY25	FY26	FY27	FY28	FY29
General Office Supplies & Materials	$50,164	$52,672	$55,306	$58,071	$60,975
Textbooks & Instructional Supplies	81,102	65,157	68,415	71,836	75,428
Facility Supplies & Materials	33,528	35,204	36,964	38,812	40,753
Transportation Fuel & Supplies	25,875	27,169	28,527	29,953	31,451
Other adjustments SWSF, CARES, Etc.	2,000	2,040	2,081	2,123	2,165
Total Supplies Line #3.040	$192,669	$182,242	$191,293	$200,795	$210,772

Capital Outlay – Line # 3.050

The expenditures within the equipment object line includes the ongoing investment in maintaining the bus fleet. The district received a state grant to help offset the cost of a bus purchase and added bus stations in the new garage. The district will receive reimbursement from the EPA for the purchase of electric buses in Fiscal Year 2025. At this time, another bus purchase is expected for Fiscal Year 2027. The District has a five-year plan for improvements to the facilities, parking lots and yearly Chromebook upgrades, which had been coming from ESSER funding. The use of grants has greatly diminished the general fund activity. Large capital outlay is planned in 2025, and forward for curriculum, when there will be a need to start replacing chrome books and other technology. Without the use of grant funds, the General Fund will become a source of expenditures. Inflation specific to the expense will be factored into these expenses going forward.

Source	FY25	FY26	FY27	FY28	FY29
Capital Outlay & Maintenance-resurfacing greenl	$229,549	$164,140	$167,423	$184,165	$387,848
Technology/Curriculum Purchases	100,000	105,000	110,250	115,763	121,551
Busses & Other Vehicles	170,000	0	150,000	0	0
Other adjustments SWSF, CARES, Etc.	25,000	5,000	5,000	5,000	5,000
Total Equipment Line #3.050	$524,549	$274,140	$432,673	$304,928	$514,399

Debt Service:

The district entered into a Certificates of Participation financing agreement in Fiscal Year 2023 of $1,790,000. The proceeds are being used to supplement track construction along with an all-purpose activity center for use in the school district. The certificates of participation will be repaid from purchased services, as a lease payment. This debt will be repaid over 20 years, with the last payment due 12/1/2041.

Interest Payment – Lines # 4.060

The Interest expense for the Certificates of Participation borrowing is shown here.

Source	FY25	FY26	FY27	FY28	FY29
Interest & Fiscal Costs On Debt Line # 4.060	$65,150	$63,000	$60,200	$57,300	$54,300

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and property and liability insurance. A rate of approximately 5% increase is projected in this area, with a large increase of 16% in FY25 due to loss of ESSER funds.,

Source	FY25	FY26	FY27	FY28	FY29
County Auditor & Treasurer Fees	$26,348	$27,665	$29,048	$30,500	$32,025
ESC Deduction	16,255	17,068	17,921	18,817	19,758
Annual Audit Costs	19,279	20,042	20,243	21,044	21,255
Dues, Fees & other Expenses	81,421	85,492	89,767	94,255	98,968
Total Other Expenses Line #4.300	$143,303	$150,267	$156,979	$164,616	$172,006

Transfers Out/Advances Out – Line# 5.010

Transfers to other funds occur for various purposes. We transferred funds to Fund 070 for several Permanent Improvement needs. This includes, but is not limited to, a roofing project in which a company gave the district an inclusive cost analysis for future repairs and upgrades. In addition, the district provided 1/3 of the anticipated costs for the track project for the district residents. Additionally, the Athletic Fund annually requires supplements, which appear to be growing, from the General Fund and that annual allocation has been built into the forecast.

This account group also covers advances (end-of-year short-term loans) from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

Source	FY25	FY26	FY27	FY28	FY29
Operating Transfers Out Line #5.010	$1,644,678	$243,350	$261,200	$279,050	$279,050
Advances Out Line #5.020	734,172	350,000	350,000	350,000	350,000
Total Transfer & Advances Out	$2,378,850	$593,350	$611,200	$629,050	$629,050

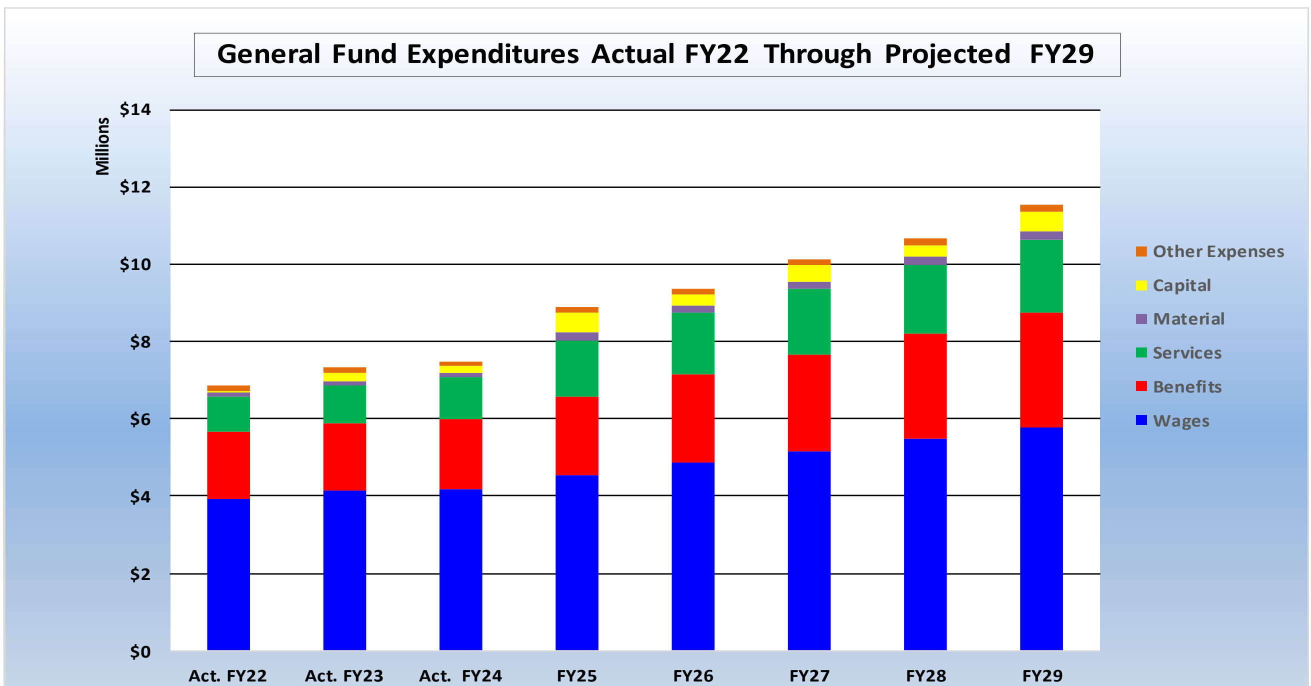
Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY25	FY26	FY27	FY28	FY29
Estimated Encumbrances Line #8.010	$400,000	$400,000	$400,000	$400,000	$400,000

Operating Expenditures Actual FY22 through FY24 and Estimated FY25 through FY29

As the graph indicates, costs are rising steadily. We will need to watch these expenses closely as we are in deficit spending, which will erode our cash balance.



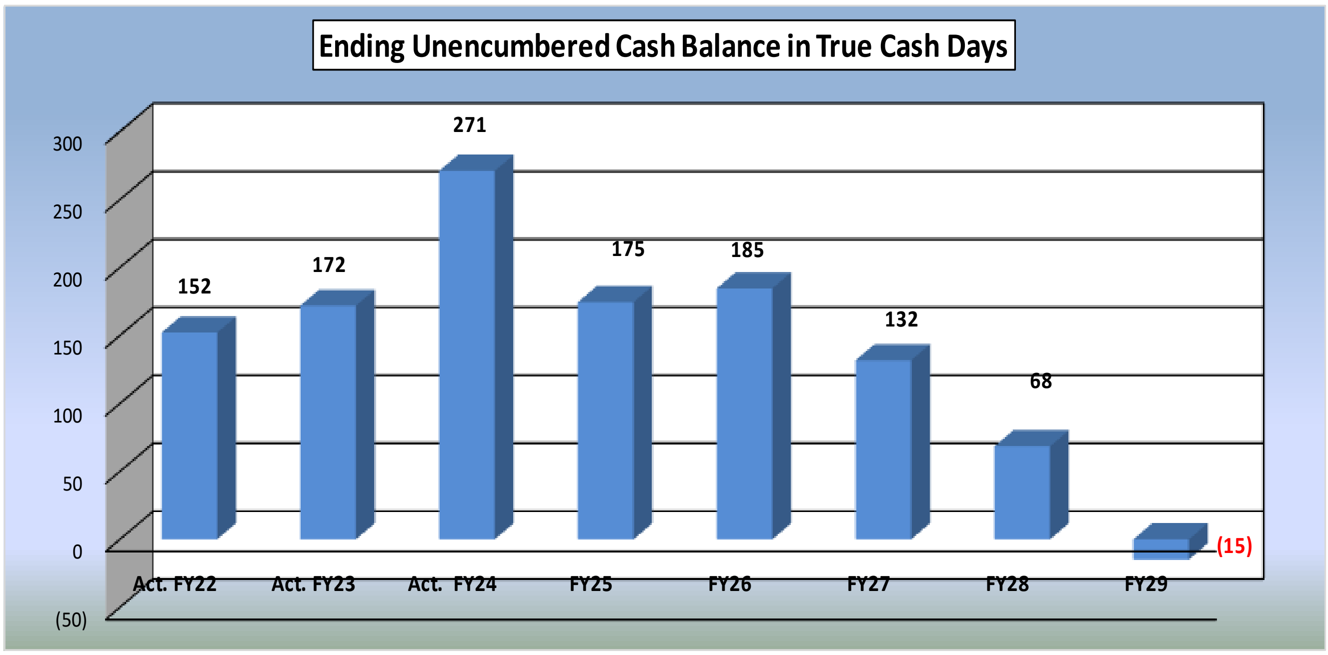
Ending Unencumbered Cash Balance "The Bottom-line" – Line#15.010

This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

	FY25	FY26	FY27	FY28	FY29
Ending Unreserved Cash Balance Line #15.01	$5,423,478	$5,069,865	$3,899,309	$2,127,471	($497,277)

True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year-end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association (GFOA) recommends no less than two (2) months or 60 days' cash to be on hand at year-end but could be more depending on each district's complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds.



Plan to Improve Financial Standing within the School District

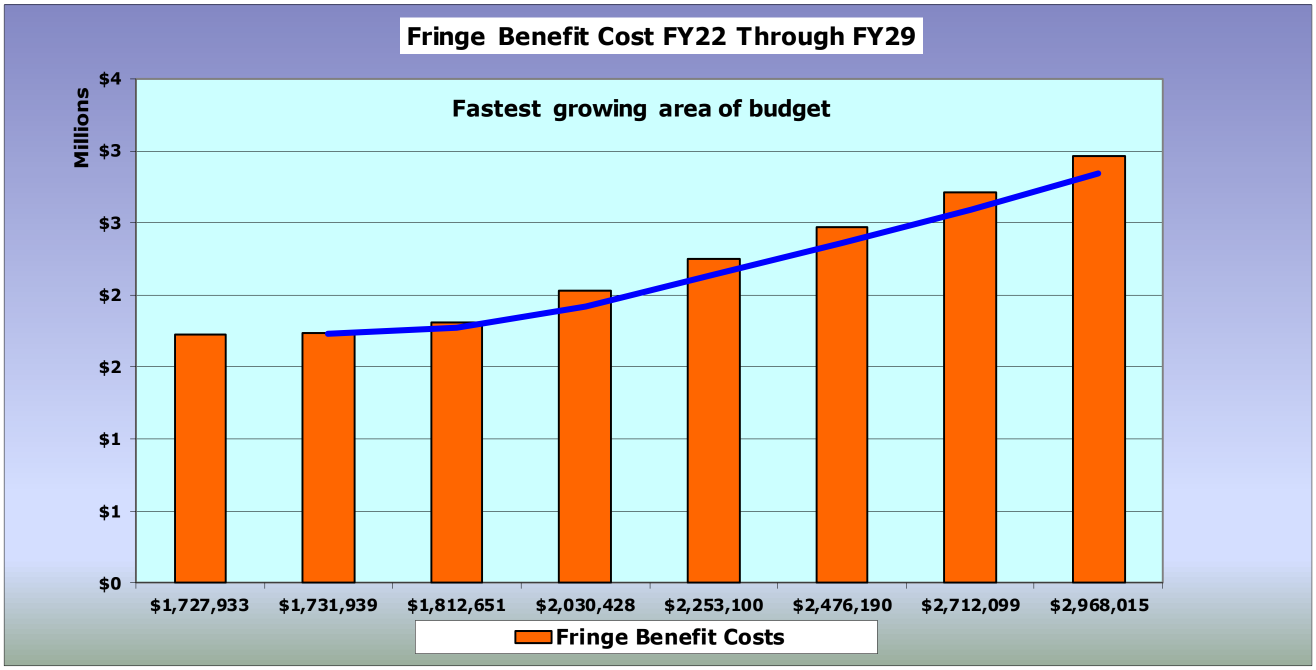
The district is experiencing deficit spending, beginning in the Fiscal Year 2025, which is a signal that the district must take measures to eliminate future deficit spending. The administration has been analyzing this, knowing that the resulting construction project could create this situation and knowingly has some areas to mitigate the effects of the transfers from the general fund.

Additionally, the administration has been analyzing particular expenditures and has a long-term plan to reduce spending, with the general fund spending of various specialized expenditures, without a reduction of services. Various details need to be vetted and the process is ongoing. Implementation of these actions will be over the next few years to bring the forecast on course.

The district is hopeful that the increase of the employee's share of Preferred Provider Organization will create a greater interest in the Health Savings Plan and drive a more consumer-oriented view of health insurance within the district. This has been the greatest growing single expense with the district and will continue to be a problem for the district. An analysis was done in the year 2018-2019 to determine whether we were a group that could benefit from an individual plan for the district, outside the consortium in which we currently participate. It was inconclusive at the time. Our loss ratios have increased to the point that it is no longer feasible to consider any other option. The two year loss ratio was 148.5%. At 1/1/2025, the district rates increase 8%.

Additional Analytical Data

Graphs subsequently displayed allow the viewer to glean visual information about the district.



Conclusion

The forecast presented includes assumptions and facts that can be altered by external and internal issues. As you read the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared. A PowerPoint presentation was provided to the Board of and can be viewed at www.bradford.k12.oh.us.

All questions can be directed to Carla G. Surber, CPA, CGMA, Treasurer, CFO
760 Railroad Avenue
Bradford, Ohio 45308

Respectfully submitted on November 12, 2024