

Dawson-Bryant Local School District

Five Year Forecast Financial Report

May, 2022

Bradley Miller, Treasurer

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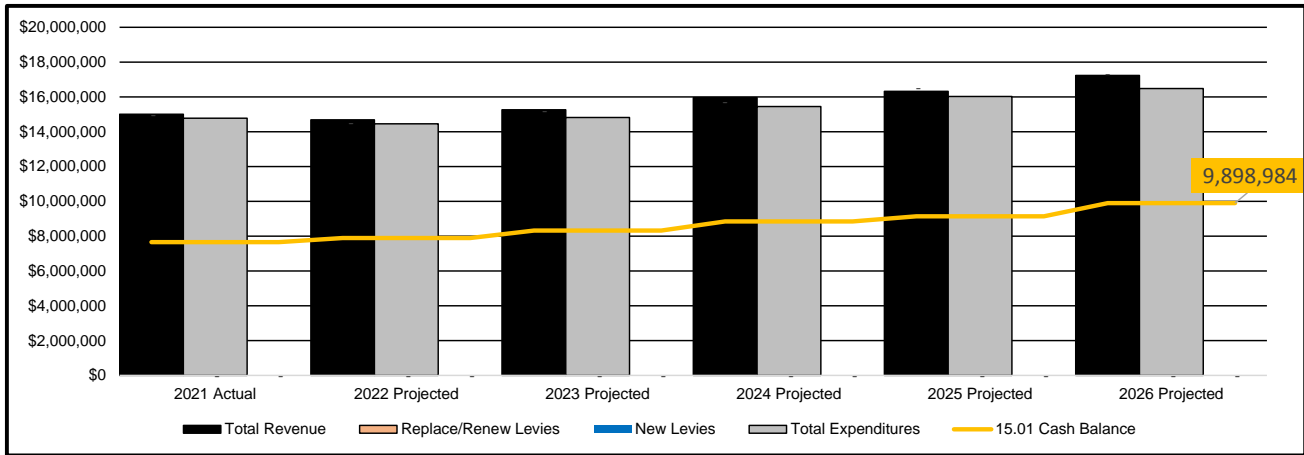
Forecast Purpose/Objectives

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

Financial Forecast

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	7,657,822	7,897,550	8,327,361	8,842,885	9,135,402
+ Revenue	14,688,897	15,253,968	15,961,055	16,321,379	17,239,754
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(14,449,169)	(14,824,158)	(15,445,531)	(16,028,862)	(16,476,172)
= Revenue Surplus or Deficit	239,728	429,810	515,524	292,517	763,582
Line 7.020 Ending Balance with renewal/new levies	7,897,550	8,327,361	8,842,885	9,135,402	9,898,984

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	239,728	429,810	515,524	292,517	763,582
Ending Balance w/o Levies	7,897,550	8,327,361	8,842,885	9,135,402	9,898,984

In FY 2022 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$239,728 in FY 2022. By the last year of the forecast, FY 2026, the district is expected to have a revenue surplus where expenditures are projected to be less than revenue by -\$763,582

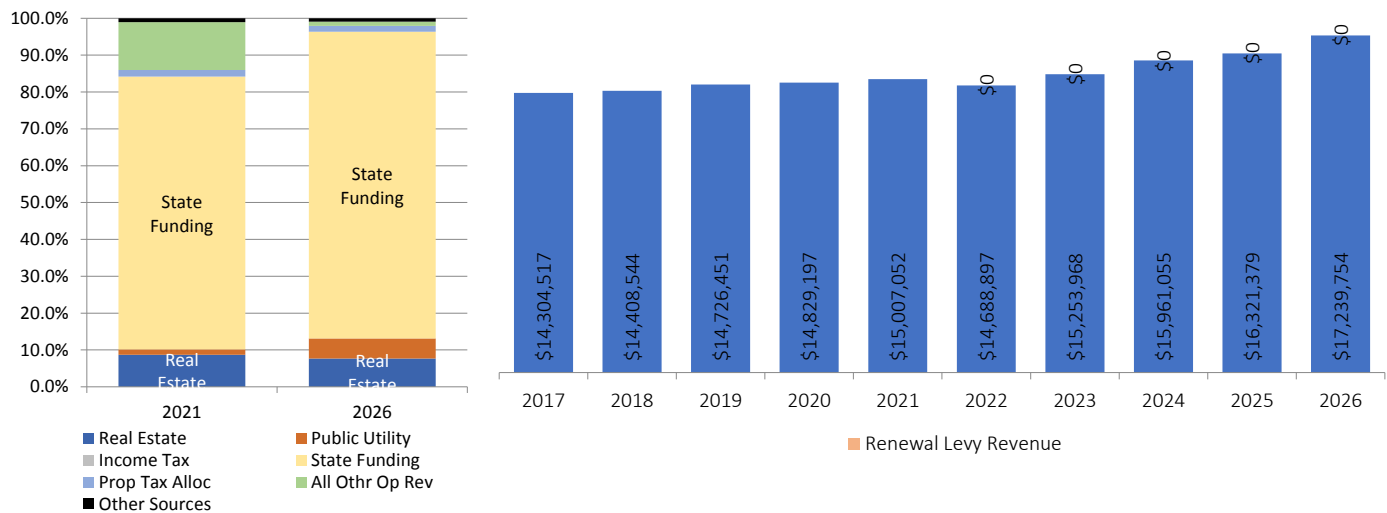
The district's cash balance is positive at year-end in FY 2022 and is projected to improve by FY 2026

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of -\$181,568 in FY 2022. 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 guarantee district in FY 2022. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

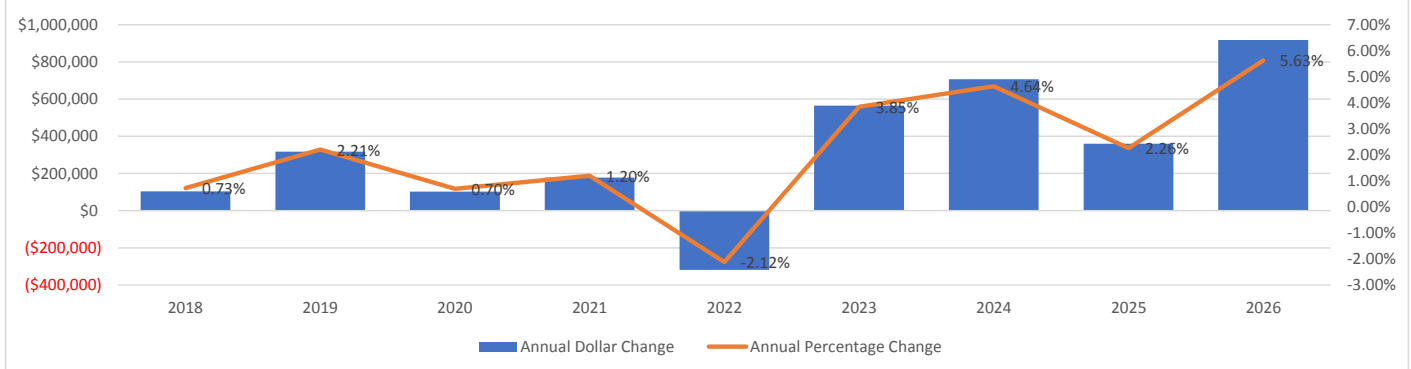
guarantee district in FY 2022.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



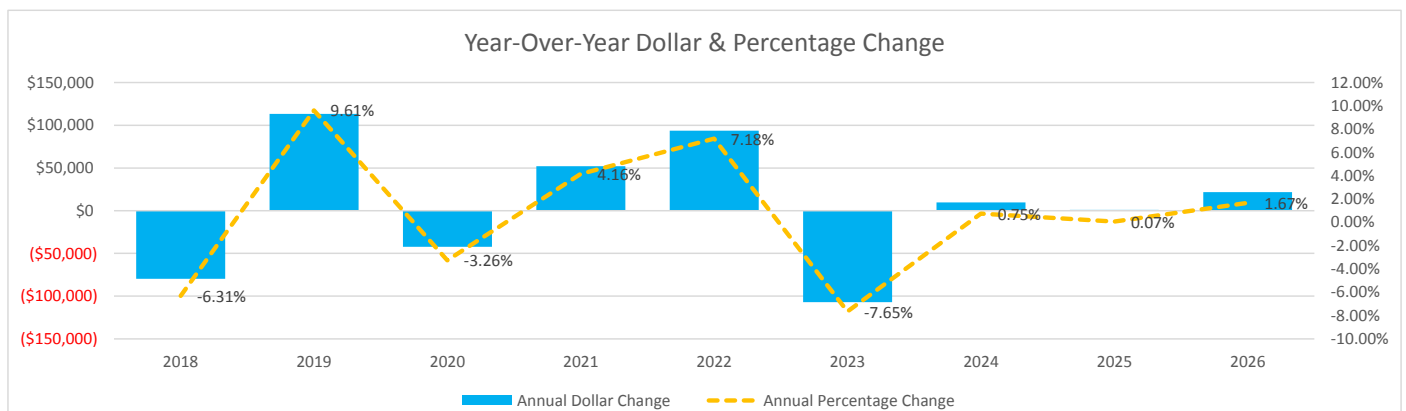
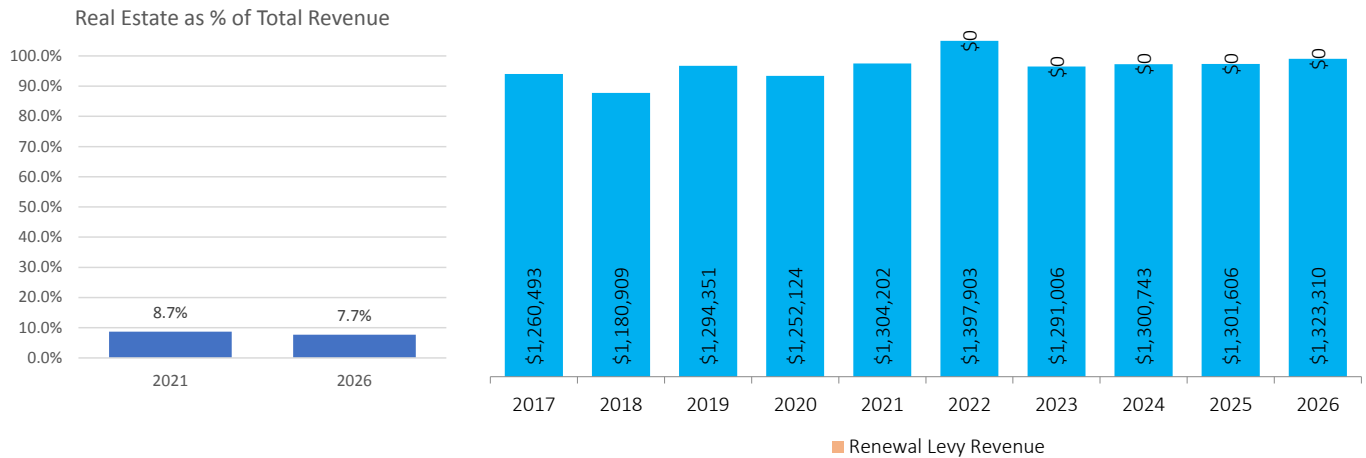
5-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 1.65% or \$241,668 annually during the past 5-Year period and is projected to increase 2.81% or \$446,540 annually through FY2026. State Funding has the most projected average annual variance compared to the historical average at \$574,079
Real Estate	26,875	3,822	(\$23,054)	
Public Utility	\$15,013	\$143,756	\$128,743	
Income Tax	\$0	\$0	\$0	
State Funding	\$73,787	647,866	\$574,079	
Prop Tax Alloc	\$919	\$345	(\$575)	
All Othr Op Rev	\$96,826	(\$349,566)	(\$446,392)	
Other Sources	\$28,248	\$318	(\$27,929)	
Total Average Annual Change	241,668 1.65%	446,540 2.81%	\$204,873 1.16%	

Note: Expenditure average annual change is projected to be > \$340,829 On an annual average basis, expenditures are projected to grow slower 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).



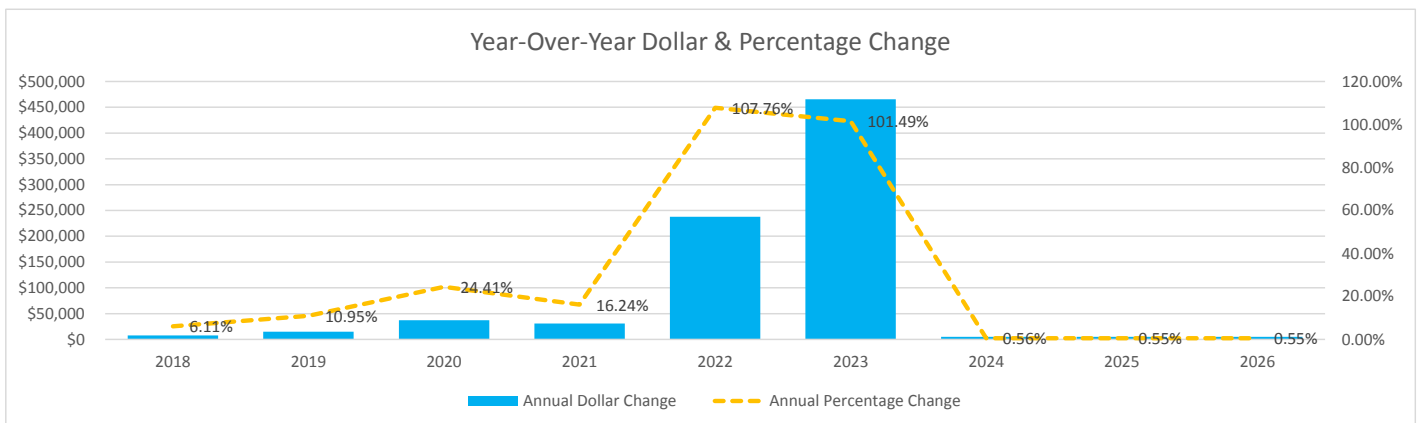
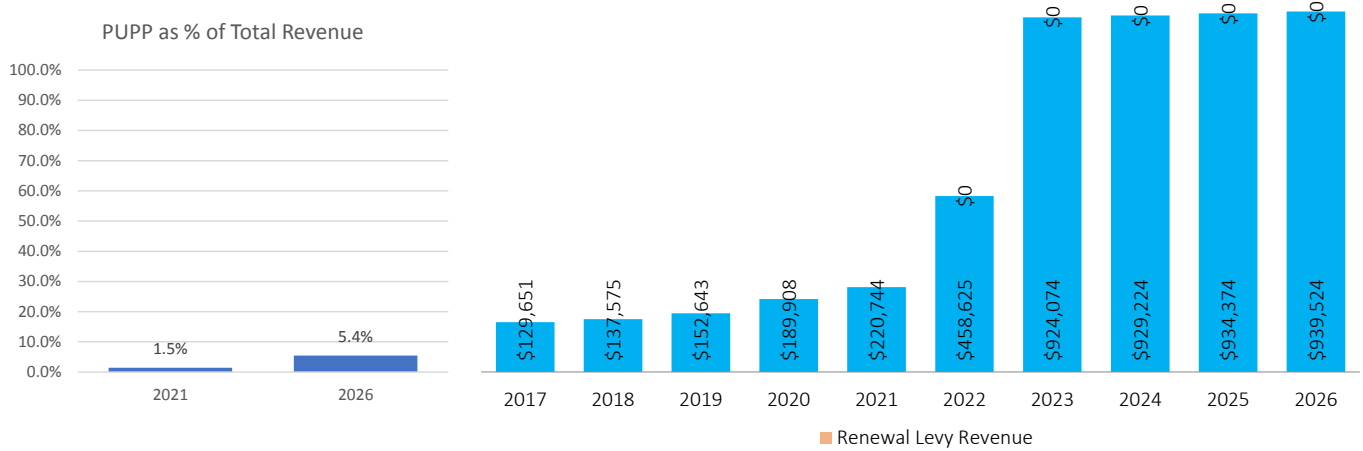
Values, Tax Rates and Gross Collections								Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change		
2020	75,846,970	(258,480)	20.09	-	20.23	-	99.4%	
2021	76,358,460	511,490	20.00	(0.09)	20.02	(0.22)	99.7%	
2022	78,383,460	2,025,000	20.00	-	20.00	(0.02)	99.7%	
2023	78,258,460	(125,000)	20.05	0.05	20.00	-	99.7%	
2024	78,133,460	(125,000)	20.10	0.05	20.00	-	99.7%	
2025	80,458,460	2,325,000	20.00	(0.10)	20.00	-	99.7%	

Real estate property tax revenue accounts for 8.69% of total revenue. Class I or residential/agricultural taxes make up approximately 95.61% of the real estate property tax revenue. The Class I tax rate is 20 mills in tax year 2021. The projections reflect an average gross collection rate of 99.7% annually through tax year 2025. The revenue changed at an average annual historical rate of 2.14% and is projected to change at an average annual rate of 0.29% through FY 2026.

*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.



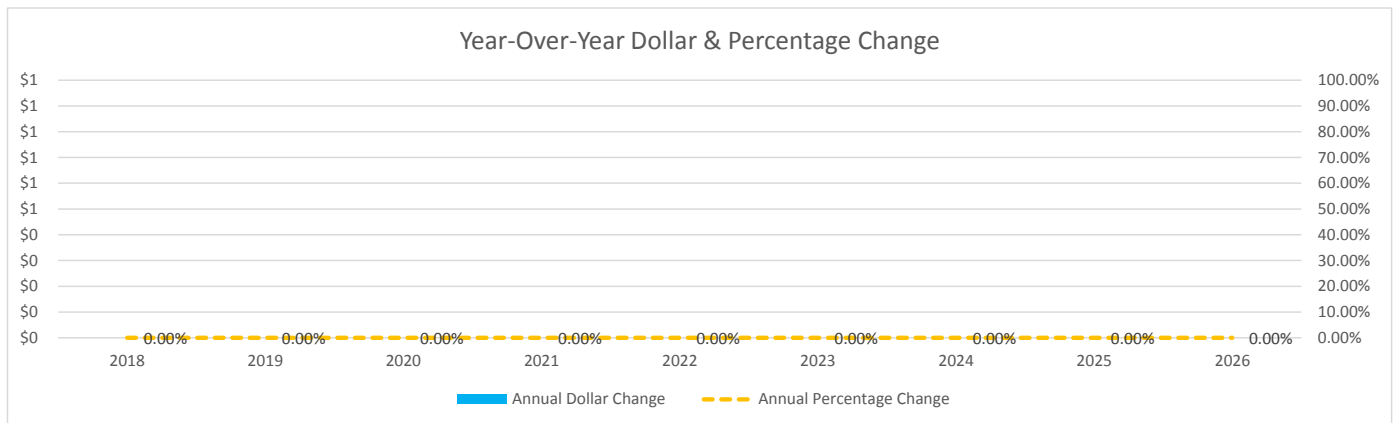
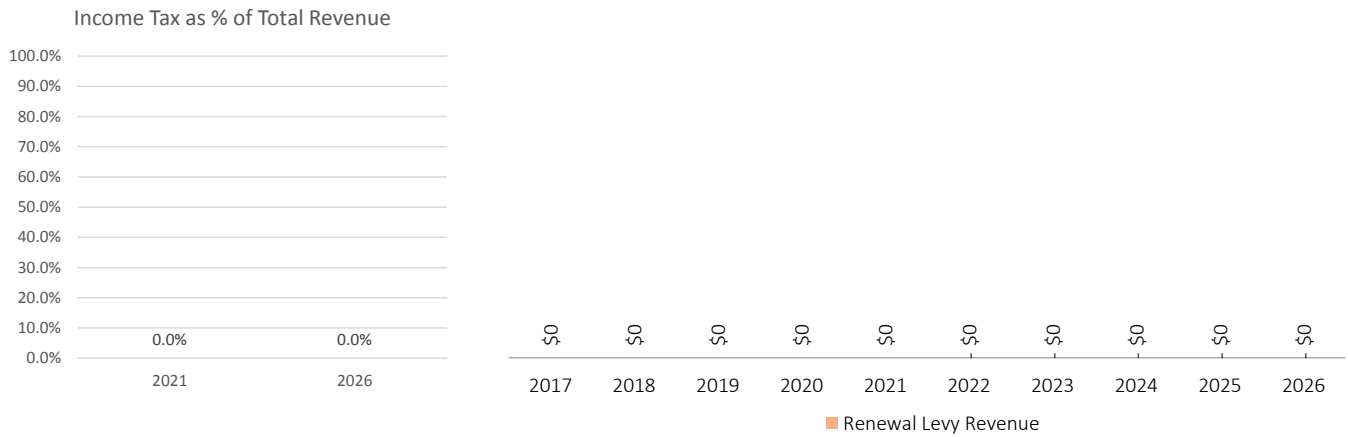
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2020	10,704,130	170,850	20.60	-	100.0%
2021	44,730,500	34,026,370	20.60	-	100.0%
2022	44,980,500	250,000	20.60	-	100.0%
2023	45,230,500	250,000	20.60	-	100.0%
2024	45,480,500	250,000	20.60	-	100.0%
2025	45,730,500	250,000	20.60	-	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 1.47% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2021 is 20.6 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$15,013 and is projected to change at an average annual dollar amount of \$143,756 through FY 2026.

**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.

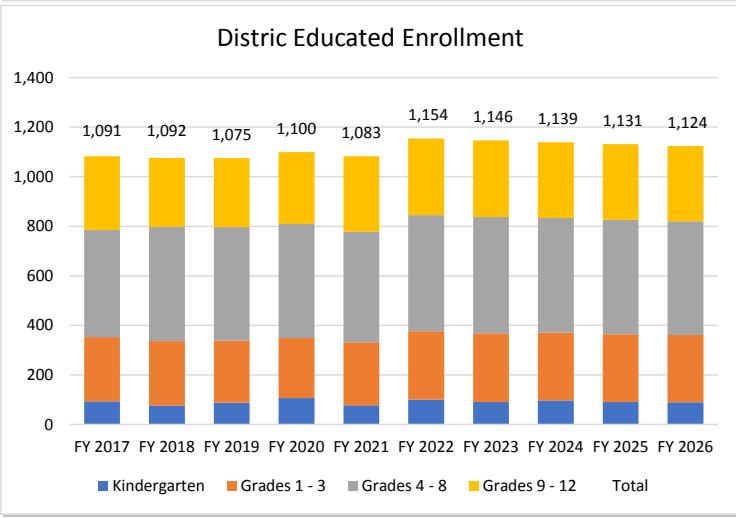
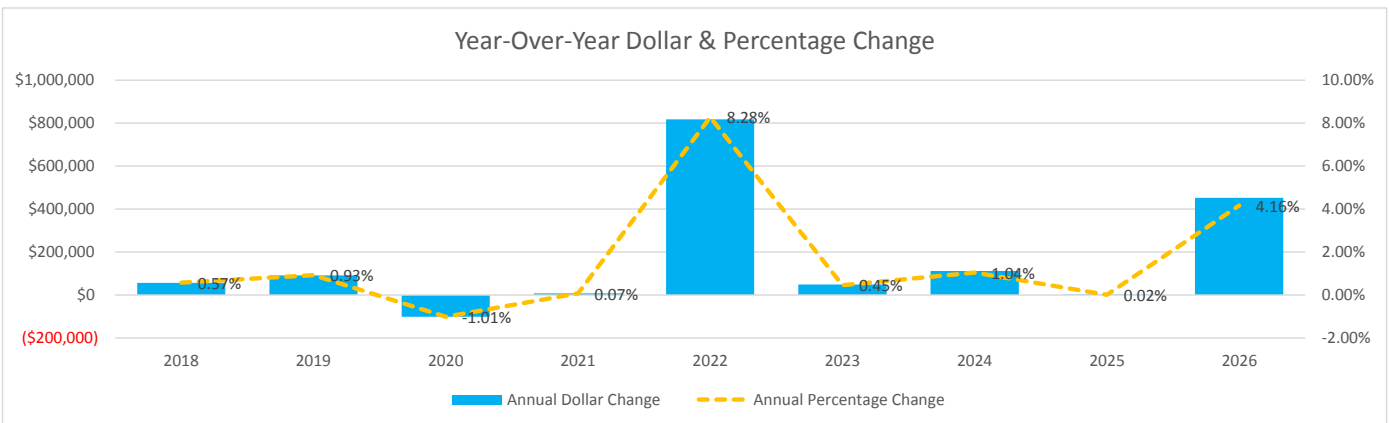
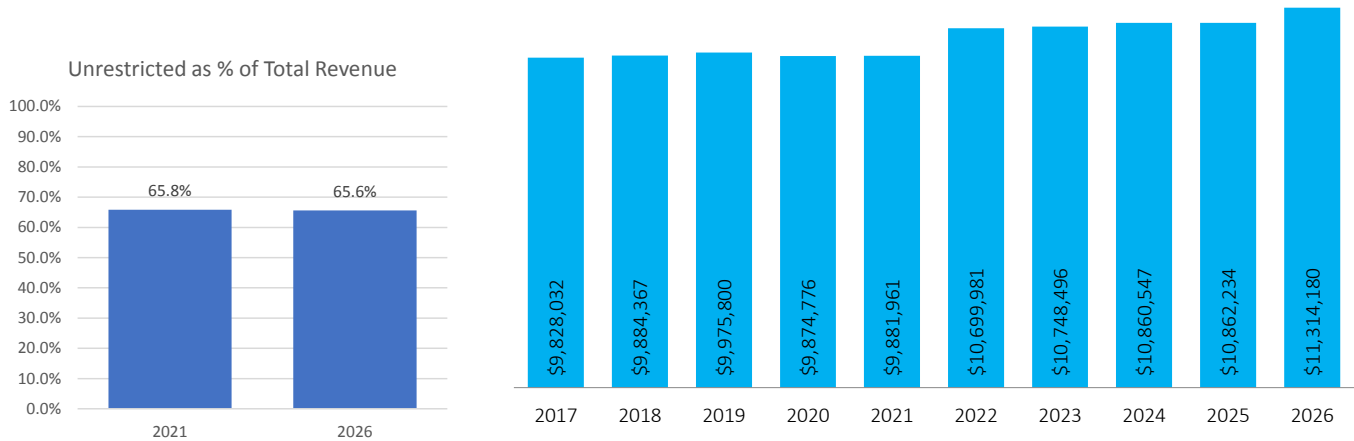


The district does not have an income tax levy.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



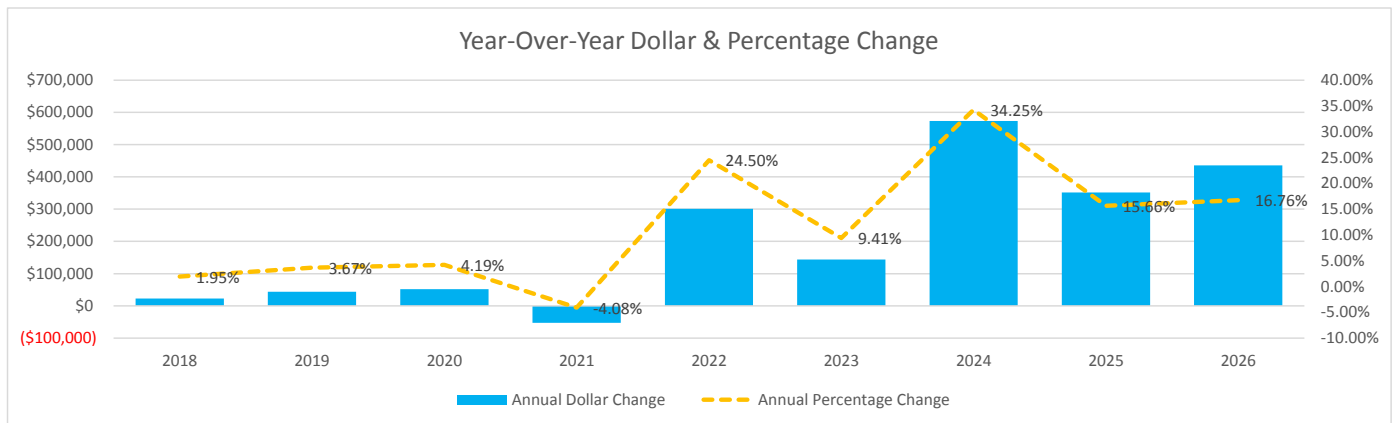
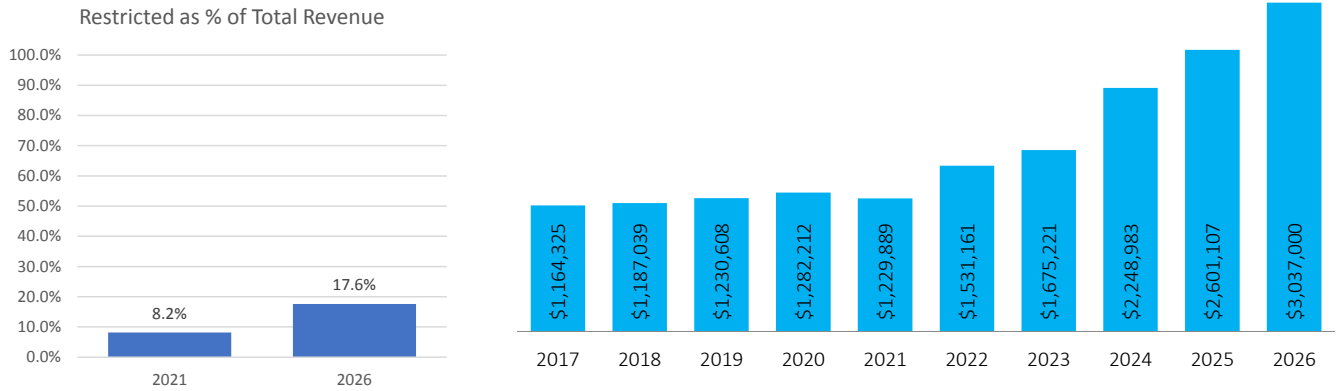
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual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

For Dawson-Bryant Local School District the calculated Base Cost total is \$8,110,488 in FY 2022. The state's share of the calculated Base Cost total is \$6,791,569 or \$5,885 per pupil.

The FSFP change to district educated enrollment could be lower than the district's historical formula funded enrollment but also potentially reduces tuition cost. In FY 2021, the district had approximately \$803,661 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.

1.040 & 1.045 - Restricted Grants-in-Aid

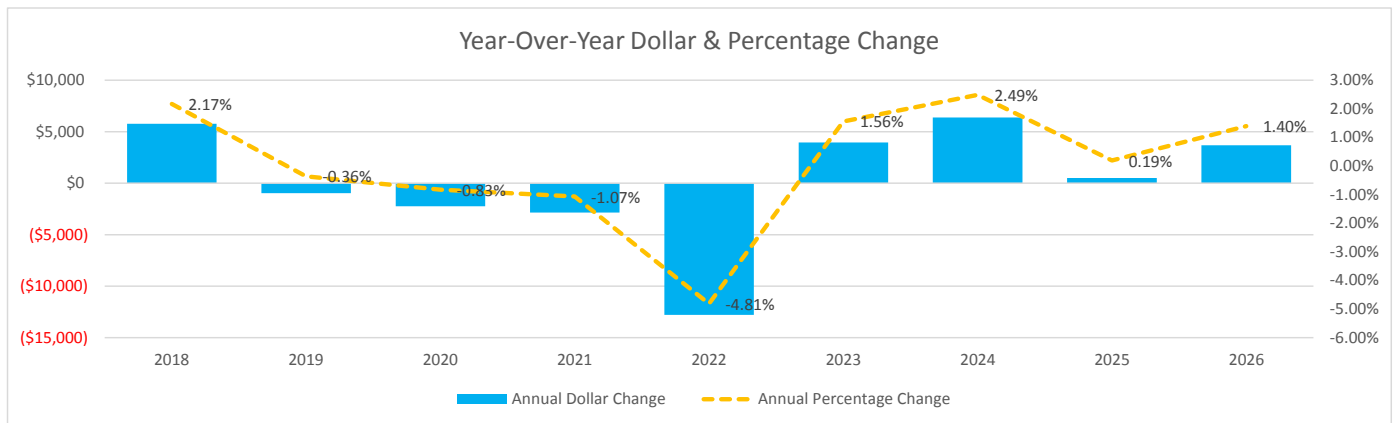
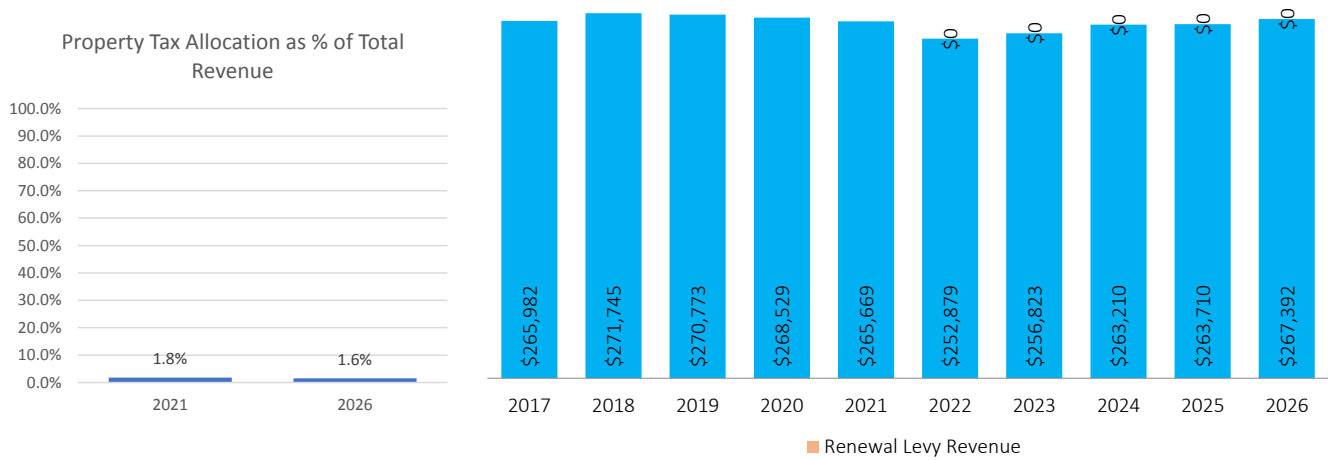
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 \$14,283 and is projected to change annually on average by \$361,422. Restricted funds represent 8.20% 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 \$313,494. 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 - Property Tax Allocation

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

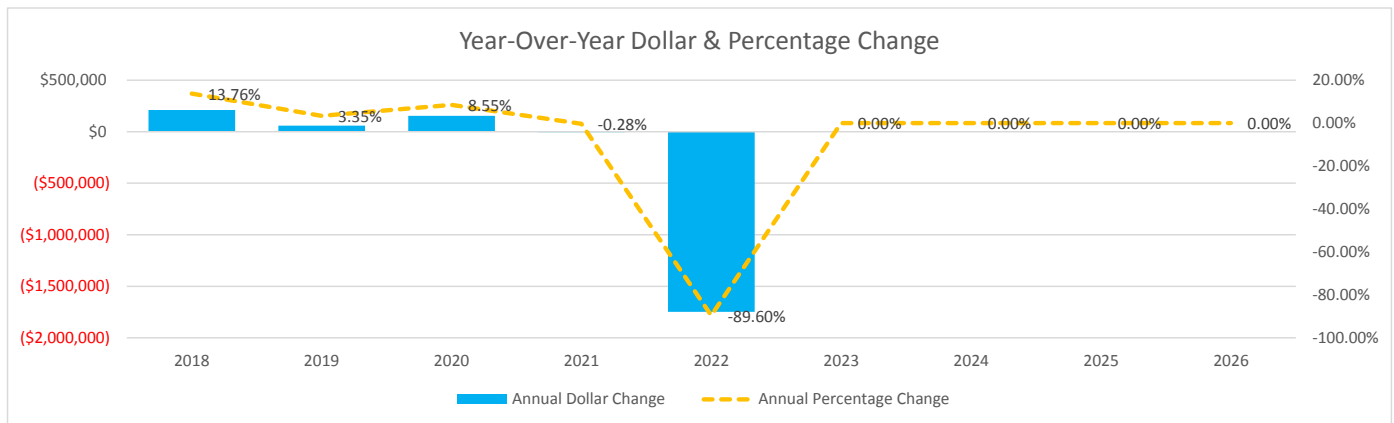
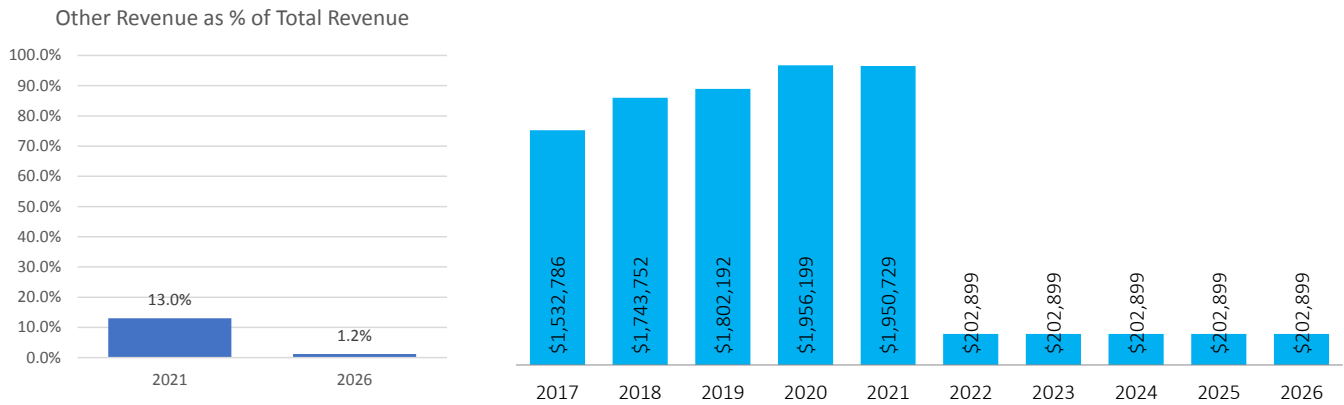


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2022, approximately 11.3% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 6.1% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

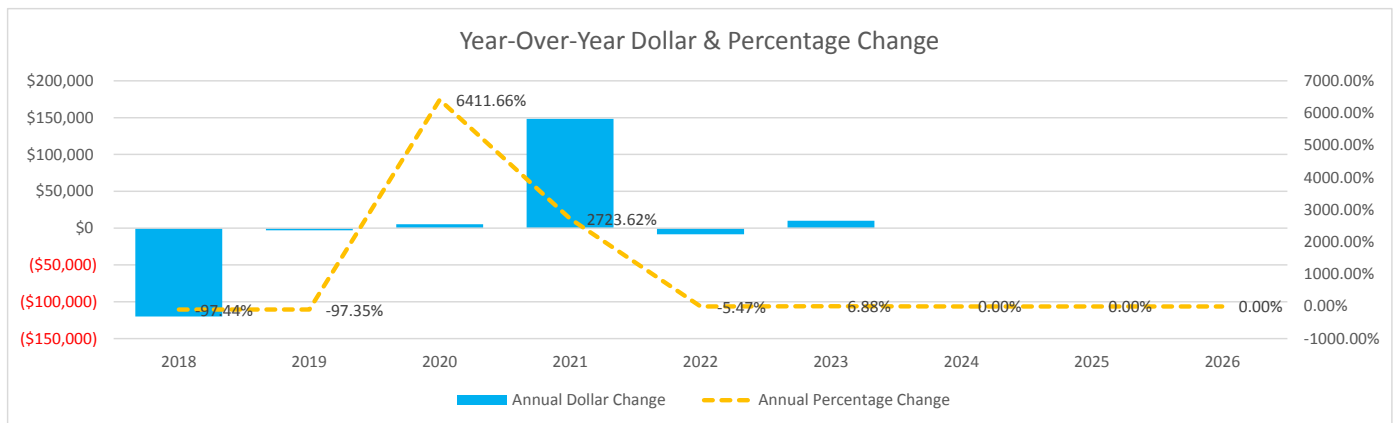
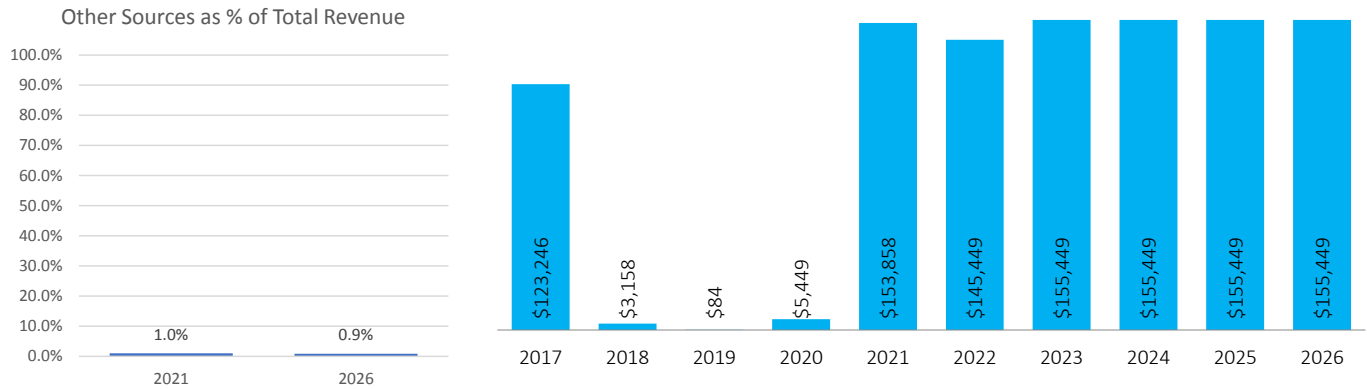
Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



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 \$96,826. The projected average annual change is -\$349,566 through FY 2026. The FSP includes per pupil funding for any open enrollment in students the district is educating. This revenue, if any, was recorded in 'other revenue' prior to FY 2022. Fiscal year 2022 and beyond will not include any open enrollment in revenue. The district posted revenue code 1227 open enrollment in revenue of \$1,667,884 in FY 2021.

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.

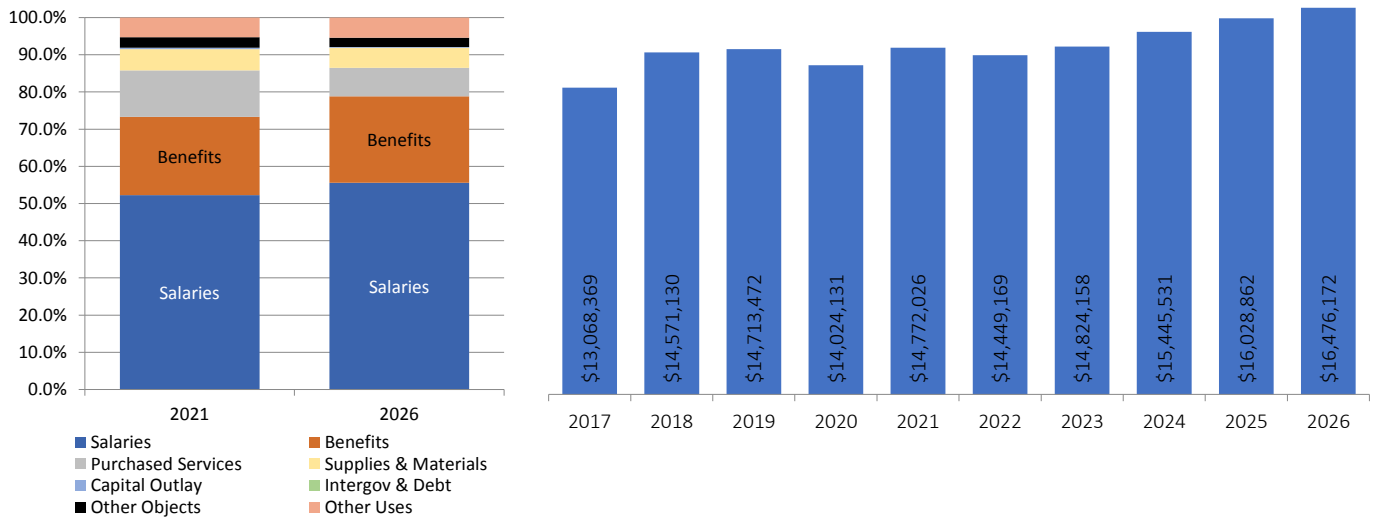


	FORECASTED					
	2021	2022	2023	2024	2025	2026
Transfers In	153,858	140,000	150,000	150,000	150,000	150,000
Advances In	-	-	-	-	-	-
All Other Financing Sources	-	5,449	5,449	5,449	5,449	5,449

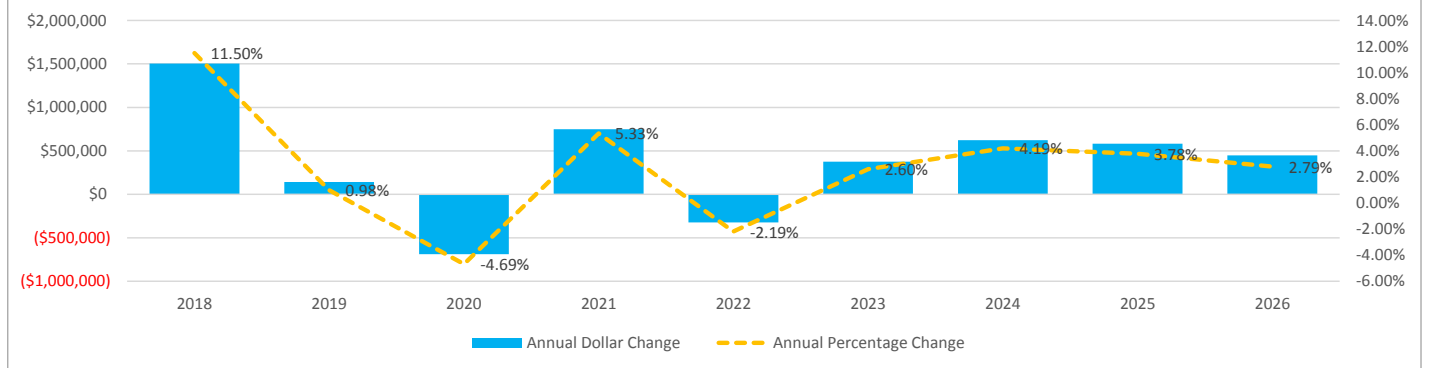
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2021 the district receipted \$0 as advances-in and is projecting advances of \$0 in FY 2022. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$5,449 in FY 2022 and average \$5,449 annually through FY 2026.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



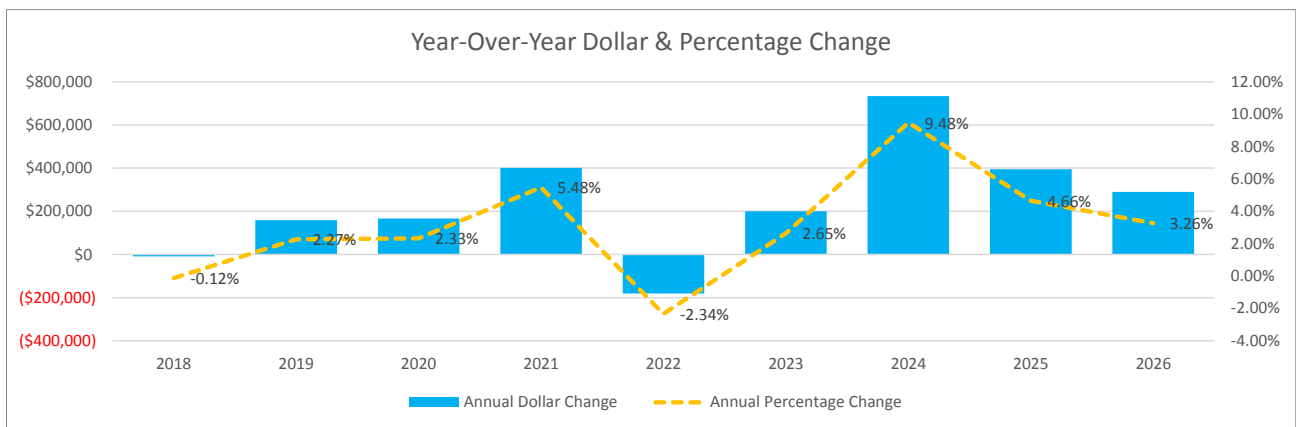
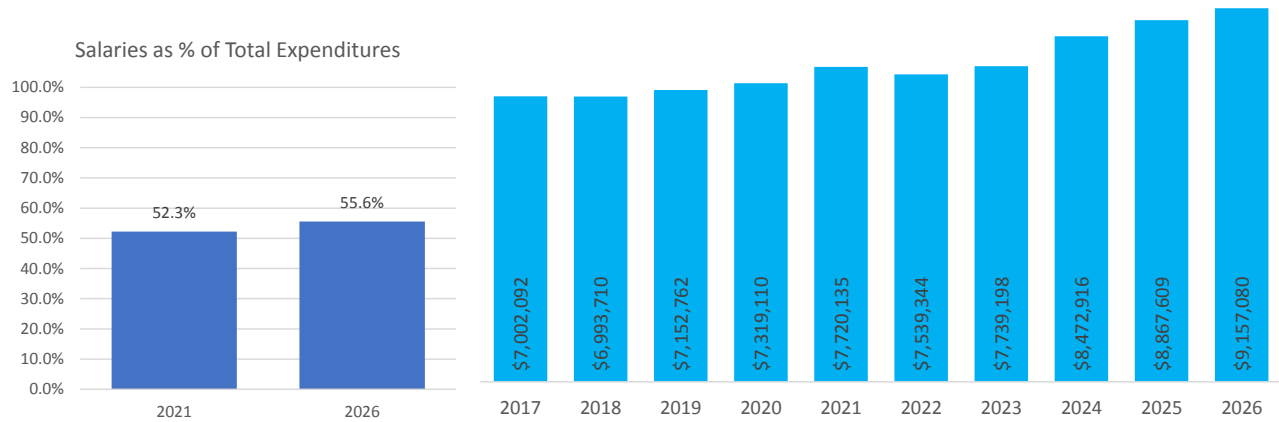
5-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 2.67% or \$379,502 annually during the past 5-Year period and is projected to increase 2.31% or \$340,829 annually through FY2026. Other Uses has the largest projected average annual variance compared to the historical average at \$73,672.
Salaries	269,886	287,389	\$17,503	
Benefits	\$156,110	\$145,679	(\$10,431)	
Purchased Services	(\$98,989)	(\$117,300)	(\$18,311)	
Supplies & Materials	\$61,700	\$8,700	(\$53,000)	
Capital Outlay	\$8,025	(\$6,666)	(\$14,691)	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	\$33,425	\$10	(\$33,414)	
Other Uses	(\$50,655)	\$23,017	\$73,672	
Total Average Annual Change	\$379,502	\$340,829	(\$38,672)	
	2.67%	2.31%	-0.36%	

Note: Revenue average annual change is projected to be > \$446,540 On an annual average basis, revenues are projected to grow faster than expenditures.

3.010 - Personnel Services

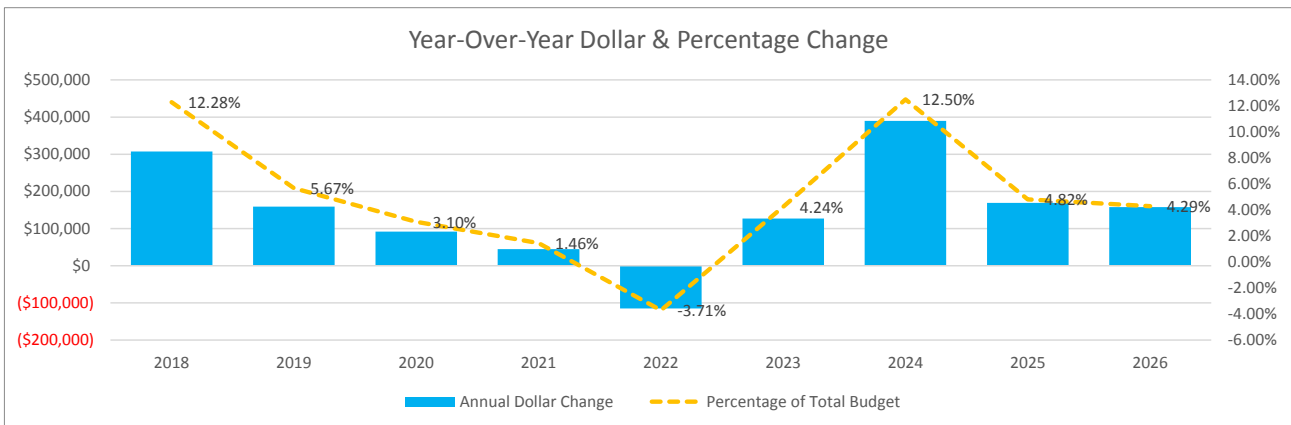
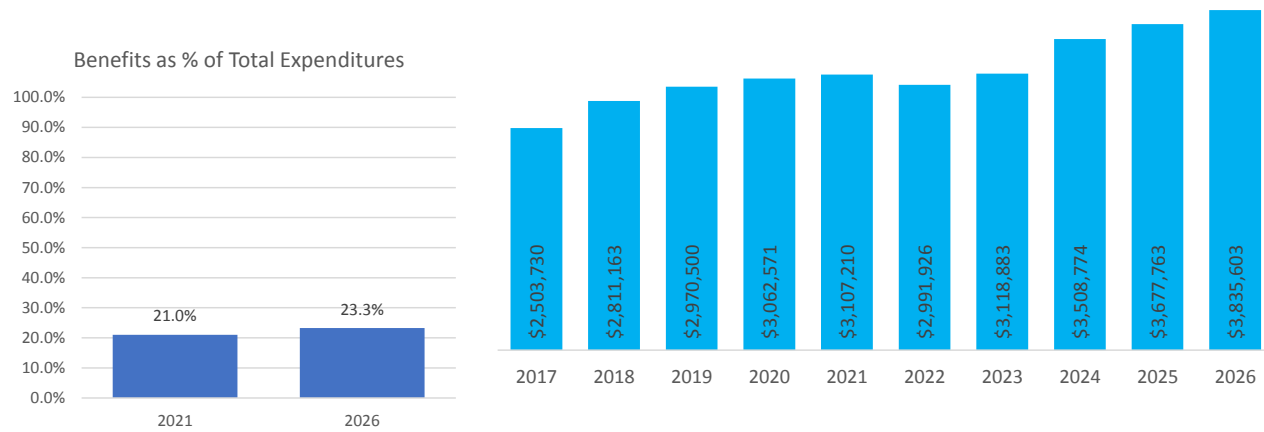
Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries represent 52.26% of total expenditures and increased at a historical average annual rate of 3.73% or \$269,886. This category of expenditure is projected to grow at an annual average rate of 3.44% or \$287,389 through FY 2026. The projected average annual rate of change is -0.29% less than the five year historical annual average.

3.020 - Employees' Benefits

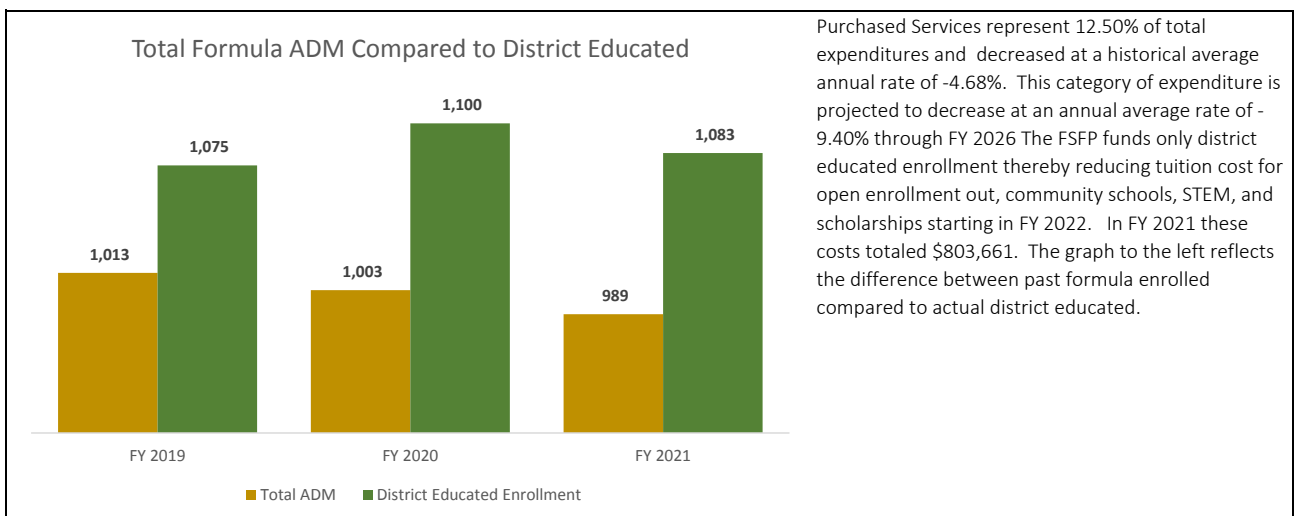
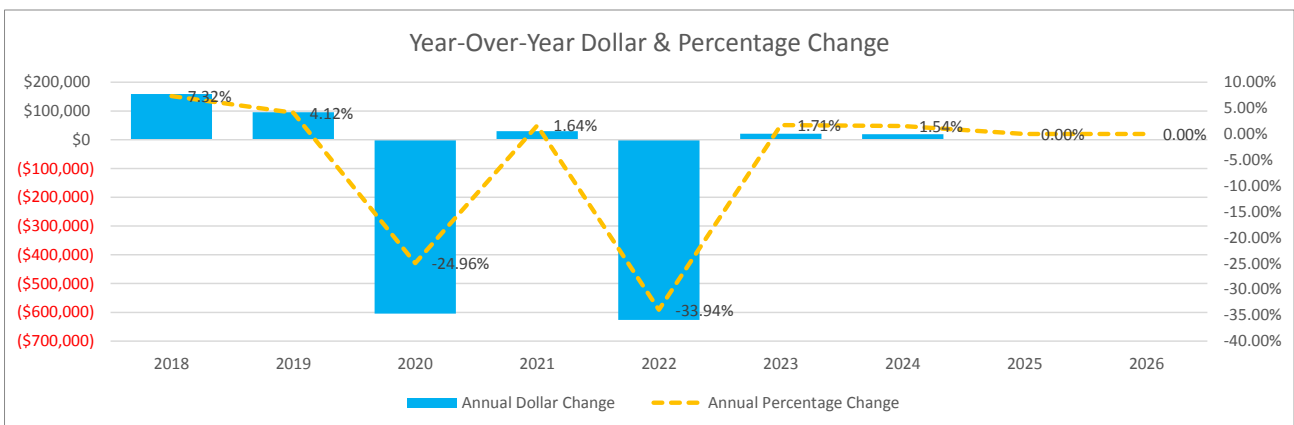
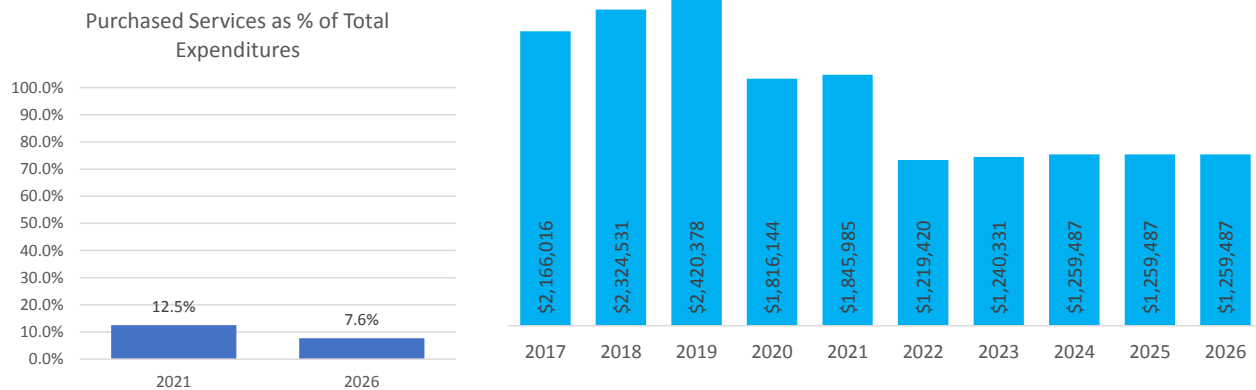
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 21.03% of total expenditures and increased at a historical average annual rate of 5.40%. This category of expenditure is projected to grow at an annual average rate of 4.25% through FY 2026. The projected average annual rate of change is -1.15% less than the five year historical annual average.

3.030 - Purchased Services

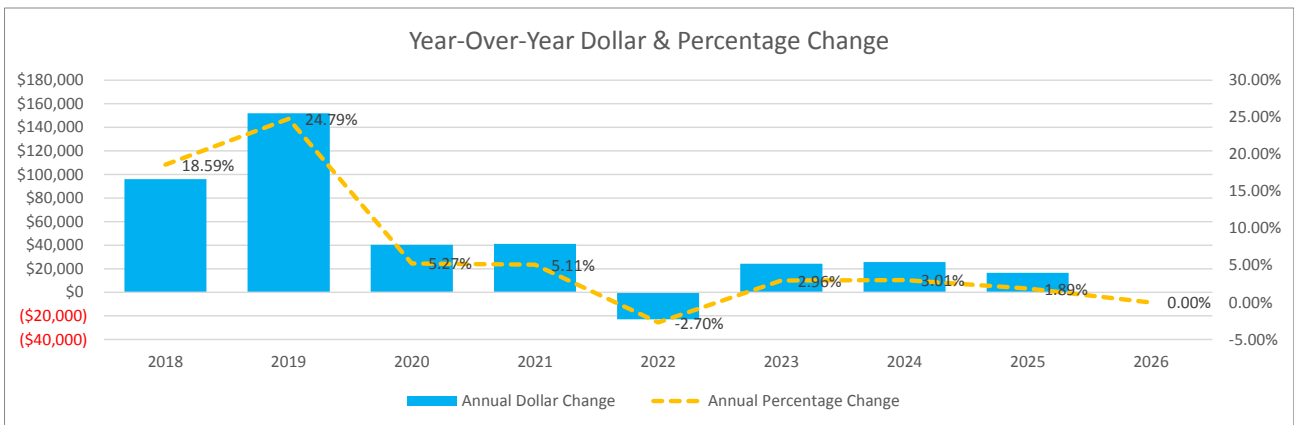
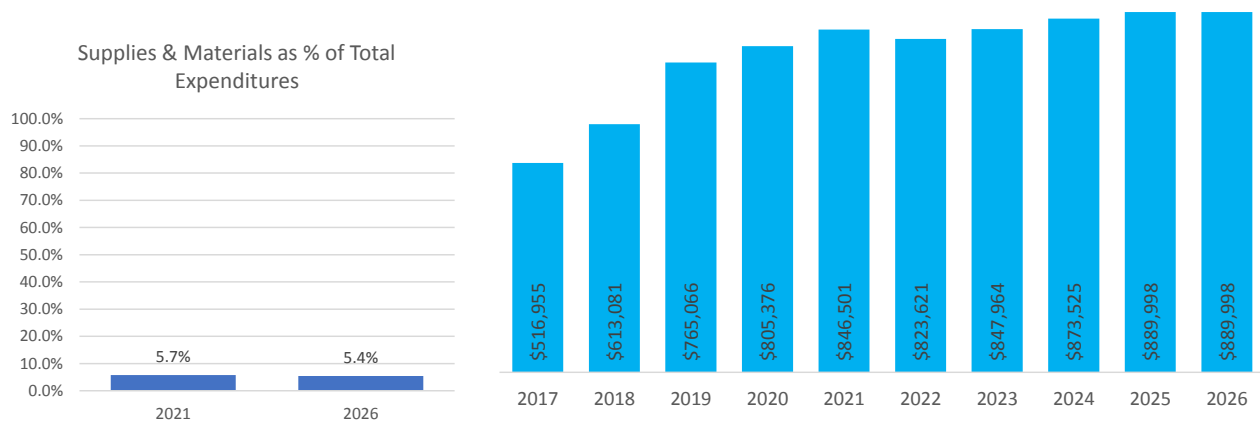
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 12.50% of total expenditures and decreased at a historical average annual rate of -4.68%. This category of expenditure is projected to decrease at an annual average rate of -9.40% through FY 2026. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. In FY 2021 these costs totaled \$803,661. The graph to the left reflects the difference between past formula enrolled compared to actual district educated.

3.040 - Supplies & Materials

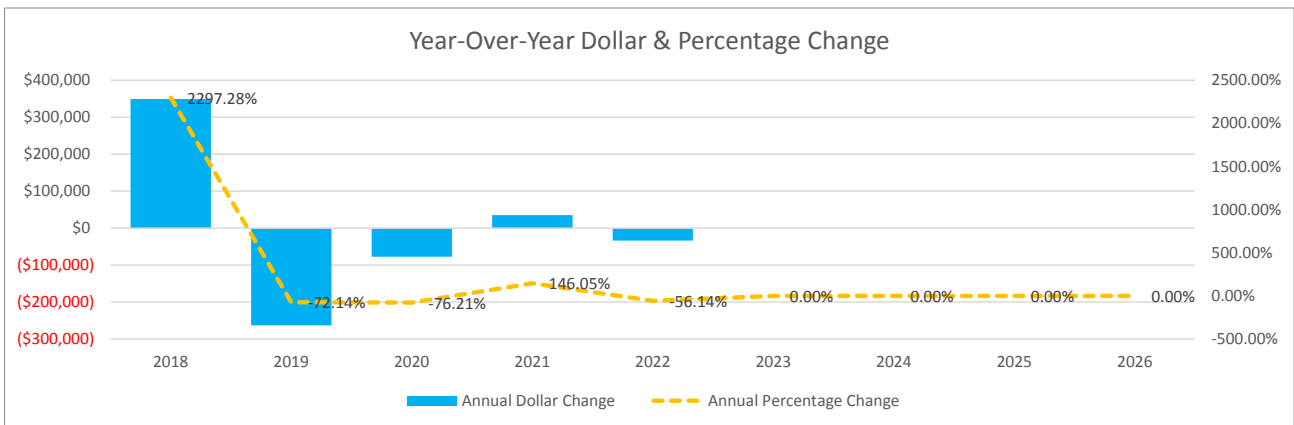
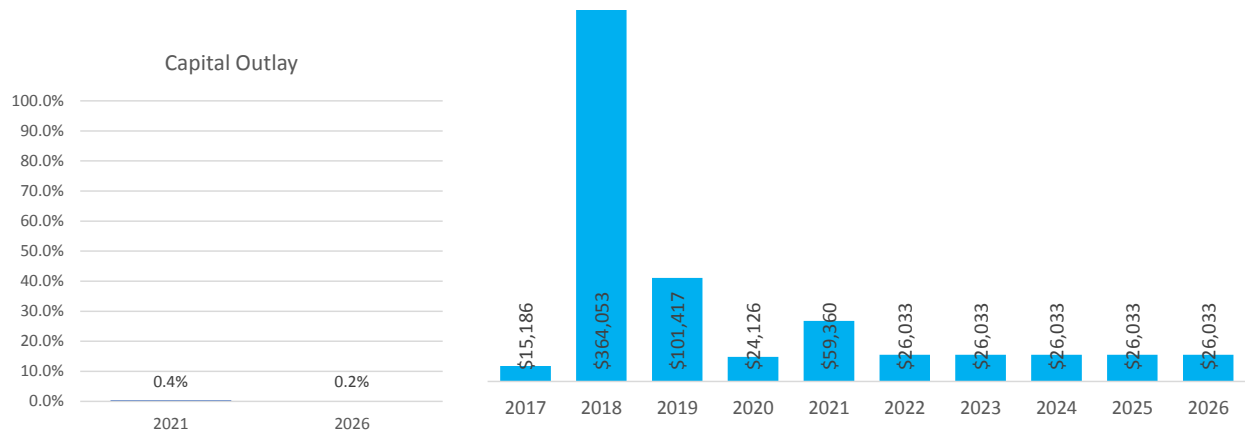
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 5.73% of total expenditures and increased at a historical average annual rate of 8.70%. This category of expenditure is projected to grow at an annual average rate of 1.01% through FY 2026. The projected average annual rate of change is -7.69% less than the five year historical annual average.

3.050 - Capital Outlay

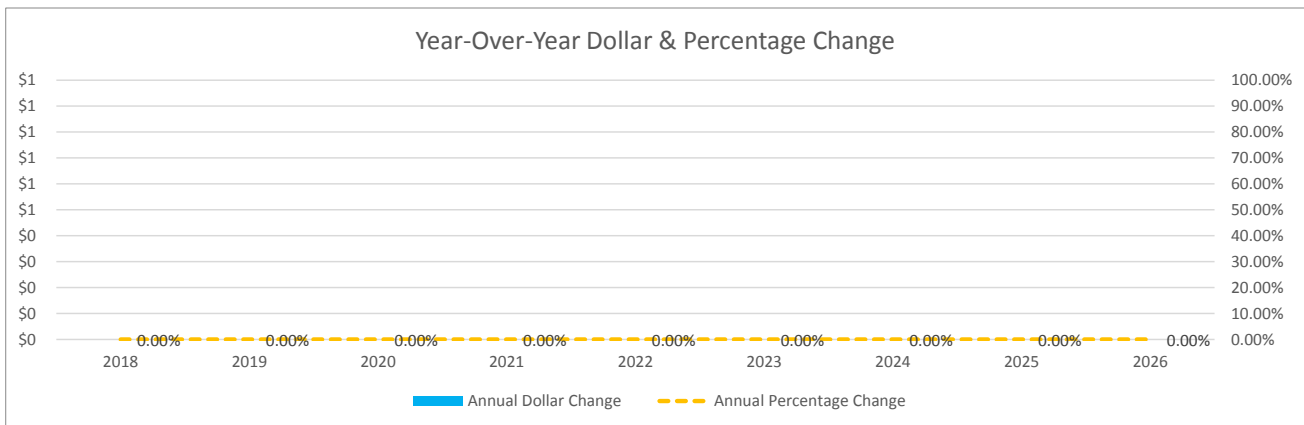
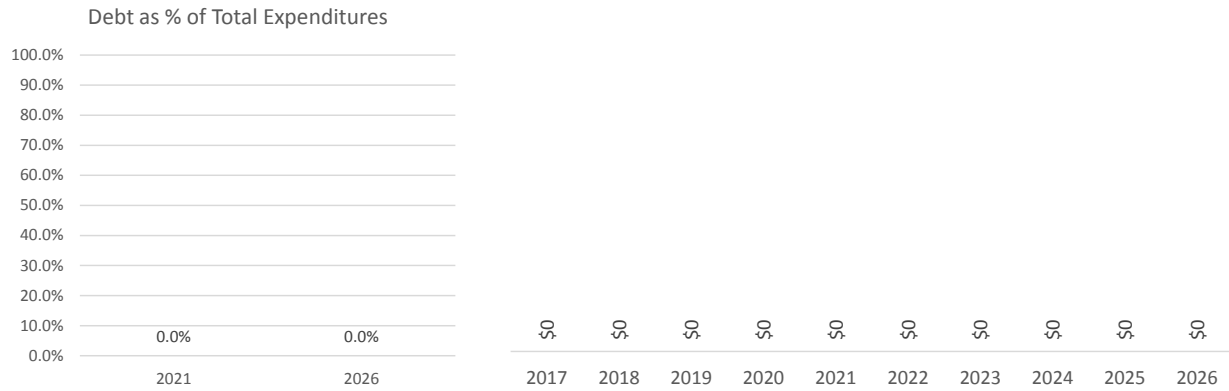
This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay represent 0.40% of total expenditures and increased at a historical average annual amount of \$8,025. This category of expenditure is projected to decrease at an annual average rate of -\$6,666 through FY 2026. The projected average annual change is less than the five year historical annual 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.

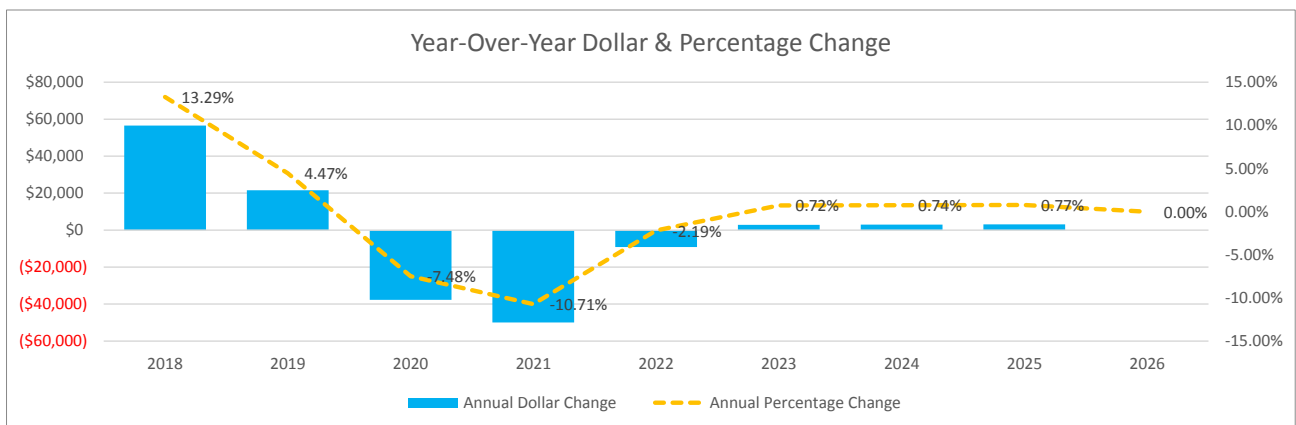
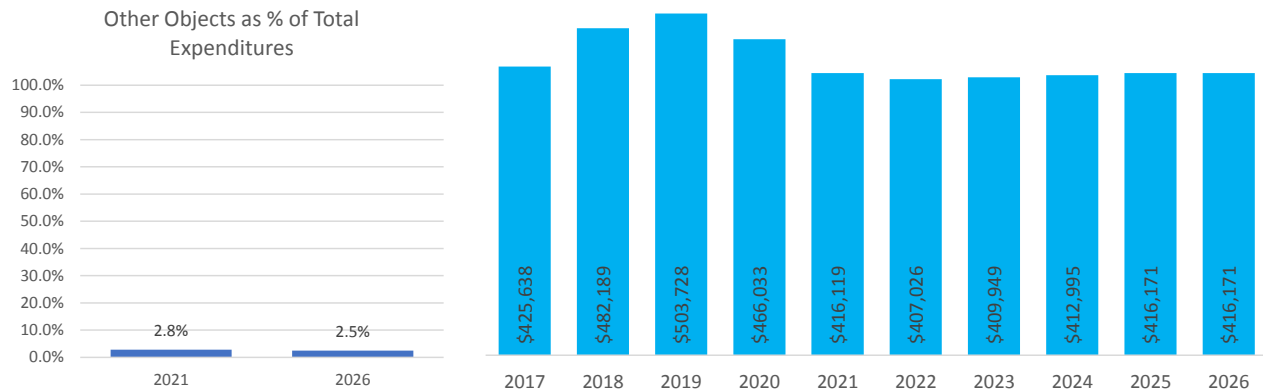


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

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4.300 - Other Objects

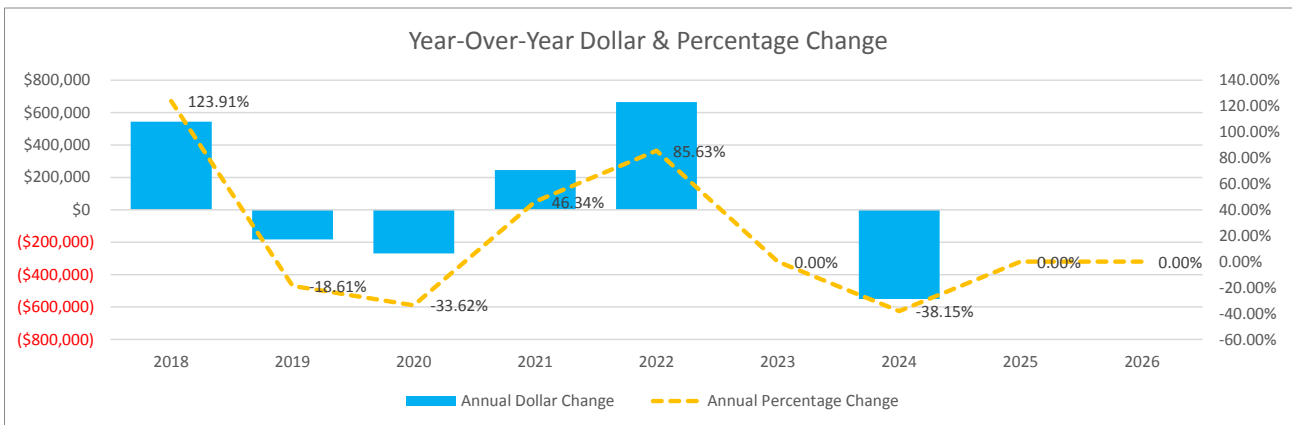
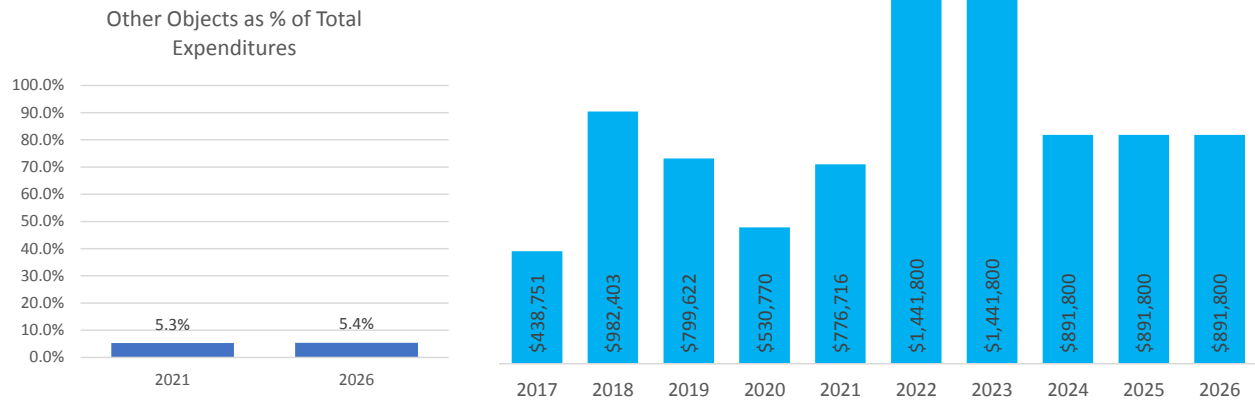
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 2.82% of total expenditures and increased at a historical average annual rate of 7.29%. This category of expenditure is projected to grow at an annual average rate of 0.00% through FY 2026. The projected average annual rate of change is -7.28% 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.



	2021	2022	2023	FORECASTED		
				2024	2025	2026
Transfers Out	776,716	1,441,800	1,441,800	891,800	891,800	891,800
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 2021 the district had no advances-out and has no advances-out forecasted through FY 2026. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2026. 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.

Dawson-Bryant Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2021	2022	2023	2024	2025	2026
Revenue:						
1.010 - General Property Tax (Real Estate)	1,304,202	1,397,903	1,291,006	1,300,743	1,301,606	1,323,310
1.020 - Public Utility Personal Property	220,744	458,625	924,074	929,224	934,374	939,524
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	9,881,961	10,699,981	10,748,496	10,860,547	10,862,234	11,314,180
1.040 - Restricted Grants-in-Aid	1,229,889	1,531,161	1,675,221	2,248,983	2,601,107	3,037,000
1.050 - Property Tax Allocation	265,669	252,879	256,823	263,210	263,710	267,392
1.060 - All Other Operating Revenues	1,950,729	202,899	202,899	202,899	202,899	202,899
1.070 - Total Revenue	14,853,194	14,543,448	15,098,519	15,805,606	16,165,930	17,084,305
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	153,858	140,000	150,000	150,000	150,000	150,000
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	-	5,449	5,449	5,449	5,449	5,449
2.070 - Total Other Financing Sources	153,858	145,449	155,449	155,449	155,449	155,449
2.080 - Total Rev & Other Sources	15,007,052	14,688,897	15,253,968	15,961,055	16,321,379	17,239,754
Expenditures:						
3.010 - Personnel Services	7,720,135	7,539,344	7,739,198	8,472,916	8,867,609	9,157,080
3.020 - Employee Benefits	3,107,210	2,991,926	3,118,883	3,508,774	3,677,763	3,835,603
3.030 - Purchased Services	1,845,985	1,219,420	1,240,331	1,259,487	1,259,487	1,259,487
3.040 - Supplies and Materials	846,501	823,621	847,964	873,525	889,998	889,998
3.050 - Capital Outlay	59,360	26,033	26,033	26,033	26,033	26,033
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	416,119	407,026	409,949	412,995	416,171	416,171
4.500 - Total Expenditures	13,995,310	13,007,369	13,382,358	14,553,731	15,137,062	15,584,372
Other Financing Uses						
5.010 - Operating Transfers-Out	776,716	1,441,800	1,441,800	891,800	891,800	891,800
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	776,716	1,441,800	1,441,800	891,800	891,800	891,800
5.050 - Total Exp and Other Financing Uses	14,772,026	14,449,169	14,824,158	15,445,531	16,028,862	16,476,172
6.010 - Excess of Rev Over/(Under) Exp	235,026	239,728	429,810	515,524	292,517	763,582
7.010 - Cash Balance July 1 (No Levies)	7,422,796	7,657,822	7,897,550	8,327,361	8,842,885	9,135,402
7.020 - Cash Balance June 30 (No Levies)	7,657,822	7,897,550	8,327,361	8,842,885	9,135,402	9,898,984
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	7,657,822	7,897,550	8,327,361	8,842,885	9,135,402	9,898,984
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	7,657,822	7,897,550	8,327,361	8,842,885	9,135,402	9,898,984
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	7,657,822	7,897,550	8,327,361	8,842,885	9,135,402	9,898,984

