



Town of Bristol, Indiana



Comprehensive Financial Plan

September 18, 2025

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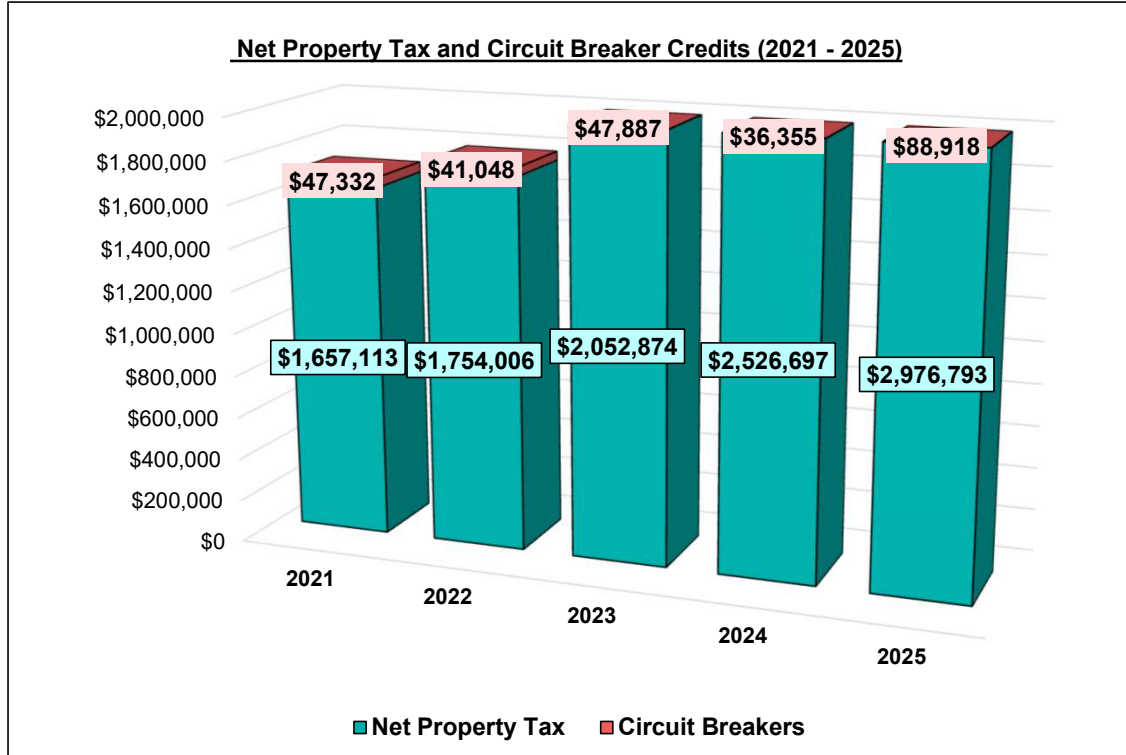


Comprehensive Financial Plan



HISTORICAL LOOKBACK

Overview of Property Tax Caps and Circuit Breaker Credits



Property Tax Caps Overview

Indiana limits property taxes to 1% for homeowners, 2% for residential and agricultural, 3% for others.

Circuit Breaker Tax Credits

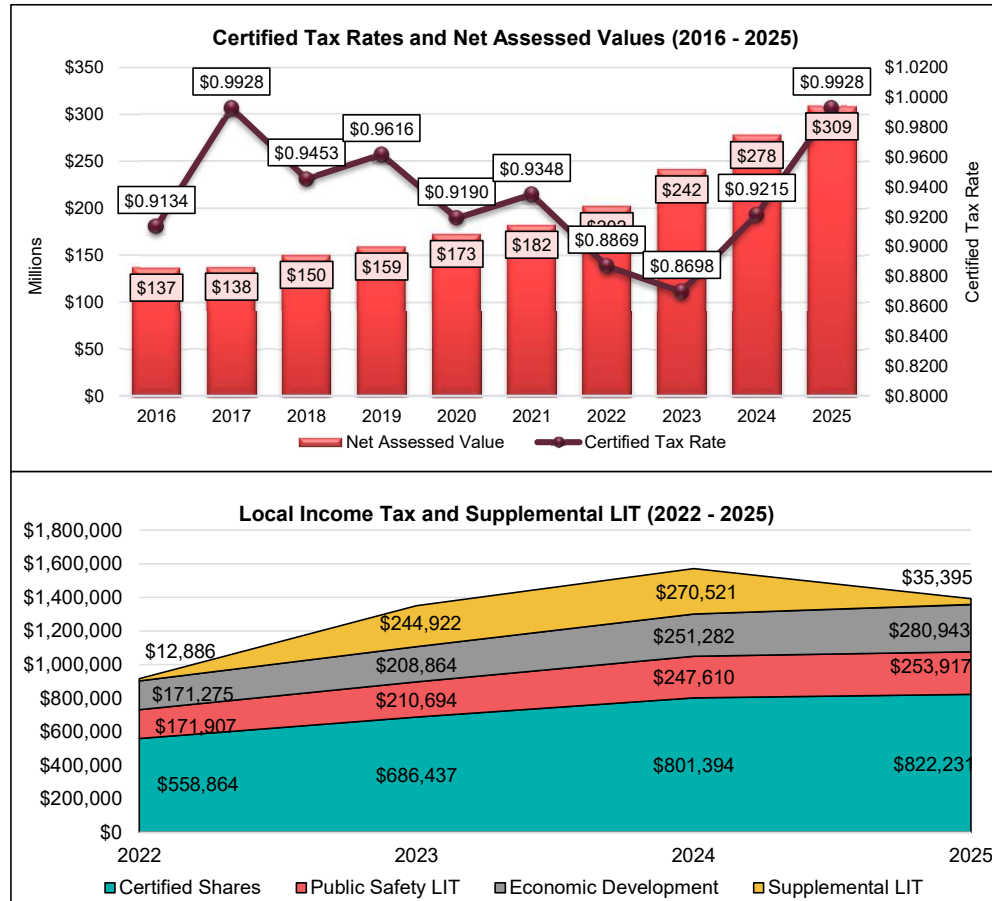
Circuit breaker credits reduce property taxes collected, funded by local taxing units, totaling 3% in 2025.

Circuit Breaker is expected to increase beginning in 2026 due to legislative changes (SEA-1).



HISTORICAL LOOKBACK

Certified Tax Rates and Net Assessed Values



Trends in Certified Tax Rates

Town tax rates increased by 8.7% from 2021 to 2025. This is mainly due to the debt service tax rate for the 2023 General Obligation Bonds, as well as three-year growth levy appeals the Town has been awarded.

Growth in Net Assessed Value

Net assessed property values increased by 126%, rising from \$137 million in 2016 to \$309 million in 2025.

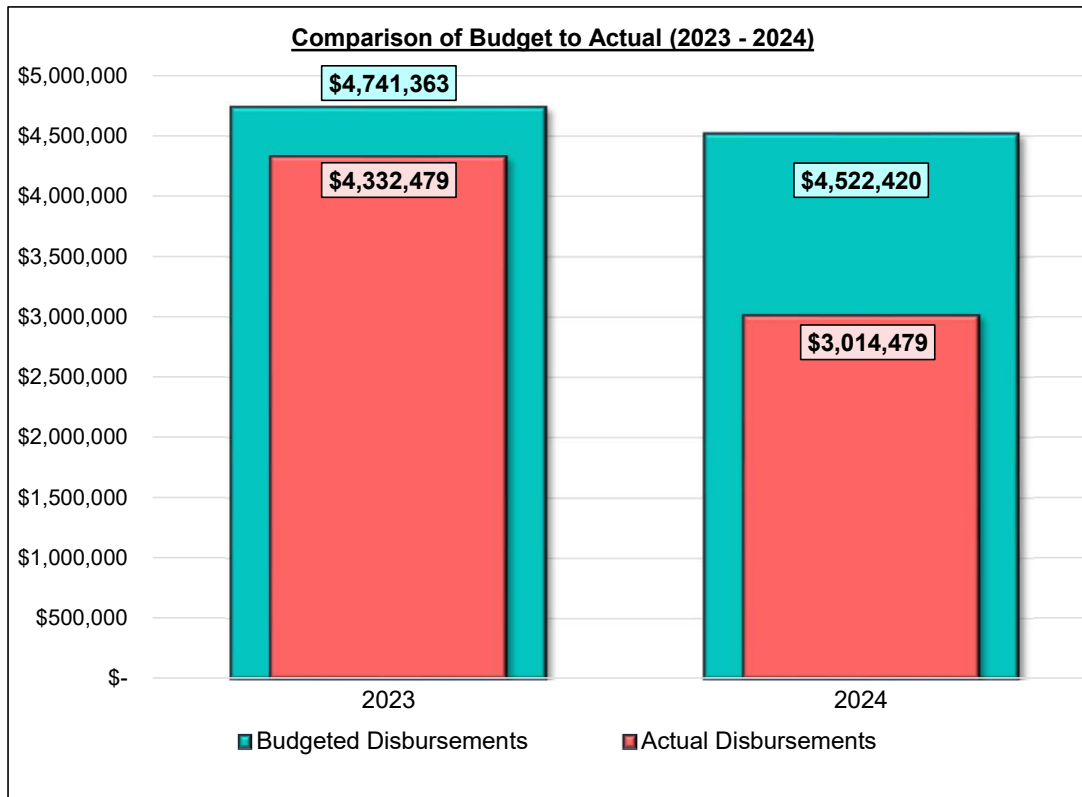
Local Income Tax Increase

Local income tax collections increased approximately 52%, from \$915k in 2022 to \$1.39 million in 2025.



HISTORICAL LOOKBACK

Comparison of Budgeted vs Actual Disbursements (2023-2024)



Budget vs Actual Overview

The Town spent 91% of its budget in 2023, and 67% of budget in 2024. This was mainly due to less than anticipated capital spending in 2024.

Importance of Accurate Budgeting

Precise budgeting ensures efficient public fund use, prioritizes services, and supports sustainable community growth.



Assumptions Included

Revenues

- MLGQ – Property Tax growth capped at 4% for 2026 through 2029
- Assumes levy appeal of \$248k is added to the Town's max levy
- Local Income Tax
 - 2025 and 2026 – DLGF Certified and Estimated, respectively.
 - 2027 through 2029 – Historical growth rate applied to 2026 DLGF estimates
 - Starting in 2028, current LIT will be eliminated. This study assumes the County adopts a LIT rate for populations under 3,500 that would generate 50% of the Town's current LIT revenue to be conservative.
- Other Taxes and Intergovernmental
 - CVET, FIT and Excise directly linked to property tax amounts using 2025 allocation rate.
- Other Miscellaneous Revenues
 - Based on historical averages and trends.

Assumptions Included

Disbursements

- 2025 & 2026
 - Based on adopted & proposed budgets
- Years 2027 through 2029
 - Includes a 3% inflationary increase in Personal Services, Supplies and Services and Charges.
- Capital Outlays for 2025 through 2029
 - Linked directly to the capital improvement plan developed as provided by the Town Manager.

Assumptions Included

Other

- Net Assessed Value
 - For years 2026 through 2029, a growth rate of 0% was assumed. This is very conservative and while we expect the Town to continue to see growth as it has in the past, SEA-1 may bring impacts to growth
- Circuit Breakers
 - 2025 based on DLGF Circuit Breaker Report.
 - Years 2026 through 2029 show a flatlined circuit breaker percentage.
- Legislative Services Agencies (LSA) – Estimated Loss
 - LSA released a report estimating the monetary impacts surrounding SEA-1 for all units in Indiana for years 2026 through 2028.
 - For reporting purposes, this loss was distributed amongst all property tax funds based on the allocation of levy being received each year and flatlined for 2029.

ESTIMATED FUND RESULTS

Change in Fund Balance

TOWN OF BRISTOL, INDIANA

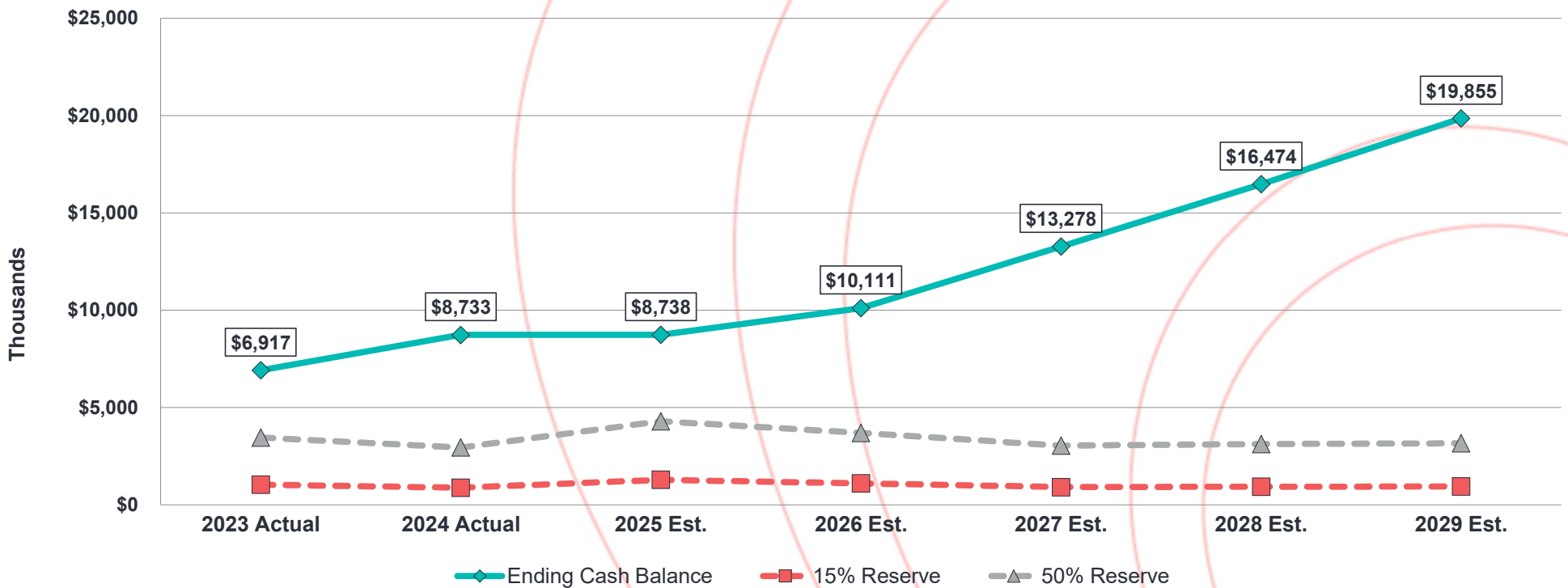
SUMMARY OF ESTIMATED IMPACT

Fund Name	Pg. #	ACTUAL		ESTIMATED					Five - Year Estimated Change
		2023	2024	2025	2026	2027	2028	2029	
		(----- Rounded to the nearest \$100 -----)							
General	9	\$271,048	\$727,962	\$279,100	\$427,400	\$595,000	\$547,100	\$468,200	\$2,316,800
Motor Vehicle Highway	11	104,899	(24,694)	65,600	179,600	221,500	228,200	235,900	930,800
Local Road and Street	13	(154,869)	46,480	(36,900)	47,100	47,100	47,100	47,100	151,500
Restricted Motor Vehicle Highway	14	(24,752)	37,414	(133,400)	37,600	37,600	37,600	37,600	17,000
Park	15	(84,707)	(58,296)	36,300	32,100	33,900	35,300	37,100	174,700
Cemetery	17	(30,174)	6,636	4,300	4,200	3,600	3,100	2,600	17,800
Public Safety LIT	19	(150,807)	106,111	(11,000)	4,400	33,300	(300,800)	(19,900)	(294,000)
EDIT	21	(498,665)	153,057	(297,400)	(131,800)	273,300	(106,100)	(109,300)	(371,300)
Stormwater MS-4	23	(186,802)	58,955	(107,400)	76,400	75,000	73,500	72,000	189,500
Raber Golf Course	25	36,569	36,000	36,000	-	-	-	-	36,000
Cumulative Capital Improvement	27	(59)	(1,102)	3,000	3,000	3,000	3,000	3,000	15,000
Cumulative Fire Equipment	28	(50,753)	(38,717)	(38,100)	59,900	59,300	58,500	58,000	197,600
Cumulative Capital Development	29	(104,387)	45,545	154,000	30,200	150,200	149,900	150,000	634,300
TIF South Street	31	(422,132)	(738,324)	(440,800)	474,600	728,200	690,100	651,300	2,103,400
TIF North Street	31	35	1,667	1,700	1,700	1,700	1,700	1,700	8,500
TIF East	32	380,532	401,265	(501,700)	40,300	140,300	140,300	140,300	(40,500)
TIF GGT	33	10,813	135,050	316,100	139,000	529,500	529,500	529,500	2,043,600
TIF Seahawk	34	210,961	666,306	209,800	(659,200)	145,800	145,800	145,800	(12,000)
TIF Rail Park	35	-	117,130	97,100	173,300	650,800	650,700	650,600	2,222,500
TIF Valmount	36	-	137,674	368,300	(225,600)	242,900	261,300	279,700	926,600
Totals		\$801,750	\$1,749,602	(\$1,423,900)	\$714,200	\$3,972,000	\$3,195,800	\$3,381,200	\$9,839,300



ESTIMATED FUND RESULTS

Estimated Fund Balance versus Recommended Reserves



- 50% Cash Reserves – if all revenue stops tomorrow, you'd have enough cash on hand to operate for 6 months.
- 15% Cash Reserves – if all revenue stops tomorrow, you'd have enough cash on hand to operate for 2 months.



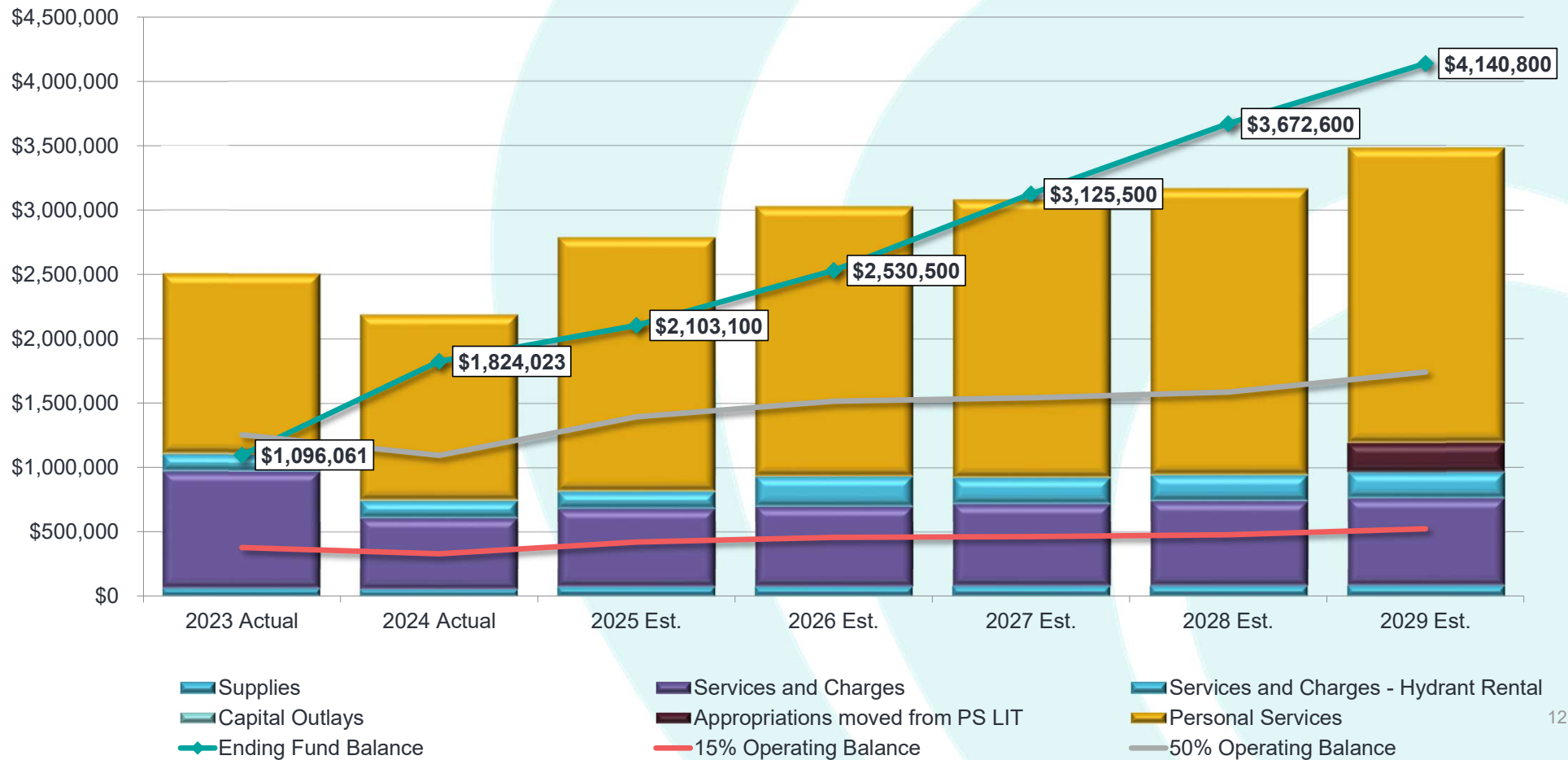
ESTIMATED FUND RESULTS

General Fund – In Detail (page 9)

	ACTUAL		ESTIMATED				
	2023	2024	2025	2026	2027	2028	2029
			(----- Rounded to the Nearest \$100 -----)				
Operating Receipts:							
Property Tax	\$1,690,173	\$1,840,446	\$2,123,000	\$2,509,800 ⁽¹⁾	\$2,613,500	\$2,721,300	\$2,833,500
Circuit Breaker Tax Credits	(38,528)	(28,371)	(69,300)	(81,900)	(85,300)	(88,800)	(92,500)
Levy Excess/(Shortfall)	60,423	(64,835)	-	-	-	-	-
Est. Shortfall from SEA 1 - 2025	-	-	-	(62,400)	(63,900)	(72,500)	(72,700)
Net Property Tax Collections	1,712,068	1,747,240	2,053,700	2,365,500	2,464,300	2,560,000	2,668,300
LIT Certified Shares	686,437	801,394	822,200	928,000	1,048,100	-	-
Municipal LIT	-	-	-	-	-	988,200	1,116,000
LIT Supplemental Distribution	151,673	167,602	22,000	-	-	-	-
Vehicle Excise, CVET, and FIT	60,435	55,373	63,900	75,500	78,700	81,900	85,300
Charges for Services	15,025	12,454	12,500	12,500	12,500	12,500	12,500
Earnings on Investments	74,102	99,714	66,900	50,500	48,600	48,000	45,100
Rental Receipts	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Licenses and Permits	7,825	2,550	2,600	2,600	2,600	2,600	2,600
Other State Distributed Taxes	6,652	7,244	7,300	7,300	7,300	7,300	7,300
Riverboat Wagering Tax	10,060	10,245	10,200	10,200	10,200	10,200	10,200
Other Receipts	49,282	7,146	-	-	-	-	-
Total Operating Receipts	2,777,859	2,915,262	3,065,600	3,456,400	3,676,600	3,715,000	3,951,600
Operating Disbursements:							
Personal Services	1,401,089	1,445,368	1,973,900	2,097,200	2,160,200	2,225,000	2,291,700
Supplies	61,066	53,128	72,500	75,500	77,800	80,100	82,500
Services and Charges	908,562	554,730	606,600	620,200	638,800	658,000	677,700
Services and Charges - Hydrant Rental	134,074	134,074	133,500	236,100	204,800	204,800	204,800
Capital Outlays	2,020	-	-	-	-	-	-
Appropriations moved from PS LIT	-	-	-	-	-	-	226,700
Total Operating Disbursements	2,506,811	2,187,300	2,786,500	3,029,000	3,081,600	3,167,900	3,483,400
Increase/(Decrease) in Fund Balance	271,048	727,962	279,100	427,400	595,000	547,100	468,200
Beginning Fund Balance	825,013	1,096,061	1,824,000	2,103,100	2,530,500	3,125,500	3,672,600
Ending Fund Balance	\$1,096,061	\$1,824,023	\$2,103,100	\$2,530,500	\$3,125,500	\$3,672,600	\$4,140,800

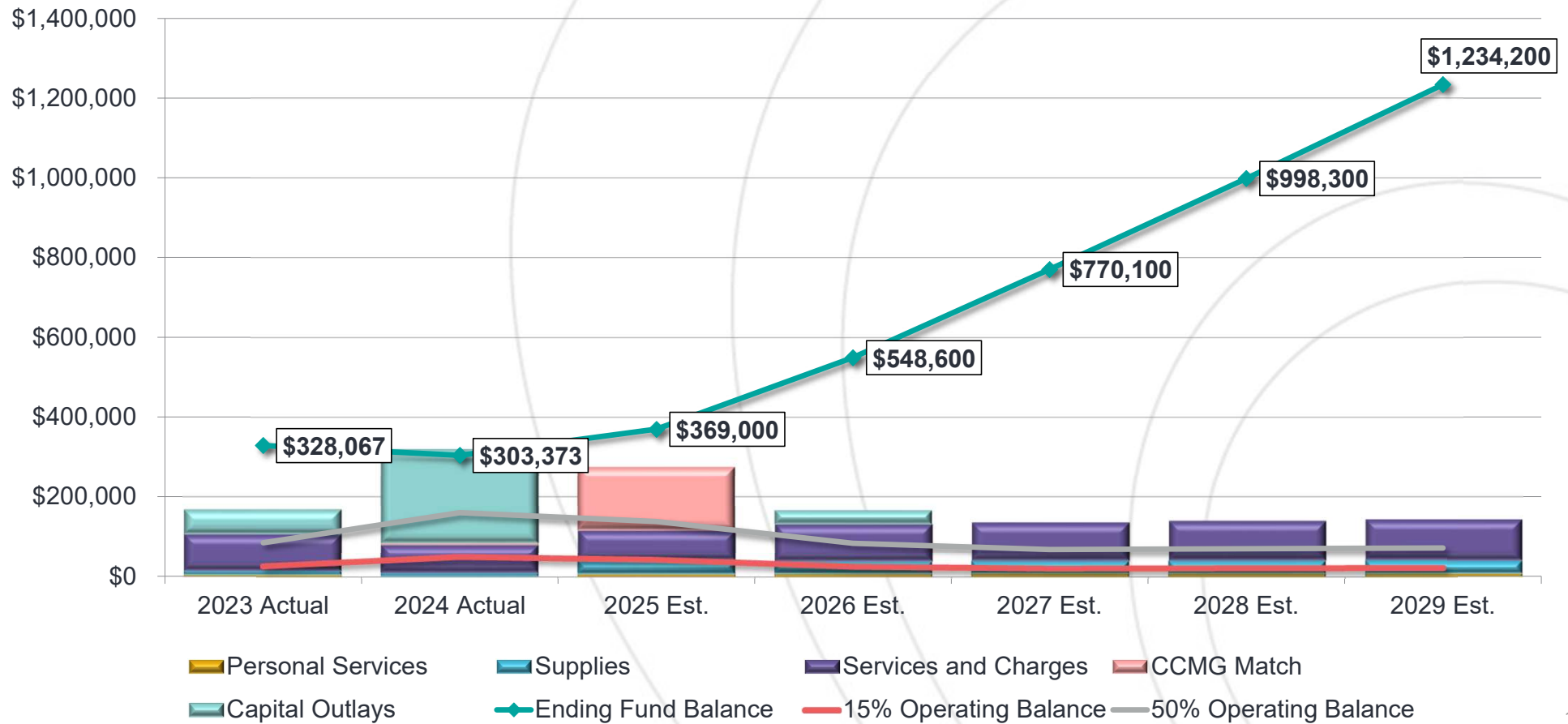
ESTIMATED FUND RESULTS

General Fund



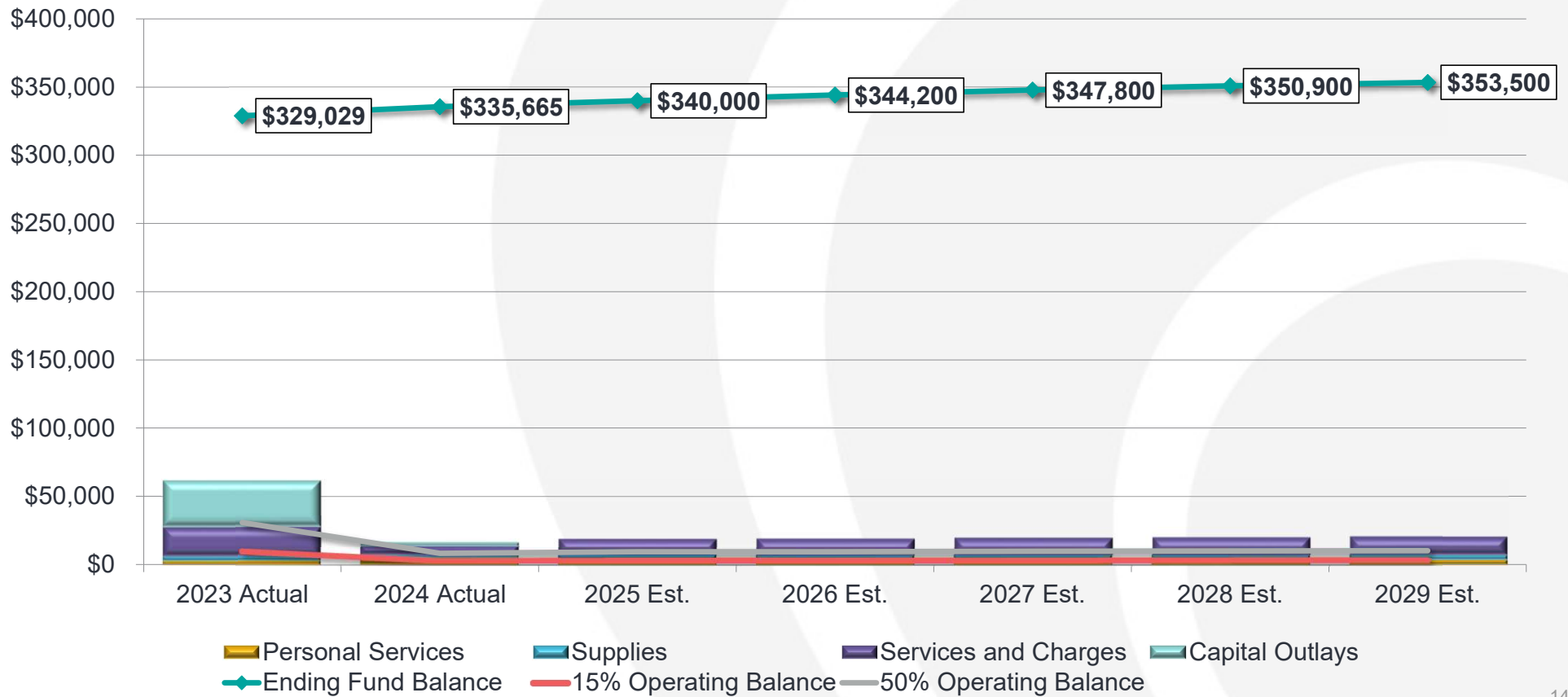
ESTIMATED FUND RESULTS

Motor Vehicle Highway Unrestricted



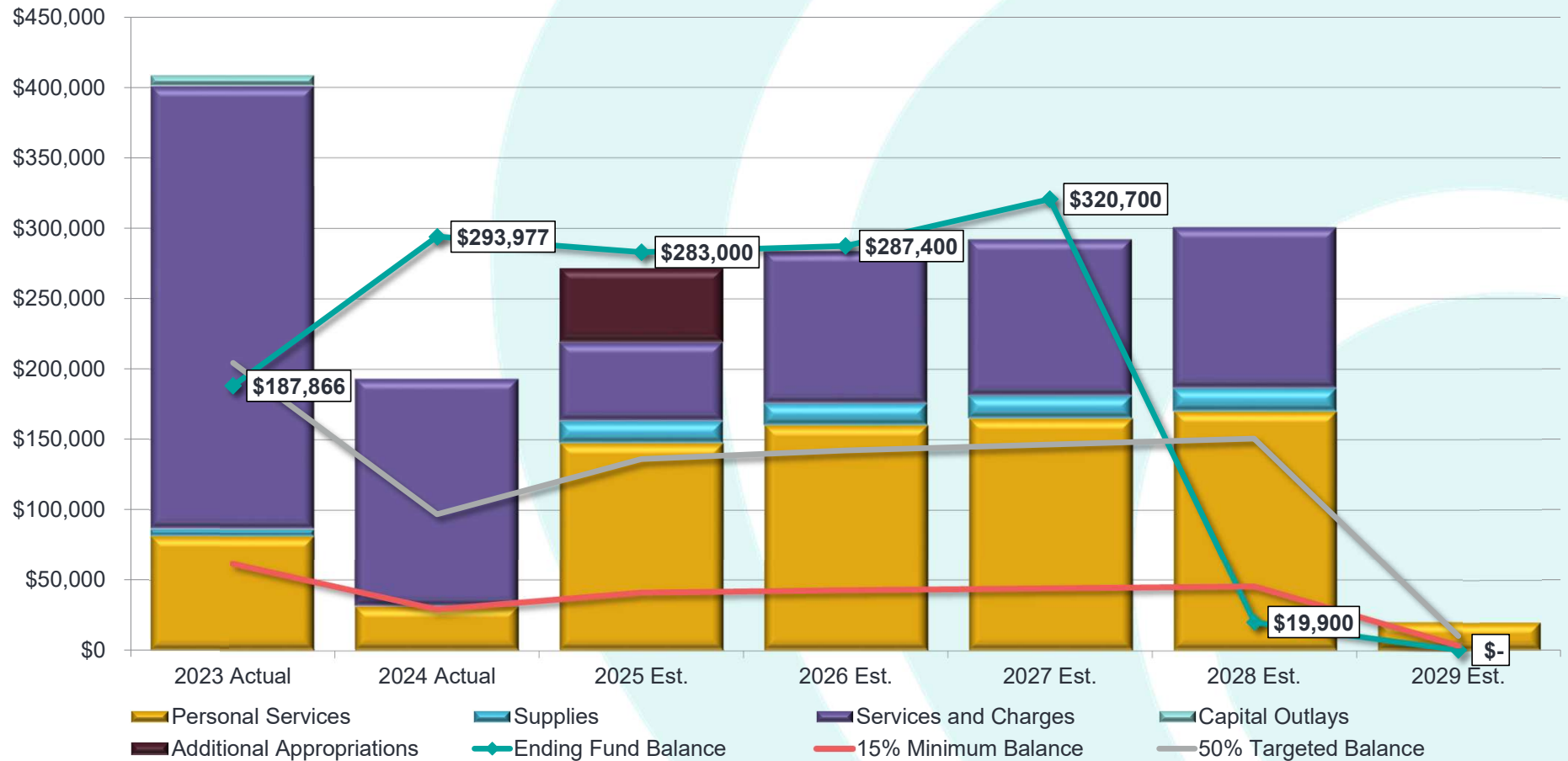
ESTIMATED FUND RESULTS

Cemetery Fund



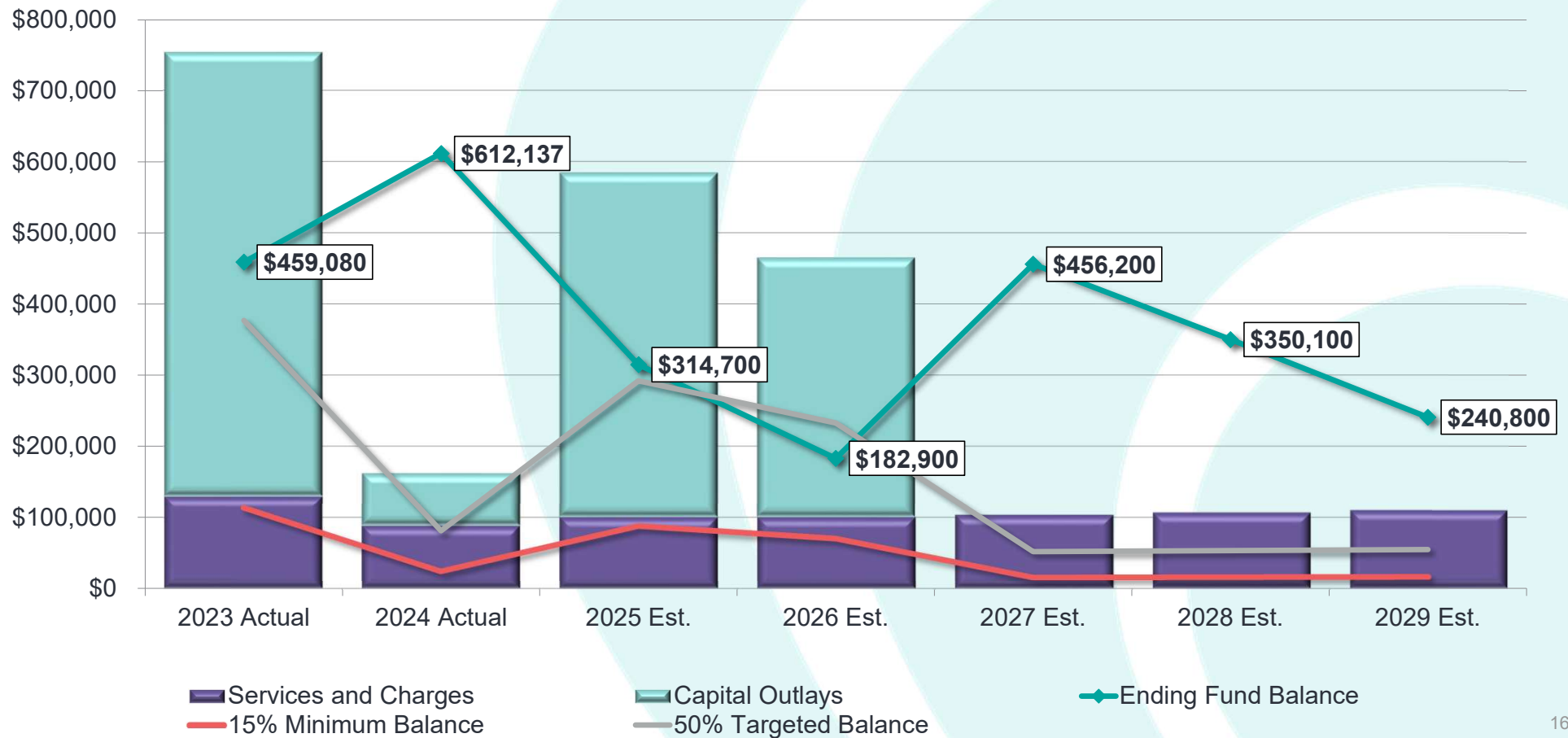
ESTIMATED FUND RESULTS

Public Safety LIT Fund



ESTIMATED FUND RESULTS

Economic Development LIT Fund



CAPITAL IMPROVEMENT PLAN

Developing (and fine tuning) Long-Term Capital Plan *(pages A-1 to A-2)*



With preparation of the 2026 budget, it is important to reconcile the budget to the capital plan developed at the beginning of the year.



Doing so prevents a reactive approach and helps us develop accurate fund estimates.



Goal is to have a purposeful capital budget, not a “just-in-case” budget.



Looking ahead



LOOKING AHEAD

Setting the Scene – Timeline of Changes

2025

- MLGQ for 2026 budget capped at 4%
- County Council may adopt a LIT Expenditure Rate to fund homestead property tax credits
- New controlled project/referendum thresholds for property tax debt effective 7/1/2025

2026

- Year 1 of phasing in of new homestead deduction formulas and new 2% property assessment deduction
- BPP placed in service as of 1/1/2026 exempt from 30% depreciation floor
- BPP *de minimis* exemption amount increase to \$2 million for 1/1/2026 assessment
- MLGQ formula for 2027 budget year reverts to current formula

2027

- Year 2 of phasing in of new homestead deduction formulas and new 2% property assessment deduction
- Final year of LIT distributions under current structure
- Counties and eligible municipalities may adopt LIT under new structure

2028

- Year 3 of phasing in of new homestead deduction formulas and new 2% property assessment deduction
- First year of LIT distributions for eligible entities under new structure

LOOKING AHEAD

Setting the Scene – Timeline of Changes (cont'd)

2029

- Year 4 of phasing in of new homestead deduction formulas and new 2% property assessment deduction
- New procedural requirements for budget year 2030 decisions on increases for property tax rates/levies

2030

- Year 5 of phasing in of new homestead deduction formulas and new 2% property assessment deduction

2031

- Year 6 (final year) of phasing in of new homestead deduction formulas and new 2% property assessment deduction
- LIT rates adopted under new LIT structure expire 12/31/2031 absent adopting body approval of a readoption ordinance in 2031

LOOKING AHEAD

New County Income Tax Limits (Effective Beginning of 2028)

	Expenditure Rate - 2.9% max combined rate					LIT Special Purpose
	County Services (1)	Fire Protection & EMS (1)	Non-Municipal (1)	Municipalities population <3,500	Municipalities population at least 3,500	
Max Rate	1.20%	0.40%	0.20% (2)	1.20%	1.20%	Dependent upon legislation
Adopting Body (3)	County	County	County upon petition from non-municipal units	County upon petition from municipal units	Municipalities	County
Tax Base	AGI of local taxpayers of County	AGI of local taxpayers of County	AGI of local taxpayers of County	AGI of local taxpayers of County excluding those that live in municipalities with a population of at least 3,500	AGI of local taxpayers of municipality	AGI of local taxpayers of County
Uses	Same uses as the General Fund.	Fire Protection & EMS	Same uses as the General Fund.	Same uses as the General Fund.	Same uses as the General Fund.	May be implemented for a specific purpose (like a jail project) by a particular county through special legislation.
Distribution	County	Fire Districts and Territories, Municipal Fire Departments and at the discretion of the County Council, may also be distributed to Township Fire Departments and Volunteer Fire Departments. Allocations based on a formula that includes population and coverage area.	Townships, Libraries and binding review units (excludes FPD's). Allocations by unit type on a pro rata per capita basis.	Municipalities population <3,500 based on a pro rata per capita basis.	Municipalities population at least 3,500	County unit only

Notes:

(1) The combined rate for County Services, Fire Protection/EMS, and Non-Municipal may not exceed 1.7%.

(2) For any given unit type, the tax rate may not exceed .05%.

(3) For taxes implemented beginning in 2031, an annual adoption is required (in the year prior) to renew an expenditure rate for the succeeding year.

(4) A Homestead property tax relief LIT of up to 0.3% is available for the County to implement in 2026 and 2027 (expires 12/31/2027).



LOOKING AHEAD

Fire territories

**Fire Territories
established after
December 31, 2024,
have two limitations:**

- ✓ Fire Territory tax rate limited to \$0.40 per \$100 of assessed value
- ✓ Provider units may not receive additional revenue from a local income tax rate due to increased property tax levy from the fire territory unless County fiscal body adopts an ordinance or resolution approving the allocation



Miscellaneous provisions



Three-year growth excess levy appeals removed



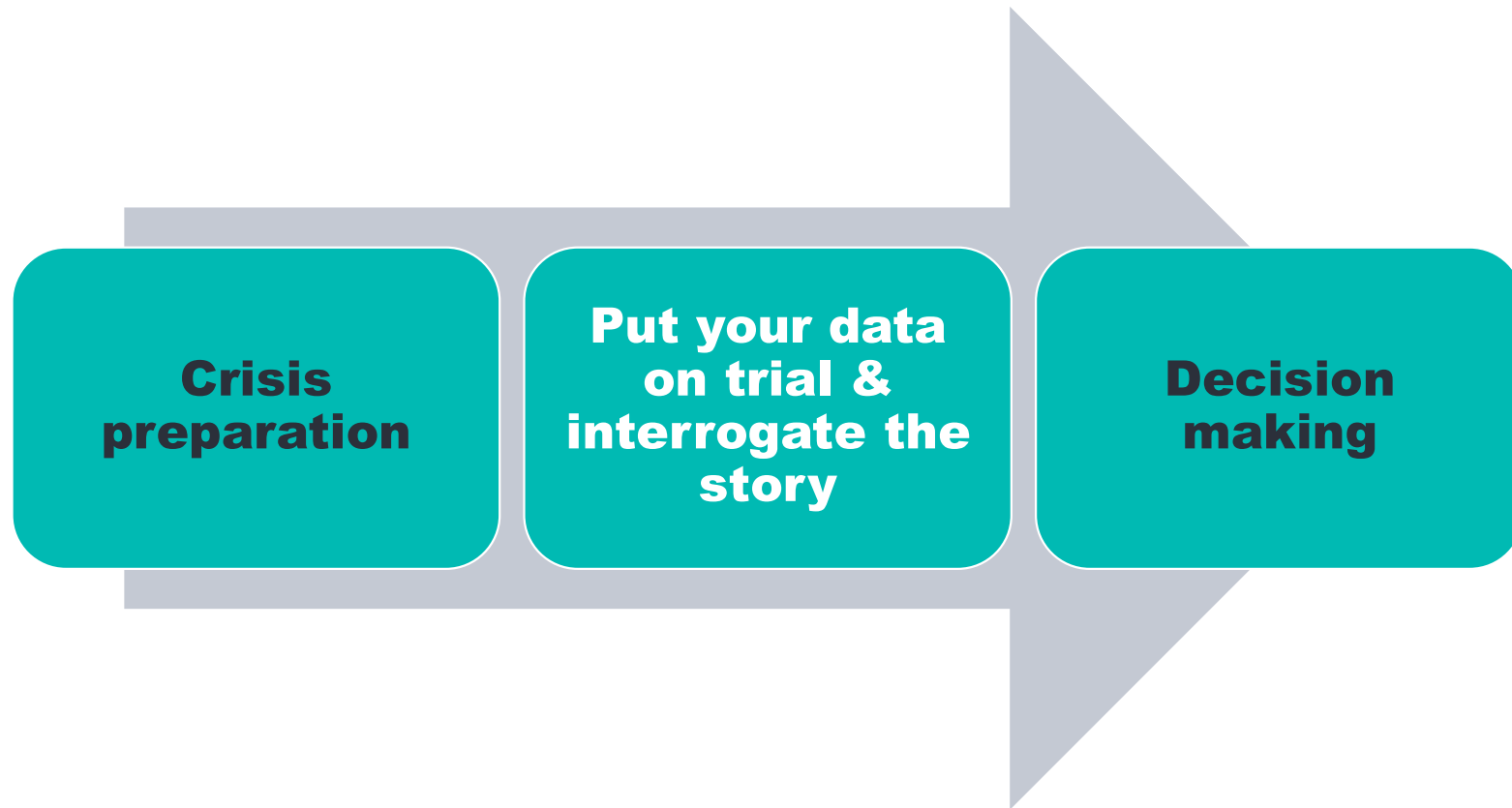
DLGF to develop and maintain a property tax transparency portal by January 1, 2026, where taxpayers can:

Compare property tax liability in current tax statement to potential property tax liability based on changes under a proposed tax rate

Provide taxpayer feedback to the DLGF and local units

LOOKING AHEAD

Fiscal sustainability planning



LOOKING AHEAD

Legislative Impacts Preparation and Response: Overview

- Focus on both the short-term and medium-term now
- Communities taking action now to prepare for full implementation of 2025 legislative changes will be in a better position to absorb impacts and adapt to future changes



LOOKING AHEAD

Addressing Legislative Changes in your Community: Analyze the Impacts



Review changes to assessment deductions and property tax credits



Evaluate the new BPP assessment regime in the context of your community



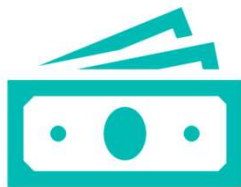
Analyze the LIT structure changes and estimate future revenues



Conduct a county-wide parcel analysis to estimate property tax revenue changes

LOOKING AHEAD

Addressing Legislative Changes in your Community: Long-Term Planning



Develop Comprehensive Financial Plans that integrate capital and operational budgets



Conduct unit- or county-wide operational assessments to streamline services, increase efficiency, and eliminate duplication



Design strategic plans to support long-term fiscal sustainability and adaptability

Questions?

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