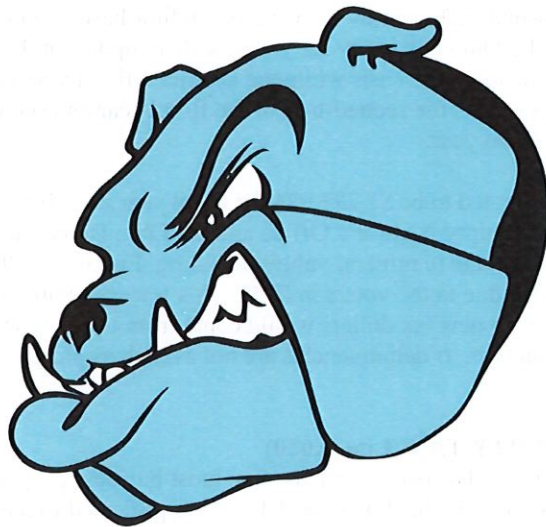


**BRIDGEPORT EXEMPTED
VILLAGE SCHOOL
DISTRICT**



**FY 2022 FALL FORECAST
ASSUMPTIONS**

**Bridgeport Local School District
Five-Year Forecast
FY 2022 Assumptions
November 2021**

GENERAL OVERVIEW

This report projects revenues and expenses for Fiscal Years 2022 through 2026 and was prepared for the Bridgeport Exempted Village School District Board of Education. The report attempted to use the most current and readily available information at the time of preparation.

All forecasts include an inherent assumption that changes will occur over time. These changes, will effect the outcome of the forecast. The Board of Education has both control over and no control over factors impacting the forecast. For these reasons, the Bridgeport Exempted Village School District considers the forecast a continual work in progress.

FORECAST RISKS AND UNCERTAINTY

The document accompanying these written assumptions is based on current legislation, historical trends, social issues, and other factors that are known, as of this date. The assumptions, in the forecast, could change drastically with the passage of new federal and/or state legislation, local property values, state funding formula, enrollment and educational programs offered by the Bridgeport Exempted Village School District.

6.010 Excess of Revenues over/(under) Expenditures

This line is a good measure of a district's financial health. A positive balance indicates revenues are sufficient to cover expenditures while a negative balance indicates deficit spending.

REVENUE ASSUMPTIONS

GENERAL PROPERTY TAX (REAL ESTATE) (Line 1.010)

Property values are established each year by the County Auditor based on new construction and updated values. A reappraisal is mandated by Ohio law every six years, with an update at the three-year midpoint. These are levied and assessed on a calendar year basis while the District's fiscal year runs from July through June. First-half tax collections are received in the second-half of the fiscal year and second-half tax collections occur in the first-half of the following fiscal year.

General Property Tax is estimated to be \$1,782,926 for fiscal year 2022 based on the most recent tax data estimates obtained from the Belmont County Auditor's Office and the Ohio Department of Taxation. Fiscal years 2022 and 2023 are projected to decrease due to mineral values declining. Fiscal year 2024-2026 shows a large decline due to a 6 mill operating levy that is due to the voters in 2024. This levy generates approximately \$548,656 per year. This is a renewal levy, therefore, no new tax dollars would come from this. These projections reflect the current state of the economy and social situation. If delinquencies are not as high as projected, the BEVSD will realize an increase in local revenue.

TANGIBLE PERSONAL PROPERTY TAX (Line 1.020)

Tangible Personal Property Tax has been eliminated on most business property and only natural gas and electric public utilities TPP taxes remain in this line item. BEVSD is projected to received \$594,884 in fiscal year 2022. In fiscal years 2023-2026 the amount stays the same as the uncertainty of the amount on this line is in question year in and year out.

UNRESTRICTED GRANTS-IN-AID (Line 1.035)

Unrestricted Grants-in-Aid is estimated to be approximately \$5,500,000 during fiscal year 2022, which is based on information from the state's most current School Finance Payment Report. This is only an **ESTIMATE**, due to the newly passed funding formula not being implemented until December. In the spring forecast, the district will have a better understanding of where we fall in state revenue. In fiscal year 2023, we show an increase in funding. In fiscal years 2024-2026 the amount drops down to what we received in FY2021 due to the uncertainty of the Fair School Funding plan being brought back to the legislators.

RESTRICTED STATE GRANTS-IN-AID (Line 1.040)

Restricted Grants-in-Aid is estimated at approximately \$169,000 during fiscal year 2022 based on information from the state's most current foundation settlement report. The Restricted Grants-in-Aid line item consists of Career Tech Aid, Gifted Funding and Disadvantaged Pupil Impact Aid (DPIA). DPIA will include previously received funds from Student Wellness & Success that was tracked out of the general fund. These restricted funds are projected to increase due to the addition of Student Wellness & Success funds coming to the general fund. Until further guidance is given by ODE, this line will be flat lined.

PROPERTY TAX ALLOCATION (Line 1.050)

Property Tax Allocation line item includes Homestead Exemption, Homestead & Rollback. Homeowners are given a 10% property tax rollback from the state and an additional 2.5% rollback was established in 1979. Effective 2014, these rollbacks are eliminated for any levy except renewals. Effective 2014, all new Homestead Exemptions applications are means tested and households earning more than \$30,000 in Ohio Adjusted Gross Income in the prior year are ineligible. Current district levies are not affected so this forecast assumes the same trend as property taxation above.

Property Tax Allocation is estimated to be \$230,000 for fiscal year 2022.

ALL OTHER REVENUE (Line 1.060)

All Other Revenues are estimated to be \$250,000 for fiscal year 2022 based on estimated excess cost, interest income, rentals, Medicaid reimbursements and miscellaneous receipts. The large decrease in the funding amount from previous years is due to the State funding formula which eliminates a receipt to open enrollment on this line item. Currently, projections are being flat lined for the remaining fiscal years.

ADVANCES-IN (Line 2.05)

No advances are anticipated in FY 2022.

TOTAL OTHER FINANCING SOURCES (Line 2.070)

These amounts are not a significant revenue source for the District.

EXPENDITURE ASSUMPTIONS

PERSONAL SERVICES (Line 3.010)

Personal service costs are estimated to be approximately \$4,939,821 during fiscal year 2022. This line item includes salaries paid to all employees including, part-time employees, supplemental contracts, over-time, and substitutes used by the District. Substantial costs in this line item that have been extremely volatile are substitute employee salaries. The forecast is based on **current staffing levels**. It also includes anticipated salary step increases based upon approved contracts with BEA (through FY 2024) and OAPSE (through FY2024).

The district has chosen to recode certain staff member's salary to School Districts Student Wellness and Success Funds, as allowed by H.B. 166 and to the Elementary and Secondary School Emergency Relief Fund (ESSER) as allowed by the Coronavirus Aid Relief and Economic Security Act (CARES Act). The carryover from previous Student Wellness and Success funds are currently being used to offset salaries as allowed by law. These funds will continue to be expended by the district and once depleted, will return as an expense to the general fund.

Mentioned above, the district used ESSER I funds for salaries of staff members. This falls under the districts use of other activities necessary to maintain and to continue to employ the existing staff due to the previous years projected deficit spending. The district has received additional ESSER funds from the Coronavirus Response and Relief Supplemental Appropriations ESSER II and the American Rescue Plan ARP ESSER III and will continue to pay staff salaries for the reason mentioned above. **These expenses will return to the general fund beginning in FY2025 which is reflected in the forecast.**

Other factors that could impact the forecast but are not included, in the numbers, are the possible elimination of position through attrition, replacing senior teachers with lower paid teachers, and restructuring administrative positions.

EMPLOYEE BENEFITS (Line 3.020)

Fringe Benefits are estimated at \$1,682,300 during fiscal year 2022. Included in this line item are wage driven benefits such as SERS/STRS contributions, Medicare contributions, the SERS Surcharge, Worker's Compensation premiums, and unemployment costs. Please note that these types of benefits will increase in accordance with employee raises. Health care costs are based on schedule of benefits, anticipated number of employees participating in the program, and current monthly premiums. Our district is unique in that we have a BOE cap on employee monthly insurance premiums. Insurance premiums are a significant part of this line item. Fiscal Year 2023-2026 increases of 8% per year, which is the current federal average.

PURCHASED SERVICES (Line 3.030)

This line is used to account for all service related expenditures. These include utilities, ESC contracted services, and professional services contracts. Purchased services are anticipated to be approximately \$1,441,901 during fiscal year 2022. A consistent increase of 1.5% annually is projected from fiscal years 2023 through 2026 to incorporate inflationary costs. The significant decrease in expenses shown from previous years is due to the new state funding formula which eliminates an expense in open enrollment on this line. The nature of these expenses can be extremely volatile and may fluctuate significantly on an annual basis.

SUPPLIES AND MATERIALS (Line 3.040)

Supplies and Materials are projected at \$362,970 for fiscal year 2022. As a result of recent legislation, the School District is no longer required to either spend and/or set-aside monies each year for instructional materials, supplies, and textbooks. While this is no longer a requirement, the district still believes that it is necessary to allocate resources annually to instructional supplies and will continue to invest these dollars accordingly. A flat dollar amount is projected for fiscal years 2023 through 2026. Other expenditures included within this line-item are maintenance/janitorial supplies, bus supplies, bus fuel, technology supplies, etc.

CAPITAL OUTLAY (Line 3.050)

Capital Outlay projected for fiscal year 2022 is projected at \$550,000. This amount reflects our stadium improvement project being shown as well as capital upgrades in the district. Fiscal years 2023-2026 address regular capital maintenance needs and the purchase of a new school bus each fiscal year. Please note that the District continues to make minor capital improvements and/or upgrades to equipment as funds become available. The longer the District operates without making equipment upgrades, as well as making capital improvements, a greater amount of dollars will be needed in the future to remedy these neglected areas.

OTHER OBJECTS (Line 4.300)

This line includes fees paid to the County Auditors for processing tax settlements, state auditor fees, and liability insurance. Other Objects expenditures are projected at \$100,000 for fiscal year 2022 based on anticipated increases. Other Objects expenditures are expected to remain consistent through fiscal year 2026.

PRINCIPAL/INTEREST (Lines 4.010, 4.050, 4.055, 4.060)

This line item includes our district lighting project that was made in 2015. The district will be making principal payments of about \$25,000 until 2030. The district's I-PAD lease will be paid out of ESSER funds in FY2022-FY2024. Once funds have been depleted, the lease will return to the general fund in FY2025. Our stadium improvement project loan payments is reflected on this line as well.

OPERATING TRANSFERS-OUT (Line 5.01)

Operating Transfers-Out is projected to be \$50,000.

OTHER FINANCING SOURCES (Line 5.02)

No significant advances are expected for fiscal year 2023-2026.