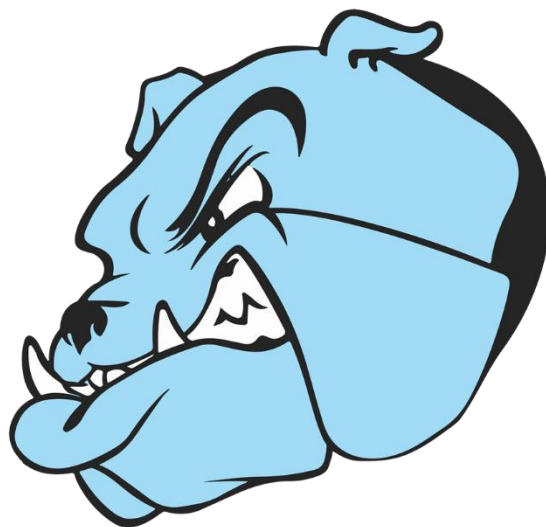


**BRIDGEPORT EXEMPTED
VILLAGE SCHOOL
DISTRICT**



**MAY 2020 FORECAST
ASSUMPTIONS**

Bridgeport Local School District
Five-Year Forecast
FY 2020 Assumptions
May 2020

GENERAL OVERVIEW

This report projects revenues and expenses for Fiscal Years 2020 through 2024 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.

It is being anticipated that COVID-19 will impact funding to the district. The Governor has indicated a 300 million dollar cut in fiscal year 2020. Projection provided by OASBO, BASA and OSBA show that BEVSD will lose \$113,894. The CARES Act created limits on how much K-12 funding can be cut by states. In considering the state's foundation aid as the methodology used for calculating the reduction, funding could be reduced an estimated 5%.

CARES Act provides funds via the Elementary and Secondary School Emergency Relief Fund (ESSER). The funding estimated is based from FY19 Title I allocations. ODE estimate for BEVSD is approximately \$318,000 from ESSER. Since no final guidance has been provided at this time, these funds are not considered in the forecast.

At the local level, the BEVSD has been in conversations with other county schools. Indicators from conversation show that local collection will most likely suffer and delinquency projections should be increased to 10%.

This report is a tool used for planning purposes and is not guaranteed.

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 \$1,939,935 for fiscal year 2020 based on the most recent tax data estimates obtained from the Belmont County Auditor's Office and the Ohio Department of Taxation. Fiscal years 2021, 2023 and 2024 are projected to increase by .5%. Fiscal year 2022 is projected to increase by 3.0% due to TY2021 being an update year in Belmont County. However, in FY2021, these projected increases are being reduced by the effects from COVID-19 and the suggested increase to delinquencies as stated in the Forecast Risks and Uncertainty section of these assumptions. FY2022 through FY2024 show increases prior COVID-19 pandemic.

These projections are a reflection of 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 received \$552,731 in fiscal year 2020. As mentioned

above, revenues in fiscal year 2021 have been decreased by 10% from COVID-19. In fiscal years 2022-2024 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 \$5,271,462 during fiscal year 2020, which is based on information from the state's most current School Finance Payment Report. With the recent news of the budget cuts being made by the State, \$113,894 was reduced from that total amount in fiscal year 2020 from the COVID-19 effects.

RESTRICTED STATE GRANTS-IN-AID (Line 1.040)

Restricted Grants-in-Aid is estimated at approximately \$169,456 during fiscal year 2020 based on information from the state's most current foundation settlement report. The Restricted Grants-in-Aid line item consists of Career Tech Aid and Economically Disadvantaged.

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 \$237,737 for fiscal year 2020.

ALL OTHER REVENUE (Line 1.060)

All Other Revenues are estimated to be \$1,614,896 for fiscal year 2020 based on estimated interest income, rentals, open enrollment, and miscellaneous receipts. Significant changes (increases or decreases) in open enrollment numbers could impact this line item. At this time, projections are being flat lined for the remaining fiscal years.

ADVANCES-IN (Line 2.05)

No additional advances are anticipated for FY 2020.

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 \$4,783,345 during fiscal year 2020. 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 2021) and OAPSE (through FY2021). From fiscal year 2019 to fiscal year 2020, personal services jumped about \$500,000. This is due to five new positions added in the district. 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 \$1,450,000 during fiscal year 2020. 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 very 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 2020 decreased due to being awarded two premium holidays. Fiscal Year 2021 increases by 3.85% while 2022, 2023 and 2024 include increases of 10% per year.

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 \$2,390,546 during

fiscal year 2020. In fiscal year 2020, the purchased services decreased due to our open enrollment cost dropping significantly. A consistent increase of 3% annually is projected from fiscal years 2021 through 2024 to incorporate inflationary costs. This calculation takes into account open enrollment out of the district, community school students leaving the District, utilities (telephone service, postage, electricity, heating/cooling, etc.), and maintenance/repair agreements. 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 \$300,352 for fiscal year 2020. 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 1% increase is projected for fiscal years 2021 through 2024. 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 2020 is projected at \$88,500. Fiscal years 2020-2024 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 2020 based on anticipated increases. Other Objects expenditures are expected to remain consistent through fiscal year 2024.

PRINCIPAL-HB 264 LOANS (Line 4.050)

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. This amount is reflected on this line.

PRINCIPAL-OTHER (Line 4.055)

This line item includes our I-PAD lease payment in fiscal year 2020. In fiscal years 2021-2024 this dollar amount is reflected on this line as well as the district plans to renew its lease for years to come. In addition, fiscal year 2021-2024 shows a potential stadium improvement project payment. This dollar amount is reflected on this line and is expected to be on here for years to come.

INTEREST and FISCAL CHARGES (Line 4.060)

This line item reflects any interest payments that are associated with our principal payments (Line 4.055). In fiscal year 2020, this dollar amount consists of our house bill 264 and I-Pad lease interest payments. In fiscal years 2021-2024, this line will also include a potential stadium improvement project interest payment as well.

OPERATING TRANSFERS-OUT (Line 5.01)

Operating Transfers-Out is projected to be \$34,653 for the house bill 264 payment on our lighting project. The district will discontinue transferring these funds from the general fund and will continue paying from the general fund.

OTHER FINANCING SOURCES (Line 5.02)

No significant advances are expected for fiscal year 2021-2024.