

**MCDONALD LOCAL SCHOOL DISTRICT BOARD OF EDUCATION  
REGULAR MEETING  
WEDNESDAY, NOVEMBER 18, 2020 – 7:00 P.M.  
MCDONALD LOCAL SCHOOLS FACEBOOK LIVE  
Facebook Link on [www.mcdonald.k12.oh.us](http://www.mcdonald.k12.oh.us)  
MCDONALD, OHIO 44437**

**AGENDA**

I. Call to Order – Board President                      Time: \_\_\_\_\_

II. Roll Call:

Mr. Cappuzzello \_\_\_\_\_ Mr. Hannon \_\_\_\_\_ Mrs. Klase \_\_\_\_\_  
Mrs. Shields \_\_\_\_\_ Mr. Saganich \_\_\_\_\_

“Notice of this meeting was given in accordance with the provisions of  
Section 1.450 of the O.R.C. and the Ohio Administrative Procedures Act.”

III. Pledge of Allegiance

IV. Approve agenda for Regular Meeting of November 28, 2020

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

V. Approval of Board Minutes:

Regular Meeting – October 14, 2020

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

VI. Executive Session – O.R.C. 121.22

\_\_\_\_\_ moved and \_\_\_\_\_ seconded, that the McDonald Local School District Board of Education go into Executive Session at \_\_\_\_\_ p.m. and that the following resolution be adopted.

**WHEREAS**, as a public Board of Education may hold an executive session only after a majority of the quorum of this board determines by a roll call vote to hold

such a session and only at a regular or special meeting for the sole purpose of the consideration of any of the following matters:

- A. To consider one or more, as applicable, of the check marked items with respect to a public employee or official:
  - 1. \_\_\_\_\_ Appointment
  - 2. \_\_\_\_\_ Employment
  - 3. \_\_\_\_\_ Dismissal
  - 4. \_\_\_\_\_ Discipline
  - 5. \_\_\_\_\_ Promotion
  - 6. \_\_\_\_\_ Demotion
  - 7. \_\_\_\_\_ Compensation
  - 8. \_\_\_\_\_ Investigation of charges/complaints (unless public hearing requested)
- B. To consider the purchase of property for public purposes or for the sale of property at competitive bidding.
- C. Conferences with an attorney for the public body concerning disputes involving the public body that are the subject of pending or imminent court action.
- D. Preparing for, conducting, or reviewing negotiations or bargaining sessions with public employees concerning their compensation or other terms and conditions of their employment
- E. Matters required to be kept confidential by federal law or rules or state statutes.
- F. Specialized details of security arrangements where disclosure of the matters discussed might reveal information that could be used for the purpose of committing or avoiding prosecution for a violation of the law.

**NOW, THEREFORE, BE IT RESOLVED**, that the McDonald Local School District Board of Education, by a majority of the quorum present at this meeting, does hereby declare its intention to hold an executive session on item(s) \_\_\_\_\_ as listed above.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

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The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declares the motion: carried / failed

VII. Adjourn Executive Session

Resolution to adjourn executive session and return to the regular board meeting at \_\_\_\_\_ p.m.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

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The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declares the motion: carried / failed

VIII. Recognition of Visitors / Audience Participation - None

IX. Old Business: any Old Business to bring before the Board

X. New Business:

A. Program/Policy Committee – Donna Shields, Chairperson

1. OPEN MEETINGS ACT

Resolved, that during the emergency declared by Executive Order 2020-01D (issued on March 9, 2020), and not beyond December 1, 2020, the Board of Education shall call and conduct all regular, special and emergency meetings in accordance with the provisions of the Open Meetings Act and Section 12 of Amended H.B. 197, and further in compliance with any future lawful and binding act or order of a local, state or federal governmental entity.

Upon the recommendation of the district superintendent, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

## 2. SUSPEND PUBLIC PARTICIPATION AT BOARD MEETINGS

Resolution to suspend board policy regarding public participation at board meetings. (See Exhibit A)

Upon the recommendation of the district superintendent, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

## 3. FAIR SCHOOL FUNDING PLAN

Resolution to Endorse The Fair School Funding Plan, as introduced in the senate companion bill to substitute H.B. 305, and to encourage the 133<sup>rd</sup> general assembly to expedite the passage of the bill. (Exhibit B)

Upon the recommendation of the district superintendent, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

#### 4. POLICY – SECOND READING

Resolution to approve the second reading of the following policy to revise, add, remove, or other:

DJ                      PURCHASING

Upon the recommendation of the district superintendent, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

#### 5. POLICIES – FIRST READING

Resolution to approve the first reading of the following policies to revise, add, remove, or other:

BDC                      EXECUTIVE SESSIONS

DM                      DEPOSIT OF PUBLIC FUNDS (CASH COLLECTION POINTS)

EDE                      COMPUTER/ONLINE SERVICES (ACCEPTABLE USE AND  
INTERNET SAFETY)

EDE-E                      COMPUTER NETWORK AGREEMENT FORM

DH                      BONDED EMPLOYEES AND OFFICERS

DJB                      PETTY CASH ACCOUNTS

EDE-R                      COMPUTER/ONLINE SERVICES (ACCEPTABLE USE AND  
INTERNET SAFETY)

Upon the recommendation of the district superintendent, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

B. Finance Committee – Joseph Cappuzzello, Chairperson

1. TREASURER'S FINANCIAL REPORT

Treasurer's Financial Report: October, 2020

- a. Check Register
- b. Financial Summary
- c. Bank Reconciliation

Upon the recommendation of the district treasurer, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

2. DONATIONS

Resolution to accept the following donations:

DONOR	AMOUNT	FUND	PURPOSE
McDonald Steel Corporation	\$5,000	005-9016	Donation supporting new Athletic complex. Pledged donations totaling \$25,000 (\$5,000 per year over 5 years).
Farmers National Bank	\$4,000	005-9016	Donation supporting new Athletic complex. Pledged donations totaling \$10,000 over a 2 year period.
The Cafaro Foundation	\$10,000	005-9016	Donation supporting new Athletic complex. Pledged donations totaling \$25,000 over a 2 year period.
Laurie Smith	\$50	018-9115	Student Outreach Program general donation.
Jean and Ray Morello	\$50	018-9115	Student Outreach Program general donation.
Patricia and Regis Strohmeier	\$30	018-9115	Student Outreach Program general donation.
Mark and Kimberly Witkoski	\$50	018-9115	Student Outreach Program general donation.
Angie Joseph	\$20	018-9115	Student Outreach Program general donation.

DONOR	AMOUNT	FUND	PURPOSE
Anonymous	\$10	018-9115	Student Outreach Program general donation.
Tammy Candel	\$25	018-9115	Student Outreach Program general donation.
Diane Fossaceca	\$25 Aldi Gift Card	018-9115	Student Outreach Program general donation.
Reckitt Benckiser Group	\$25,000	018-9115	Student Outreach Program general donation.
John Muckridge Jr. and Colleen Muckridge	\$1,000	007-9005	Funding for a new scholarship specifically geared towards students wanting to attend a trade school.
Voya Services Company	\$2,000	007-9996	Grant received by Tami Morrison for qualified purchases.

Upon the recommendation of the district treasurer, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

### 3. POWER4SCHOOLS ELECTRIC PURCHASING PROGRAM

Resolution authorizing the execution and delivery of a renewal agreement to the Master Electric Energy Sales Agreement between the District and Power4Schools' endorsed electric supplier, ENGIE Resources, LLC. (See Exhibit C)

Upon the recommendation of the district treasurer, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

### 4. PHYSICAL INVENTORY FOR THE DISTRICT

Resolution to approve a contract with CBIZ Valuation Group, LLC to conduct a physical inventory and valuation of inventory for McDonald Schools, at an estimated cost of \$5,100. (See Exhibit D)

Upon the recommendation of the district treasurer, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

5. RATES FOR BASKETBALL WORKERS

Resolution to approve the attached rates related to McDonald 2020-2021 Basketball games (Jr. High, Junior Varsity, and Varsity) for all workers. (See Exhibit E)

Upon the recommendation of the district treasurer, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

6. FIVE-YEAR FORECAST

Resolution to approve the Fiscal Year 2021 Five-Year Forecast. (See Exhibit F)

Upon the recommendation of the district treasurer, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed



C. Personnel Committee – Jody Klase, Chairperson

1. YOUTH BASKETBALL VOLUNTEERS

Resolution to hire the following youth basketball volunteers, pending certification and BCII/FBI background checks:

Jack Bucan	Doug Flere	Chad Jones
Tanner Matig	Logan Shields	

Upon the recommendation of the district superintendent, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

D. Buildings and Grounds Committee – Thomas Hannon, Chairperson

1. CONTRACT TERMINATION

Resolution to terminate the architectural contract with GPD Group of Akron, Ohio.

Upon the recommendation of the district superintendent, I call for a motion to approve the above resolution.

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declared the motion: carried/failed

TREASURER'S REPORT

SUPERINTENDENT'S REPORT

XI. ADJOURNMENT

**Time:** \_\_\_\_\_

Motion: \_\_\_\_\_ Second: \_\_\_\_\_

Discussion: \_\_\_\_\_

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The vote: JC \_\_\_\_\_ TH \_\_\_\_\_ JK \_\_\_\_\_ DS \_\_\_\_\_ JS \_\_\_\_\_

President declares the motion: carried / failed

**Exhibit A**

**RESOLUTION SUSPENDING BOARD POLICY REGARDING  
PUBLIC PARTICIPATION AT BOARD MEETINGS**

The Board of Education of the McDonald Local School District, McDonald, Ohio, met in regular session on the 18<sup>th</sup> day of November, 2020, at 7:00 p.m., with the following members present:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Treasurer advised the Board that the notice requirement of R.C. 121.22 and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

\_\_\_\_\_ moved the adoption of the following resolution:

WHEREAS, pursuant to Ohio House Bill 197, signed into law by Governor DeWine on March 27, 2020, members of a public body may hold, attend, and participate in meetings by means of teleconference, video conference, or any other similar electronic technology; and

WHEREAS, in conformance with the Executive Orders of the Governor's Office and the Ohio Department of Health, issued in March, 2020, prohibiting large gatherings of people and closing school buildings in response to the Coronavirus pandemic, the Board has determined to exercise its authority to hold today's meeting by means of McDonald Local Schools Facebook Live; and

WHEREAS, holding a meeting via telephone or video-conference may preclude members of the public from participating by way of public comment, as otherwise required by Board Policy BDDH; and

WHEREAS, to ensure compliance with its own Policies, the Board desires to suspend Board Policy BDDH for the duration of this meeting.

THEREFORE, BE IT RESOLVED, by the Board of Education of the McDonald Local School District, McDonald, Ohio, that:

Section 1. Pursuant to and in accordance with Board Policy BFF – "Suspension of Policies," the Board of Education hereby suspends Board Policies BDDH and KD – "Public

Participation at Board Meetings,” in its entirety, for the duration of this meeting.

Section 2. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in these formal actions were in meetings open to the public, in compliance with the law.

\_\_\_\_\_ seconded the Motion, and upon roll call, the vote resulted as follows:

_____	_____
_____	_____

\_\_\_\_\_

Motion passed and adopted this 18<sup>th</sup> day of November, 2020

\_\_\_\_\_  
Board President

ATTEST:

\_\_\_\_\_  
Treasurer

EXHIBIT B

The Board of Education of the McDonald Local School District met in regular session on Wednesday, November 18, 2020 with the following members present:

The Treasurer or Treasurer Pro Tempore, as the case may be, advised the Board that the notice requirements of Section 121.22 of the Revised Code and the implementing rules adopted by the Board pursuant thereto were complied with for the meeting.

\_\_\_\_\_ moved the adoption of the following Resolution:

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION TO ENDORSE THE FAIR SCHOOL FUNDING PLAN, AS INTRODUCED IN THE SENATE COMPANION BILL TO SUBSTITUTE H.B. 305, AND TO ENCOURAGE THE 133RD GENERAL ASSEMBLY TO EXPEDITE THE PASSAGE OF THE BILL.**

**WHEREAS**, the Ohio Supreme Court ruled in *DeRolph v. State of Ohio* (1997) that Ohio's method for funding schools through the state's school foundation program was unconstitutional under Article VI, Section 2 of the Ohio Constitution; and

**WHEREAS**, in *DeRolph*, the Ohio Supreme Court declared that Ohio's school funding system was over-reliant on local property taxes, and as such, was inherently discriminatory to children based on where they reside for disparities exist between communities of affluence and impoverishment; and

**WHEREAS**, since the *DeRolph* decision, the Ohio General Assembly has failed to create a funding system that meets Ohio's constitutional standard of securing "... a thorough and efficient system of common schools throughout the state"; and

**WHEREAS**, Ohio's solution to satisfy the Ohio Supreme Court's order has been to pass a series of biennial budgets containing politically expedient remedies that have not eliminated the over-reliance on local property tax or mitigated the discriminatory nature inherent in the series of "funding fixes" legislated over the last 23 years; and

**WHEREAS**, Ohio's previous biennial budget crafted by the 132<sup>nd</sup> Ohio General Assembly, and effective July 1, 2018, through June 30, 2019, created a funding system with "capped" districts, and districts receiving a minimum level of funding referred to as the "guarantee"; and

**WHEREAS**, the previous biennial budget identified 503 school districts out of 610, or 82%, either "capped" in their funding, or on the "guarantee," which is a testament that Ohio's funding model is not effective; and

**WHEREAS**, Ohio's current biennial budget crafted by the 133<sup>rd</sup> General Assembly, froze foundation funding for Ohio schools at 2019 fiscal year levels (effectively placing all districts on "the guarantee"), which funding levels have subsequently been cut due to the economic impact of the Coronavirus pandemic; and

**WHEREAS**, the current school funding system in Ohio lacks a rational basis for determining both the cost of educating students and how the funding of education is shared between the state and local taxpayers; and

**WHEREAS**, Representative Robert Cupp (R) and Representative John Patterson (D) convened a statewide workgroup, made up of eight practicing school district CFO/Treasurers and eight practicing Superintendents (the "Cupp-Patterson Workgroup"), to devise a new formula, and recognizing that Ohio needs an overhaul to its school funding system, have spent the last three years determining the inputs necessary to fund a "thorough and efficient system of common schools" that reduces the over-reliance on local property tax and creates equity in the state foundation system; and

**WHEREAS**, the Cupp-Patterson Workgroup carefully analyzed national research, best practices, actual Ohio school district spending data, and drew on their own extensive experience in educating students and operating school districts to make recommendations for a school funding system that meets the needs of all Ohio's students in the 21<sup>st</sup> century; and

**WHEREAS**, the Cupp-Patterson Workgroup developed recommendations that laid out a rational, transparent, comprehensive and – most of all – fair system for funding schools based on the actual cost of providing a basic education for all students in Ohio (the "Base Cost"); and

**WHEREAS**, the Cupp-Patterson Workgroup developed a method of sharing the funding of the Base Cost between the state and local taxpayers that is easy to understand and based on a fair, defensible measure of the capacity to generate funds locally; and

**WHEREAS**, the Cupp-Patterson Workgroup identified and provided a framework for providing additional resources to meet needs beyond those of basic education, including the areas of the social, emotional, safety, and mental health of students, the additional challenges driven by students living in poverty, with special needs, with limited English proficiency, and who are academically gifted; and

**WHEREAS**, the Cupp-Patterson Workgroup developed recommendations for properly funding Career Technology Centers, Educational Service Centers, and Charter and Community schools; and

**WHEREAS**, based on the research and work outlined above, the Cupp-Patterson Workgroup produced and recommended the Fair School Funding Plan, which was introduced in House Bill (H.B.) 305, and is currently incorporated into and improved upon in a companion bill in the Senate, Senate Bill (S.B.) 376; and

**WHEREAS**, the Ohio General Assembly and the Governor of Ohio have an opportunity to devise a funding formula, as outlined in the Fair School Funding Plan, that is an investment in Ohio's children and Ohio's future.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Education of the McDonald Local School District, that:

Section 1. It is necessary to formally endorse the Fair School Funding Plan, as introduced in S.B. 376 of the 133<sup>rd</sup> General Assembly (the Senate companion bill to Substitute H.B. 305), to ensure that K-12 schools in Ohio are funded using a rational school funding system that meets the needs of all Ohio's students in the 21<sup>st</sup> century.

Section 2. The Treasurer is authorized to deliver or cause to be delivered a certified copy of this Resolution to community leaders; to members of the Ohio House of Representatives and the Ohio Senate, including Representative [ ] and Senator [ ]; and to the office of Governor Michael DeWine.

Section 3. This Resolution shall be in full force and effect immediately upon its adoption.

\_\_\_\_\_ seconded the motion.

Upon roll call on the adoption of the foregoing Resolution, the vote was as follows:





BOARD OF EDUCATION  
\_\_\_\_\_  
SCHOOL DISTRICT  
COUNTY OF \_\_\_\_\_, OHIO

Following is an excerpt from the minutes of a meeting of the Board of Education duly held on \_\_\_\_\_, 2020 at \_\_\_\_\_ o'clock \_\_ m. at the \_\_\_\_\_ with the following members present:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Member \_\_\_\_\_ moved, seconded by member \_\_\_\_\_ that the following Resolution be adopted:

RESOLUTION

AUTHORIZING THE EXECUTION AND DELIVERY OF A RENEWAL AGREEMENT TO THE MASTER ELECTRIC ENERGY SALES AGREEMENT BETWEEN THE DISTRICT AND POWER4SCHOOOLS' ENDORSED ELECTRIC SUPPLIER, ENGIE RESOURCES LLC.

WHEREAS, the Board of Education (the "Board") of this School District (the "District"), as a member of one of the Associations, pursuant to this resolution desires to authorize the execution and delivery by the District of Renewal Agreement to the Master Electric Energy Sales Agreement between the District and ENGIE (the "Power Sales Agreement"), pursuant to which the District, will purchase electricity generation for its school facilities; and

WHEREAS, the Ohio Schools Council, Ohio School Boards Association, Ohio Association of School Business Officials, and the Buckeye Association of School Administrators (the "Associations") each carries out cooperative purchase programs and promotes cooperative arrangements and agreements among its member school districts and government agencies or private persons; and

WHEREAS, the Associations collectively do business under the trade name "Power4Schools" ("P4S") for the purpose of endorsing competitive retail electric service ("CRES") providers to supply retail electric energy services to the Associations' members; and

WHEREAS, the members of, and other participating public schools associated with, the Associations desire to purchase retail electric energy services from the CRES provider that has received the endorsement of P4S, ENGIE Resources LLC ("ENGIE"); and

WHEREAS, the Board of Education (the "Board") of this School District (the "District"), as a member of one of the Associations, pursuant to this resolution desires to authorize the execution and delivery by the District of a Master Electric Energy Sales Agreement between the District and ENGIE (the "Power Sales Agreement"), pursuant to which the District, will purchase electricity generation for its school facilities; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF  
THE \_\_\_\_\_ SCHOOL DISTRICT, COUNTY OF \_\_\_\_\_,  
STATE OF OHIO, as follows:

**Section 1.** The Board authorizes and directs the Treasurer to execute and deliver, in the name of the District and on its behalf, the Power Sales Agreement, substantially in the form now on file with this Board, with any changes that are not inconsistent with this resolution and that may be acceptable to the Treasurer whose acceptance shall be conclusively evidenced by the execution of such document by the Treasurer.

**Section 2.** Monies adequate to pay amounts due under the Power Sales Agreement for the current fiscal year are hereby appropriated for that purpose.

**Section 3.** It is hereby found and determined that all formal actions of the Board concerning and relating to the adoption of this resolution were adopted in an open meeting of the Board, and that all deliberations of the Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

After discussion, a roll call vote was taken and the results were:

Voting Aye: \_\_\_\_\_

Voting Nay: \_\_\_\_\_

The Resolution was adopted.

Board of Education  
\_\_\_\_\_ School District

\_\_\_\_\_ County, Ohio

By: Treasurer

Attest: \_\_\_\_\_



**Proposal for Capital Asset Inventory and Valuation Services to:**

# **McDonald Local Schools**

October 9, 2020



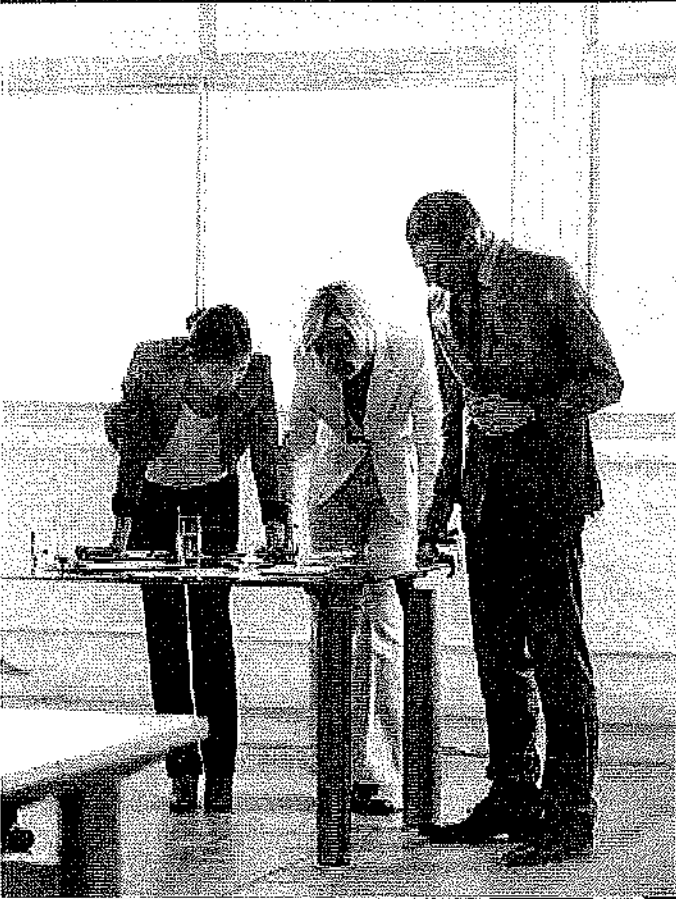
practical solutions  
for your peace of mind

**CBIZ**

CBIZ Valuation Group

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## About CBIZ Valuation Group

CBIZ Valuation Group, LLC is one of the largest full-service valuation firms in the United States.



### Our Specialties

Property valuation services  
Business & tangible asset  
valuations  
Financial advisory  
Litigation support services



### Our Clients

Governmental  
Health care  
Utilities  
Manufacturing facilities  
Religious & non-profit  
Risk sharing consortiums  
Fortune 1000 companies

*We specialize in designing and executing valuation programs to assist in addressing various property control and insurance reporting requirements.*

CBIZ Valuation Group, LLC is a wholly owned subsidiary of Cleveland, OH based CBIZ, Inc. (NYSE:CBZ)

### CBIZ, Inc.

.....  
An \$890 million, publicly traded company delivering top-level financial and employee business services to organizations of all sizes, as well as individual clients.



Provides national caliber expertise combined with highly personalized service delivered at the local level.



More than 100 offices and 4,600 associates in major metropolitan areas and suburban cities throughout the U.S.



CBIZ Valuation Group, LLC

11773 Stone Bluff Drive

Grand Ledge, MI 48837 • [www.cbiz.com/valuation](http://www.cbiz.com/valuation)

Ph: 517.627.5237 • F: 262.677.2130

## Proposal for Services

October 9, 2020

Ms. Megan Titus, CPA - Treasurer/CFO  
McDonald Local schools  
600 Iowa Avenue  
McDonald, OH 44437

### Re: Capital Asset Inventory and Valuation Services

Dear Ms. Titus:

CBIZ Valuation Group, LLC (CVG) is pleased to submit our proposal to provide professional capital asset inventory, data collection and valuation services to McDonald Local Schools ("District"). Our proposal has been prepared based on our understanding of your needs and our experience in assisting similar entities for similar purposes.

## Purpose of Engagement

It is our understanding that our analysis will be used by management of the District to assist with capital asset reporting needs as they relate to financial reporting. The effective date of the valuation will be June 30, 2021 for financial reporting. We are not being engaged to make specific purchase or sale recommendations. The purpose of the proposed engagement is to provide professional valuation consulting services to address:

- **Capital Asset Reporting:** Prepare reports that can be utilized by the District in its effort to meet its financial reporting requirements as they relate to capital asset reporting. We encourage the District to share this proposal with its independent auditor to ensure the proposed scope and methodology will be consistent with its capital asset accounting policies.

## Scope & Methodology

McDonald Local School District is an above average, public school district located in McDonald, OH. It has 786 students in grades K-12 with a student-teacher ratio of 15 to 1 operating out of two schools, a high school and an elementary school. It has been over 5 years since the District has had a physical asset inventory performed and would like to engage CVG to provide the inventory to meet its next reporting period of June 30, 2021.

The scope of the proposed consulting services is limited to the following tangible assets:

- **Machinery & Equipment – Capital Assets & Critical Control Assets:** Assets with an estimated unit acquisition cost greater than \$5,000 (the District's capitalization threshold) will be inventoried and valued individually. In addition, Critical Control Assets that have a unit acquisition cost less than the District's capitalization threshold but have an estimated unit acquisition cost greater than \$1,000 will be inventoried and valued individually. As available, we will capture the following information for these assets: location, department, description, manufacturer, model, serial number, acquisition date



(estimated or actual), acquisition cost (estimated or actual) and asset/tag number. Barcode tags provided to CVG by the District will be uniformly applied to non-tagged assets, as applicable.

- **Buildings, Land, Land Improvements & Capital Projects (for financial reporting):** Acquisition costs and dates for buildings, land parcels, land improvements, vehicles and capital projects will be incorporated in our analysis based on information provided by the District.
- **Reconciliation:** Subsequent to the inventory, we will perform a detailed reconciliation comparing the results of CVG's physical inventory to the District's existing property record. Differences will be resolved in accordance with the District's property accounting policies (note: building, fixed equipment and similar non-moveable asset accounts will be reviewed as part of the reconciliation phase in order to identify historical data of improperly classified moveable equipment assets). Upon completion of the inventory, we will provide a preliminary inventory report for the District review and comment. This report will allow the District to verify the accuracy of the inventory. This review step is critical to the development of an accurate property record.

Once the preliminary reports have been reviewed and comments returned, we will proceed with the reconciliation of the physical inventory listing to the historical fixed asset ledger. This matching process will result in the following three lists:

- 1) Items recorded in your existing fixed asset ledger that were located and reconciled during the inventory.
- 2) Items recorded in your existing fixed asset ledger that were not located during the inventory (unrecorded disposals).
- 3) Items listed during the inventory that we are unable to match to your existing asset ledger (unrecorded additions).

## Client Participation

CVG will provide the District with an engagement management plan outlining their required participation to ensure the success of this engagement. In order to deliver our work product in a timely manner, we request that the following be provided by the District prior to starting the fieldwork portion of the engagement:

- A primary contact for this engagement;
- A primary contact that can provide unrestricted access to each building;
- Copies of the most recent valuation report, CAFR and capital project schedule; and
- Applicable security access badges and/or documents needed to access facilities.

## Schedule

Upon receipt of signed authorization, we will work with the District to determine a mutually agreed-upon start date for commencement of the fieldwork portion of this engagement, currently understood to be next Feb/March timeframe. This engagement will require cooperation, continued access, and timely receipt of requested information from the District. Our reports will be available approximately 45-60 days from the completion of the fieldwork.

## Standard of Value

The standard of value applicable to this engagement will include:

- **Original/Acquisition Cost:** The amount of money originally paid to acquire an asset. It generally includes costs such as transportation, set-up charges, taxes, engineering and architectural fees.

## Costing Methodology

Our valuation will utilize various techniques to develop cost conclusions. The sources may include the use of proprietary and third-party software, proprietary databases, technical pricing subscriptions, various publications and client-supplied information (purchase orders, capital project costs, financial statements, etc.). We will determine acquisition cost utilizing the following costing methods:

- **Direct Costing:** Where practical, we will match asset costs based on recorded information provided by the District.
- **Standard Costing:** Costs not readily determined through the use of client-supplied information will receive an estimated cost based on a "standard cost" (a known average installed cost for a like unit, estimating acquisition date).
- **Normal Costing:** Where neither direct nor standard costing can be utilized to determine acquisition cost, it will be estimated based on current cost of reproduction new, indexed by a reciprocal factor of the price increase from the estimated date of acquisition to the date of valuation.

## Depreciation Methodology

The deprecation methodology utilized is as follows:

- **Straight-Line Method:** The method of calculating depreciation by dividing the cost, less salvage, by the number of fiscal periods of useful life.
- **First-of-the-Month (Full Month) Convention:** Assets are treated as being placed into service on the first day of the month they are acquired, even if they were actually purchased after the first of the month. For additions, depreciation is calculated for a full month in the month the asset was acquired.

For disposals, no depreciation is calculated in the month of disposition; rather it is calculated through the last day of the month prior to disposal. Different depreciation methods or conventions are subject to an additional charge.

## Deliverables

Our work product will consist of our standard reports and will be provided in an Adobe Acrobat format. Final reports will include the following:

- Transmittal Letter reviewing the scope, methodology and valuation conclusions
- Accounting Summary Reports
- Accounting Detail Reports
- Depreciation Reports
- Standard Master Data File (Excel format) containing the information collected

## Optional Services

CVG offers a variety of optional services that are designed to enhance and assist in maintaining our proposed service offering. Optional services available include:

### Electronic Spreadsheet Annual Desktop Update Service

This service offers the District an electronic method of updating its valuation and fixed asset inventory records. Using CVG's preformatted electronic data sheet, which will include the District's current fixed asset database in an Excel format for reference, the District or related staff can enter changes (additions, deletions, transfers, donations and capital projects) and submit these changes annually to CVG via email. CVG will then review the submitted changes and append them to your most recent valuation data file. CVG will then calculate updated depreciation totals and issue updated reports.

## ENGAGEMENT FEES & CLIENT ACCEPTANCE

Our estimated fees, including expenses to provide professional data collection and valuation services are listed below. Our fee estimates are based on the property schedule and square footage found in Appendix B, as reported by the District.

### Services

*Please initial the services to be included in the contract.*

Fees for Individual Services	Fee	Initials
Inventory and Valuation of assets \$1,000 and above found at locations listed on the attached property addendum	\$5,100*	

*\*Our fees are predicated on inventorying approximately 187,797 square feet of building area, as listed on the attached Property Addendum. If additional square footage is encountered, fees are subject to change based on the additional work effort required to complete the engagement.*

Optional Services	Fee	Initials
2022 Electronic Spreadsheet Update Service	\$1,000	

The fees for the professional services outlined within this agreement shall remain in effect for a period not greater than 90 days from the date of this proposal. As a publicly traded company, CVG retains client records and work files for a period of seven (7) years.

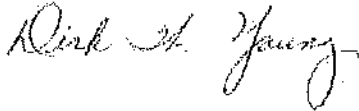
If conditions beyond our control are encountered, or if the scope of the engagement is expanded beyond its original requirements such that we will require additional time and fees not presently estimated in our work plan, we will notify you before proceeding to arrange a mutually-acceptable revision in our fees. If a decision is made by you to discontinue work on an engagement, our fees will be based upon the actual professional hours and expenses incurred as of that date. Our fees include a standard allotment of 120 minutes of phone support for the District. Any subsequent meetings/conversations or other service requests, including activities and expenses outside the scope of our technical proposal, will be billed separately at our standard hourly rates and in accordance with CVG's standard expense practices. Services requested after the issuance of our reports, such as meetings, planning, testimony and other services will be billed separately at our normal hourly rates and in accordance with our normal expense practices. Fees for valuation report updates will be based upon our standard hourly rates plus expenses incurred.

We will progress bill up to 80% as work is completed. 20% will be withheld until final reports are delivered. Our invoices are payable within 30 days of presentation. Invoices not paid within 45 days shall be considered delinquent. Delinquent invoices shall be subject to a late charge equal to the lesser of one and one half percent (1.5%) per month, or the maximum amount allowed by state law. Disputes pertaining to billing matters must be put in writing within 20 days upon the receipt of the invoice. CBIZ Valuation Group, LLC reserves the right to suspend or terminate this engagement for the District's failure to make timely payment. Should any invoice remain unpaid beyond 60 days, professional activity will cease until payment is received.

We appreciate the opportunity to submit our proposal and look forward to working with you on this important engagement.

Respectfully submitted,

**CBIZ VALUATION GROUP, LLC**



Dirk Young  
Senior Manager  
Phone: 517.627.5237  
Email: dyoung@cbiz.com

**Client Acceptance**

**I have read the terms of this agreement and hereby authorize this assignment**

ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020

Client: McDonald Local Schools

By:

Written Name

Printed Name

Title:

The fees for the professional services outlined within this agreement shall remain in effect for a period not greater than 90 days from the date of this proposal.

**Please return signed engagement to:**

CBIZ Valuation Group, LLC  
Kathy Jaeger  
W227 N16867 Tillie Lake Court, Suite 201  
Jackson, WI 53037  
Email: kjaeger@cbiz.com or Fax: 262-677-2130

## **CBIZ VALUATION GROUP TEAM**

Our Firm's ability to provide quality, efficient and timely service is largely dependent upon the skills and experience of our people. Our team has a proven record of bringing the necessary blend of technical competence, industry experience, innovative ideas and value-added services to our clients. Our philosophy of utilizing highly experienced personnel allows us to perform efficiently and enables us to provide unmatched quality.

The team below will be responsible for the services provided to the District. They will be assisted by other qualified consulting professionals, as necessary.



**Dirk W. Young**  
Senior Manager

11773 Stone Bluff Drive  
Grand Ledge, MI 48837  
Phone: 517.627.5237  
dyoung@cbiz.com

Dirk is a senior manager in the Midwest Region of CBIZ Valuation Group's Tangible Asset Practice. He has over 36 years of experience in the sales and marketing field. After working seven years as the military market manager for a Fortune 100 company, he has been working in the valuation industry for over 29 years devoting his efforts to business development and client service and satisfaction.

Dirk has developed and maintained a strong client relationship base and provides guidance to many clients, helping them understand the many different types of valuation and appraisal services that can be utilized to support and document their interests. He has been involved with engagements dealing with M&E appraisals, allocation of purchase price, financing, insurance property valuations, real estate appraisals, mergers and acquisitions, cost segregation, business valuations, ad valorem tax and property control.



**Brian Roe**  
Managing Director

225 West Wacker Drive, Suite 2000  
Chicago, IL 60606  
Phone: 312.602.6656  
Mobile: 847.217.1745  
brian.roe@cbiz.com

Brian is a well versed valuation professional with over 25 years' experience in providing consultation and valuation advisory services for purposes of audit compliance, fixed asset management, insurance, and regulatory compliance, including real estate and equipment related to schools, universities, hospitals, nursing homes, water and wastewater utilities, municipalities, park districts, and infrastructure. Clients include high end structures insurance risk pools, healthcare, educational, and state and local governments, including special districts and insurance consulting firms. He also has extensive experience in valuing ornate and historical properties and professional sports stadiums.

Brian has been instrumental in positioning the Tangible Asset Practice of CBIZ Valuation Group as one of the leading consulting firms in the insurance valuation and fixed asset consulting services. His ability to recruit and retain a diverse cadre of valuation professionals and align those professionals with innovative, state of the art technology has had a significant impact on CVG's ability to provide high caliber professional services in a timely and effective manner to our existing and new clients.

Brian comes to CBIZ Valuation Group from a large global appraisal consulting firm, where he was a Senior Managing Director and Vice President for the Fixed Asset Management & Insurance Solutions group. Prior to that, he was also President and Director of Professional Services for Assetlink, Inc. He is a member of various professional groups including, Risk Management Society (RIMS), Public Risk Management Association (PRIMA), and University Risk Management and Insurance Association (URMIA).



**Brian Johnston**  
Senior Manager

1009 Lenox Drive, Suite 105  
Lawrenceville, NJ 08648  
Phone: 845.987.6288  
Mobile: 914.584.0359  
bjohnston@cbiz.com

Brian is a Senior Manager In CBIZ Valuation Group's Tangible Asset Practice with over 17 years of valuation experience. He has excelled in many areas including; project management, asset valuation, model creation, and report compilation. He has developed a high level of experience in valuation and consulting in a variety of industries having worked closely with municipal, county, school district, library, utility, risk pool and private sector clients. Brian is widely regarded among his peers as one of the very best in the industry having established a deep understanding of the intricacies involved in his specialty and his ability to develop solutions to meet every client's needs.

Prior to joining CBIZ Valuation Group, Brian was a fixed asset appraiser with a national valuation firm. As a fixed asset appraiser, he was responsible for the valuation of buildings, machinery and equipment for municipalities and school districts throughout the country.

Brian earned a Bachelor of Arts degree with concentrations in management and microeconomics from Oswego State University in Oswego, New York.





**Patrick Keim**  
Senior Consultant

1125 Wisconsin Avenue  
Pittsburgh, PA 15216  
Phone: 845.987.6288  
pkeim@cbiz.com

Patrick has over 17 years of experience in the valuation industry and is fully versed in the valuation of machinery and equipment, buildings and land improvements. He has managed and contributed on numerous valuation engagements including unique and historical architecture, churches, synagogues, temples, country clubs, luxury hotels, museums, religious equipment, stained glass, communionware, icons, sanctuary furnishings, fine arts, antiques and silverware.

Prior to joining CBIZ Valuation Group, Patrick was a Senior Appraiser for a national valuation company where he was responsible for managing and conducting valuation engagements, specializing in high-end & unique property

Patrick earned a Bachelor of Fine Arts from Carnegie Mellon University and is currently pursuing a Master's Degree with a concentration in Modern Art from the University of Pittsburgh. He also studied for 1 year at Kuvataideakatemia in Helsinki, Finland.

## APPENDIX A: TERMS & CONDITIONS

The terms and conditions of this engagement with CBIZ Valuation Group, LLC ("CBIZ") are subject to and governed by the following Terms and Conditions and other terms, assumptions and conditions contained in the engagement letter.

### General

This Agreement forms the entire agreement between the parties relating to the services, and replaces and supersedes any previous engagement letters, proposals, correspondence, understandings or other communications whether written or oral. This agreement shall be binding on all transferees, successors and assigns of both CBIZ and you. Neither party shall be liable to the other for any delay or failure to perform any of the services nor obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statute or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

You acknowledge and agree that you will be solely responsible for any and all applicable sales tax due in connection with the services provided under this Agreement.

It is common practice for professional service firms such as ours, in discussions with prospective clients, to make reference to prior work, and we would like to have the opportunity to do so with respect to this assignment. Unless Client informs CBIZ to the contrary, upon completion of this assignment we understand that we will be entitled to make reference to having undertaken it, including a brief description of its objectives, in CBIZ newsletters and publications and discussions with third parties regarding work opportunities.

### Indemnification

Except to the extent judicially determined to have resulted from the bad faith, gross negligence, or willful or intentional misconduct of CBIZ's personnel and unless otherwise prohibited by law or applicable professional standard, you shall indemnify and hold harmless CBIZ and its personnel from and against any causes of action, damages (whether compensatory, consequential, special, indirect, incidental, punitive, exemplary, or of any other type or nature), costs and expenses (including, without limitation, reasonable attorneys' fees and the reasonable time and expenses of CBIZ's personnel involved) brought against or involving CBIZ at any time and in any way arising out of or relating to CBIZ's services under this engagement. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, whether in contract, tort, or otherwise.

If any action or proceeding (any of the foregoing being a Claim) is threatened or commenced by any third party against CBIZ that you are obligated to defend or indemnify under this Agreement, then written notice thereof shall be given to you as promptly as practicable. After such notice and only so long as CBIZ's and your interests with respect to the claim remain consistent, no conflict exists, and, by your control of the defense, CBIZ's

Insurance is not voided or otherwise compromised in any way, you shall be entitled, if you so elect in writing within ten days after receipt of such notice, to take control of the defense and investigation of such Claim and to employ and engage attorneys to handle and defend the same, at your sole cost and expense, with the approval of CBIZ, which approval shall not be unreasonably withheld. CBIZ shall cooperate in all reasonable respects with you and your attorneys in the investigation, trial and defense of such Claim and any appeal arising therefrom; provided, however, that CBIZ may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such Claim and any appeal arising therefrom. You shall enter into no settlement of a Claim that involves a remedy other than the payment of money by you without the prior consent of CBIZ.

After notice by you to CBIZ of your election to assume full control of the defense of any such Claim, and CBIZ's approval of selected counsel, you shall not be liable to CBIZ for any legal expenses incurred thereafter by CBIZ in connection with the defense of that Claim. If you do not assume full control over the defense of a Claim, then you may participate in such defense, at your sole cost and expense, and CBIZ shall have the right to defend you in such manner as it may deem appropriate, at your cost and expense.

#### **Limitation on Damages**

You agree that CBIZ, any entity related to it and their respective personnel, current or former, shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to CBIZ pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of CBIZ. Unless otherwise prohibited by law, in no event shall CBIZ, any entity related to it or their respective personnel, current or former, be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

#### **Limitation on Distribution and Use**

The report, the final estimate of value, and the prospective financial analyses (collectively, as used in this paragraph, the CBIZ Work Product) included therein are intended solely for the information of the person or persons to whom they are addressed and solely for the purposes stated; they should not be relied upon for any other purpose, and no party other than the Company may rely on them for any purpose whatsoever. Neither the valuation report, its contents nor any reference to the appraiser or CBIZ may be referred to or quoted in any registration statement, prospectus, offering memorandum, sales brochure, other appraisal, loan or other agreement or document given to third parties. In addition, except as set forth in the report, our analysis and report are not intended for general circulation or publication, nor are they to be reproduced or distributed to third parties.

Notwithstanding the foregoing, if the Company desires to distribute or use the CBIZ Work Product in any way not expressly contemplated by these Terms and Conditions or the Agreement, including, without limitation and by way of example, reference to CBIZ by name or inclusion of any portion of the CBIZ Work Product in any regulatory filing, CBIZ, at our sole discretion, may permit Company to do so for a fee commensurate to the additional risk associated with such distribution or use.

#### **Confidentiality**

With respect to information supplied in connection with this engagement letter and designated by the disclosing party as confidential, CBIZ agrees to: (i) protect the confidential information in a reasonable and appropriate manner or in accordance with applicable professional standards; (ii) use confidential information only to perform

its obligations under this engagement letter; (iii) reproduce confidential information only as required to perform its obligations under this engagement letter; and (iv) return or destroy all information provided to CBIZ upon the Company's written request, except that CBIZ may keep copies of any records required to be maintained under its professional standards and retention policy. This section shall not apply to information that is: (i) publicly known; (ii) already known by CBIZ or (iii) disclosed pursuant to legal requirement or order.

#### **Not A Fairness Opinion**

Neither our opinion nor our report are to be construed as an opinion of the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation, but, instead, are the expression of our determination of the fair value between a hypothetical willing buyer and a hypothetical willing seller in an assumed transaction on an assumed valuation date where both the buyer and the seller have reasonable knowledge of the relevant facts.

#### **Operational Assumptions**

Unless stated otherwise, our analysis: (i) assumes that, as of the valuation date, the Company and its assets will continue to operate as configured as a going concern, (ii) is based on the past, present and future projected financial condition of the Company and its assets as of the valuation date and (iii) assumes that the Company has no undisclosed real or contingent assets or liabilities, other than in the ordinary course of business, that would have a material effect on our analysis.

#### **Competent Management Assumed**

It should be specifically noted that the valuation assumes the property will be competently managed and maintained over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.

#### **No Obligation to Provide Services After Completion**

Valuation assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent services related to a valuation assignment occurs, including updates, conferences, testimony, preparation for testimony, document production, interrogatory response preparation, or reprint and copy services whether by request of the Company or by subpoena or other legal process initiated by a party other than the Company, Company agrees to compensate CBIZ for its time at its standard hourly rates then in effect, plus all expenses incurred in the performance of said services. CBIZ reserves the right to make adjustments to the analysis, opinion and conclusion set forth in the report as we deem necessary by consideration of additional or more reliable data that may become available.

#### **No Opinion is Rendered as to Legal Fee or Property Title**

No opinion is rendered as to legal fee or property title. No opinion is intended in matters that require legal, engineering or other professional advice that has been or will be obtained from professional sources.

#### **Liens and Encumbrances**

We will give no consideration to liens or encumbrances except as specifically stated. We will assume that all required licenses and permits are in full force and effect, and we make no independent on-site tests to identify the presence of any potential environmental risks. We assume no responsibility for the acceptability of the valuation approaches used in our report as legal evidence in any particular court or jurisdiction.

#### **Information Provided by Others**

Information furnished by others is presumed to be reliable; no responsibility, whether legal or otherwise, is

assumed for its accuracy and cannot be guaranteed as being certain. All financial data, operating histories and other data relating to income and expenses attributed to the business have been provided by management or its representatives and have been accepted without further verification except as specifically stated in the report.

#### **Prospective Financial Information**

Our report may contain prospective financial information, estimates or opinions that represent reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as forecasts, prospective financial statements or opinions, predictions or as assurances that a particular level of income or profit will be achieved, that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis will vary from those described in our report, and the variations may be material.

Any use of management's projections or forecasts in our analysis will not constitute an examination, review or compilation of prospective financial statements in accordance with standards established by the American Institute of Certified Public Accountants (AICPA). We will not express an opinion or any other form of assurance on the reasonableness of the underlying assumptions or whether any of the prospective financial statements, if used, are presented in conformity with AICPA presentation guidelines.

#### **Dispute Resolution and Jury Trial Waiver**

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within twenty-four (24) months after performance of our service.

Unless otherwise prohibited by law or applicable professional standard, each of the parties irrevocably, voluntarily and knowingly waives its right to a jury trial of any claim or cause of action based upon or arising out of this agreement or any dealings between the parties hereto relating to the subject matter hereof. The scope of this waiver is intended to be all-encompassing. It includes any and all disputes that may be filed in any court and that relate to the subject matter of this agreement, including, but not limited to, contract claims, tort claims, breach of duty claims and all other common law and statutory claims. It also includes any and all such claims that may be brought against CBIZ or any of its subsidiaries and any of their respective personnel, current or former.

#### **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to conflicts of law principles. The parties hereby irrevocably submit to the jurisdiction of the federal or state courts in the State of Ohio, specifically and exclusively in the Cuyahoga County Court of Common Pleas or the Federal District Court for the Northern District of Ohio, over any dispute or proceeding arising out of this Agreement and agree that all claims in respect of such dispute or proceeding shall be heard and determined in such court. The parties to this Agreement hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection that they may have to the venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute.

#### **Independent Contractor**

It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

*T&C Rev6.22.18.*

## APPENDIX B: PROPERTY SCHEDULE

Building	Address	Size sq. ft.
Administration	600 Iowa Avenue – McDonald, OH	1,000
McDonald High School	600 Iowa Avenue – McDonald, OH	127,258
Roosevelt Elementary School	400 West Seventh St. – McDonald, OH	55,539
	Total	183,797

## **APPENDIX C: REFERENCES**

### **Building Relationships**

We are committed to establishing and nurturing client relationships. We strive for excellence in meeting the needs of our customers and have the record to prove it.

We have worked with hundreds of schools providing asset inventory including other schools in Ohio. We would be happy to provide references upon request.

## **APPENDIX D: SAMPLE REPORTS**



## Anytown CSD

### Account Summary

Fiscal Year Ending: 6/30/2019

Account	# of Assets	Original Cost	Accumulated Depreciation	Book Value
10-LAND PARCELS	7	\$852,860	\$0	\$852,860
20-OUTDOOR IMPROVEMENTS	64	\$15,531,859	\$769,650	\$14,762,209
30-BUILDINGS	30	\$35,410,322	\$13,470,980	\$21,939,342
50-MACHINERY & EQUIPMENT	478	\$2,882,982	\$2,015,582	\$867,400
60-LICENSED VEHICLES	26	\$1,848,731	\$563,930	\$1,284,802
REPORT TOTALS:	<u>605</u>	<u>\$56,526,754</u>	<u>\$16,820,142</u>	<u>\$39,706,612</u>

**Anytown CSD**  
**Accounting Detail Report - Locational**  
 Fiscal Year Ending: 6/30/2019

Asset ID	Class	Qty	Description	Manufacturer	Model	Serial Number	Acquisition Date	Life	Original Cost	Accumulated Depreciation	Book Value
<b>SITE: 01</b>											
<b>BUILDING: 0101-ANYTOWN HIGH SCHOOL</b>											
<b>ROOM: 0-BUILDING</b>											
IM0009	300	1	CONSTRUCTION COST ESTIMATE HIGH SCHOOL				1/1/1957	40 00	\$481,137	\$481,137	\$0
IM0010	300	1	BUILDING ADDITION COST EST HIGH SCHOOL				1/1/1962	40 00	\$110,212	\$110,212	\$0
IM0485	300	1	CONSTRUCTION COST ESTIMATE HIGH SCHOOL				1/1/1965	40 00	\$109,039	\$109,039	\$0
IM0011	300	1	BUILDING ADDITION COST EST HIGH SCHOOL				1/1/1967	40 00	\$373,676	\$373,676	\$0
IM0012	300	1	BUILDING ADDITION COST EST HIGH SCHOOL				1/1/1995	40 00	\$2,199,508	\$1,347,199	\$852,309
IM0486	306	1	BUILDING ADDITION COST EST HIGH SCHOOL				1/1/1998	25 00	\$2,518	\$2,165	\$353
IM0013	300	1	BUILDING ADDITION COST EST HIGH SCHOOL				1/1/2003	40 00	\$1,147,560	\$473,369	\$674,192
IM0476	306	1	BUILDING STRUCTURE HIGH SCHOOL				1/1/2003	25 00	\$11,422	\$7,539	\$3,883
IMP021	300	1	HS, ES & STADIUM COMPLETION HIGH SCHOOL				6/30/2005	40 00	\$1,061,976	\$373,904	\$688,072
IMP018	300	1	HS SCIENCE ADDITION -ES GYM-MULTI RM ADDITION HIGH SCHOOL				6/30/2004	40 00	\$15,307,455	\$5,772,186	\$9,535,269

CBIZ

**Anytown CSD**  
**Accounting Detail Report - Locational**  
Fiscal Year Ending: 6/30/2019

Asset ID	Class	Qty	Description	Manufacturer	Model	Serial Number	Acquisition Date	Life	Original Cost	Accumulated Depreciation	Book Value
001189	300	1	EXCEL PROJECT - HIGH SCHOOL				7/1/2011	40 00	\$2,717,271	\$543,454	\$2,173,817
			HIGH SCHOOL								
001384	300	1	HIGH SCHOOL SITE WORK			0001-010	7/1/2017	40 00	\$1,846,335	\$92,317	\$1,754,018
001402	304	1	100K HVAC ENERGY PERFORMANCE CONTRACT			001-008	7/1/2014	20 00	\$100,000	\$25,000	\$75,000
ROOM TOTALS:							Asset Count: 13		\$25,468,109	\$9,711,196	\$15,756,912
ROOM:	O-LAND										
IMP020	100	1	ACQUISITION OF 72 MAIN ST.				6/30/2010	00 00	\$1,771	\$0	\$1,771
IMP019	100	1	ACQUISITION OF 72 MAIN ST.				6/30/2009	00 00	\$107,396	\$0	\$107,396
IM0005	100	1	61.09-3-65 - VACANT - ACADEMY				1/1/1998	00 00	\$1,068	\$0	\$1,068
IM0004	100	1	61.18-1-11-2.93 ACRES-DELRAY				1/1/1963	00 00	\$8,853	\$0	\$8,853
IM0002	100	1	61.09-3-62-10 ACRES - ACADEMY				7/1/1920	00 00	\$45,234	\$0	\$45,234
IM0001	100	1	61.09-3-53 - 14 ACRES-MAIN ST				1/1/1956	00 00	\$129,370	\$0	\$129,370
ROOM TOTALS:							Asset Count: 6		\$293,692	\$0	\$293,692
ROOM:	O-SITE IMP										

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**Anytown CSD**  
**Accounting Detail Report - Locational**  
Fiscal Year Ending: 6/30/2019

Asset ID	Class	Qty	Description	Manufacturer	Model	Serial Number	Acquisition Date	Life	Original Cost	Accumulated Depreciation	Book Value
001375	508	1	7.5 HP 80 GALLON TWO STAGE AIR COMPRESSOR	INGERSOLL RAND	345227299		2/13/2018	15 00	\$2,000	\$189	\$1,811
ROOM TOTALS:						Asset Count:	35		\$1,907,899	\$598,941	\$1,308,958
BUILDING TOTALS:						Asset Count:	52		\$5,123,994	\$806,970	\$4,317,024
SITE TOTALS:						Asset Count:	52		\$5,123,994	\$806,970	\$4,317,024
REPORT TOTALS:						Asset Count:	605		\$58,528,754	\$16,820,142	\$39,708,612



## Anytown CSD

### Current Yr Additions Accounting Detail Report - Locational

Fiscal Year Ending: 6/30/2018

Asset ID	Class	Qty	Description	Manufacturer	Model	Serial Number	Acquisition Date	Life	Original Cost	Accumulated Depreciation	Book Value
<b>SITE: 01</b>											
<b>BUILDING: 0101-ANYTOWN HIGH SCHOOL</b>											
<b>ROOM: 0-SITE IMP</b>											
20180179	200	1	HIGH SCHOOL PHASE 3 SITE IMPROVEMENTS				6/30/2019	20 00	\$8,847,146	\$36,863	\$8,810,283
			0001-011								
ROOM TOTALS:							Asset Count: 1		\$8,847,146	\$36,863	\$8,810,283
<b>ROOM: ANNE MACERA'S R</b>											
20180160	503	1	IPHONE X				10/3/2018	10 00	\$1,294	\$97	\$1,197
			APPLE			IPHONE X					
ROOM TOTALS:							Asset Count: 1		\$1,294	\$97	\$1,197
<b>ROOM: BAND ROOM</b>											
20180162	518	1	TUBA (RED) 4-VALVE BBB				1/14/2019	20 00	\$1,302	\$33	\$1,269
			COOL WIND			CTU-200RD					
ROOM TOTALS:							Asset Count: 1		\$1,302	\$33	\$1,269
<b>ROOM: HS MAIN OFFICE</b>											
20180154	506	1	TAILGATE TABLE, 48" X 120" RECTANGLE W/76" TROUGH				8/22/2018	15 00	\$2,526	\$154	\$2,372
			WILSONART LAMINATTG48120RE-TG								
20180153	510	1	COMPUTER, DESKTOP				4/18/2019	05 00	\$1,550	\$78	\$1,473
			DELL			XPS 8930 BASE					
ROOM TOTALS:							Asset Count: 2		\$4,076	\$232	\$3,844
<b>ROOM: TECHNOLOGY ROOM</b>											
20180163	510	1	COMPUTER, DESKTOP				5/18/2019	05 00	\$1,600	\$53	\$1,547
			DELL			PRECISION WOF					

CBIZ

## Anytown CSD

### Current Yr Additions Accounting Detail Report - Locational

Fiscal Year Ending: 6/30/2019

Asset ID	Class	Qty	Description	Manufacturer	Model	Serial Number	Acquisition Date	Life	Original Cost	Accumulated Depreciation	Book Value
<b>ROOM: YARD</b>											
001392	601	1	SCHOOL BUS DODGE	GRAND CARAVA	2C4RDGBG4JR363357		8/23/2018	10 00	\$23,229	\$2,129	\$21,099
001395	601	1	BUS #74 MICROBIRD	24 PASSENGER	1HA6GUBG2JN001755		10/1/2018	10 00	\$53,951	\$4,046	\$49,905
001397	601	1	BUS #75 VISION	65 PASSENGER	1BAKFCSA7LF357914		10/1/2018	10 00	\$106,742	\$8,006	\$98,736
001398	601	1	BUS #76 VISION	65 PASSENGER	1BAKFCSA9LF357915		10/1/2018	10 00	\$106,742	\$8,006	\$98,736
001399	601	1	BUS #77 VISION	65 PASSENGER	1BAKFCSA0LF357916		10/1/2018	10 00	\$106,742	\$8,006	\$98,736
20180177	601	1	BUS #78 VISION	65 PASSENGER	1BAKFCSA1JF342032		12/1/2018	10 00	\$92,876	\$5,418	\$87,459
<b>ROOM TOTALS:</b>						Asset Count: 6			\$490,281	\$35,610	\$454,671
<b>BUILDING TOTALS:</b>						Asset Count: 7			\$494,105	\$35,738	\$458,368
<b>SITE TOTALS:</b>						Asset Count: 7			\$494,105	\$35,738	\$458,368
<b>REPORT TOTALS:</b>						Asset Count: 34			\$15,039,179	\$99,366	\$14,939,813

## Anytown CSD

### Depreciation Detail - Active Assets

Fiscal Year Ending: 6/30/2019

		Description											
Asset ID	Qty	Manufacturer	Model S/N	Acquisition Date	Life	Original Cost	Salvage Value	Prior Year Ending Depreciation	Current YTD Depreciation	Accumulated Depreciation	Book Value		
ACCOUNT:	10-LAND PARCELS												
CLASS:	100-Land Parcels, Easements, & Right of Ways												
IM0002	1	61.09-3-62-10 ACRES - ACADEMY		7/1/1920	00 00	\$45,234	\$0	\$0	\$0	\$0	\$45,234		
IM0001	1	61.09-3-53 - 14 ACRES-MAIN ST		1/1/1956	00 00	\$129,370	\$0	\$0	\$0	\$0	\$129,370		
IM0004	1	61.18-1-11-2.93 ACRES-DELRAY		1/1/1963	00 00	\$8,853	\$0	\$0	\$0	\$0	\$8,853		
IM0005	1	61.09-3-65 - VACANT - ACADEMY		1/1/1998	00 00	\$1,068	\$0	\$0	\$0	\$0	\$1,068		
IMP019	1	ACQUISITION OF 72 MAIN ST.		6/30/2009	00 00	\$107,396	\$0	\$0	\$0	\$0	\$107,396		
IMP020	1	ACQUISITION OF 72 MAIN ST.		6/30/2010	00 00	\$1,771	\$0	\$0	\$0	\$0	\$1,771		
001246	1	LAND 163 SPENCER ROAD		2/26/2015	00 00	\$559,168	\$0	\$0	\$0	\$0	\$559,168		
				5013-001									
ACCOUNT TOTALS:				Asset Count: 7		\$852,860	\$0	\$0	\$0	\$0	\$852,860		
ACCOUNT:	20-OUTDOOR IMPROVEMENTS												
CLASS:	200-Site Improvements												

## Anytown CSD

### Depreciation Detail - Active Assets

Fiscal Year Ending: 6/30/2019

[-----Description-----]											
Asset ID	Qty	Manufacturer	Model S/N	Acquisition Date	Life	Original Cost	Salvage Value	Prior Year Ending Depreciation	Current YTD Depreciation	Accumulated Depreciation	Book Value
001378	1	SCHOOL BUS		8/20/2017	10 00	\$86,867	\$0	\$7,963	\$8,687	\$16,649	\$70,217
		BLUE BIRD	65 PASSENGER	1BAKFCSA1JF341561							
001392	1	SCHOOL BUS		8/23/2018	10 00	\$23,229	\$0	\$0	\$2,129	\$2,129	\$21,099
		DODGE	GRAND CARAVA	2C4RDGBG4JR363357							
001395	1	BUS #74		10/1/2018	10 00	\$53,951	\$0	\$0	\$4,046	\$4,046	\$49,905
		MICROBIRD	24 PASSENGER	1HA6GUBG2JN001755							
001397	1	BUS #75		10/1/2018	10 00	\$106,742	\$0	\$0	\$8,006	\$8,006	\$98,736
		VISION	65 PASSENGER	1BAKFCSA7LF357914							
001398	1	BUS #76		10/1/2018	10 00	\$106,742	\$0	\$0	\$8,006	\$8,006	\$98,736
		VISION	65 PASSENGER	1BAKFCSA9LF357915							
001399	1	BUS #77		10/1/2018	10 00	\$106,742	\$0	\$0	\$8,006	\$8,006	\$98,736
		VISION	65 PASSENGER	1BAKFCSA0LF357916							
20180177	1	BUS #78		12/1/2018	10 00	\$92,876	\$0	\$0	\$5,418	\$5,418	\$87,459
		VISION	65 PASSENGER	1BAKFCSA1JF342032							
000640	1	ASTRO VAN		12/20/2004	10 00	\$18,555	\$0	\$18,555	\$0	\$18,555	\$0
		GMC	ASTOR VAN BUS	1GNEL19X95B116688							
ACCOUNT TOTALS:				Asset Count: 26		\$1,848,731	\$0	\$392,886	\$171,043	\$563,930	\$1,284,802
REPORT TOTALS:				Asset Count: 805		\$56,526,754	\$0	\$15,628,358	\$1,191,784	\$16,820,142	\$39,706,612

CBIZ



## Anytown CSD

### Current Yr Disposals Accounting Detail Report - Locational

Fiscal Year Ending: 6/30/2019

Asset ID	Class	Qty	Description	Manufacturer	Model	Serial Number	Acquisition Date	Life	Original Cost	Accumulated Depreciation	Book Value
SITE:		01									
BUILDING:		0101-ANYTOWN HIGH SCHOOL									
ROOM:		WEIGHT ROOM									
20130088	513	1	MACHINE, TREADMILL				1/1/2000	10 00	\$5,996	\$5,996	\$0
			PRECOR								
ROOM TOTALS:							Asset Count: 1		\$5,996	\$5,996	\$0
BUILDING TOTALS:							Asset Count: 1		\$5,996	\$5,996	\$0
SITE TOTALS:							Asset Count: 1		\$5,996	\$5,996	\$0
SITE:		04									
BUILDING:		0401-MAPLE ELEMENTARY SCHOOL									
ROOM:		CUSTODIAN									
20130393	505	1	VACUUM, WET-DRY				1/1/2002	15 00	\$1,043	\$1,043	\$0
			ADVANCE	SPRITE 15		INACCESSIBLE					
20130391	505	1	POLISHER, FLOOR				1/1/2000	15 00	\$1,147	\$1,147	\$0
			ADVANCE	20H		INACCESSIBLE					
20130394	513	1	VACUUM, WET-DRY				1/1/2000	10 00	\$1,499	\$1,499	\$0
			VIPER	SN18WD		SN18WD16781					
ROOM TOTALS:							Asset Count: 3		\$3,688	\$3,688	\$0
BUILDING TOTALS:							Asset Count: 3		\$3,688	\$3,688	\$0
SITE TOTALS:							Asset Count: 3		\$3,688	\$3,688	\$0
SITE:		06									
BUILDING:		0601-BUS GARAGE									
ROOM:		YARD									

**CBIZ**

## Anytown CSD

### Current Yr Disposals Accounting Detail Report - Locational

Fiscal Year Ending: 6/30/2019

Asset ID	Class	Qty	Description	Manufacturer	Model	Serial Number	Acquisition Date	Life	Original Cost	Accumulated Depreciation	Book Value
000645	601	1	CHEVY TRAILBLAZER 4WD 4DR 2008 CHEVY	TRAILBLAZER B	1GNDT13S982196572		1/1/2000	10 00	\$21,014	\$21,014	\$0
IMP015	601	1	2010 BLUE BIRD 66 PASSENGER BUS BLUEBIRD	BUS	1BAKFCA6AF272942		1/1/2000	10 00	\$92,233	\$92,233	\$0
000581	601	1	BUS 54 BLUEBIRD BLUEBIRD	BUS	1BAKFCA8AF272943		1/1/2000	10 00	\$92,233	\$92,233	\$0
000580	601	1	BUS 52 BLUEBIRD BLUEBIRD	BUS	1BAKFCA4AF272941		1/1/2000	10 00	\$92,233	\$92,233	\$0
9920140232	601	1	SCHOOL BUS (OVER 60) BLUEBIRD	BUS	1BAKFCA0DF295461		1/1/2000	10 00	\$100,914	\$100,914	\$0
9920140219	601	1	SCHOOL BUS (OVER 60) BLUEBIRD	BUS	1BAKFCA4EF303174		1/1/2000	10 00	\$103,437	\$103,437	\$0
ROOM TOTALS:						Asset Count: 6			\$502,064	\$502,064	\$0
BUILDING TOTALS:						Asset Count: 6			\$502,064	\$502,064	\$0
SITE TOTALS:						Asset Count: 6			\$502,064	\$502,064	\$0
REPORT TOTALS:						Asset Count: 10			\$511,748	\$511,748	\$0

**Anytown CSD**  
**Net Changes Summary Report**  
Fiscal Year Ending: 8/30/2019

	Beginning Yr Original Cost	Additions	Disposals	Ending Yr Original Cost	Beginning Yr Depreciation	Current Yr Depreciation	Depreciation of Current Yr Disposals	Accumulated Depreciation	Net Book Value
<b>FUND:</b>	<b>A-GENERAL</b>								
<b>PROGRAM:</b>	<b>1000-ADMINISTRATIVE</b>								
20-OUTDOOR IMPROVEMENTS	\$12,117	\$0	\$0	\$12,117	\$3,605	\$625	\$0	\$4,230	\$7,887
30-BUILDINGS	\$0	\$3,824	\$0	\$3,824	\$0	\$127	\$0	\$127	\$3,697
50-MACHINERY & EQUIPMENT	\$255,746	\$29,172	\$0	\$284,918	\$194,672	\$10,488	\$0	\$205,160	\$79,758
60-LICENSED VEHICLES	\$17,767	\$0	\$0	\$17,767	\$15,694	\$1,777	\$0	\$17,471	\$296
PROGRAM TOTALS:	<u>\$285,631</u>	<u>\$32,996</u>	<u>\$0</u>	<u>\$318,627</u>	<u>\$213,971</u>	<u>\$13,017</u>	<u>\$0</u>	<u>\$226,988</u>	<u>\$91,638</u>
<b>PROGRAM:</b>	<b>2000-INSTRUCTIONAL</b>								
10-LAND PARCELS	\$852,860	\$0	\$0	\$852,860	\$0	\$0	\$0	\$0	\$852,860
20-OUTDOOR IMPROVEMENTS	\$848,634	\$0	\$0	\$848,634	\$663,426	\$28,386	\$0	\$691,811	\$156,823
30-BUILDINGS	\$30,385,625	\$0	\$0	\$30,385,625	\$12,517,119	\$702,690	\$0	\$13,219,809	\$17,165,816
50-MACHINERY & EQUIPMENT	\$1,872,925	\$26,901	\$9,684	\$1,890,141	\$1,678,535	\$31,103	\$9,684	\$1,699,953	\$190,188
PROGRAM TOTALS:	<u>\$33,960,044</u>	<u>\$26,901</u>	<u>\$9,684</u>	<u>\$33,977,261</u>	<u>\$14,859,080</u>	<u>\$762,178</u>	<u>\$9,684</u>	<u>\$15,611,574</u>	<u>\$18,365,687</u>
<b>PROGRAM:</b>	<b>5000-TRANSPORTATION</b>								
20-OUTDOOR IMPROVEMENTS	\$1,083	\$0	\$0	\$1,083	\$54	\$54	\$0	\$108	\$975

**CBIZ**

**Anytown CSD**  
**Net Changes Summary Report**  
Fiscal Year Ending 6/30/2019

	Beginning Yr Original Cost	Additions	Disposals	Ending Yr Original Cost	Beginning Yr Depreciation	Current Yr Depreciation	Depreciation of Current Yr Disposals	Accumulated Depreciation	Net Book Value
50-MACHINERY & EQUIPMENT	\$22,072	\$0	\$0	\$22,072	\$14,516	\$690	\$0	\$15,206	\$6,866
60-LICENSED VEHICLES	\$1,842,747	\$490,281	\$502,064	\$1,830,964	\$879,256	\$169,267	\$502,064	\$546,459	\$1,284,505
PROGRAM TOTALS:	\$1,865,902	\$490,281	\$502,064	\$1,854,120	\$893,827	\$170,011	\$502,064	\$561,774	\$1,292,346
PROGRAM: 7000-YOUTH PROGRAM									
50-MACHINERY & EQUIPMENT	\$8,958	\$0	\$0	\$8,958	\$149	\$896	\$0	\$1,045	\$7,913
PROGRAM TOTALS:	\$8,958	\$0	\$0	\$8,958	\$149	\$896	\$0	\$1,045	\$7,913
ACCOUNT TOTALS:	\$36,120,535	\$550,178	\$511,748	\$36,158,965	\$15,967,027	\$946,101	\$511,748	\$16,401,380	\$19,757,585
FUND: C-SCHOOL LUNCH									
PROGRAM: 2000-INSTRUCTIONAL									
50-MACHINERY & EQUIPMENT	\$2,000	\$0	\$0	\$2,000	\$111	\$133	\$0	\$244	\$1,756
PROGRAM TOTALS:	\$2,000	\$0	\$0	\$2,000	\$111	\$133	\$0	\$244	\$1,756
ACCOUNT TOTALS:	\$2,000	\$0	\$0	\$2,000	\$111	\$133	\$0	\$244	\$1,756
FUND: F-SPECIAL AID									
PROGRAM: 1000-ADMINISTRATIVE									
50-MACHINERY & EQUIPMENT	\$22,412	\$0	\$0	\$22,412	\$3,289	\$3,627	\$0	\$6,917	\$15,495
PROGRAM TOTALS:	\$22,412	\$0	\$0	\$22,412	\$3,289	\$3,627	\$0	\$6,917	\$15,495

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**Anytown CSD**  
**Net Changes Summary Report**  
Fiscal Year Ending: 6/30/2019

	Beginning Yr Original Cost	Additions	Disposals	Ending Yr Original Cost	Beginning Yr Depreciation	Current Yr Depreciation	Depreciation of Current Yr Disposals	Accumulated Depreciation	Net Book Value
ACCOUNT TOTALS:	\$22,412	\$0	\$0	\$22,412	\$3,289	\$3,627	\$0	\$6,917	\$15,495
<b>FUND:</b> H-CAPITAL									
<b>PROGRAM:</b> 1000-ADMINISTRATIVE									
50-MACHINERY & EQUIPMENT	\$36,062	\$16,976	\$0	\$53,038	\$1,627	\$6,237	\$0	\$7,865	\$45,174
PROGRAM TOTALS:	\$36,062	\$16,976	\$0	\$53,038	\$1,627	\$6,237	\$0	\$7,865	\$45,174
<b>PROGRAM:</b> 2000-INSTRUCTIONAL									
20-OUTDOOR IMPROVEMENTS	\$198,000	\$14,472,024	\$0	\$14,670,024	\$3,300	\$70,200	\$0	\$73,500	\$14,596,524
30-BUILDINGS	\$2,584,532	\$0	\$0	\$2,584,532	\$64,613	\$64,613	\$0	\$129,227	\$2,455,306
PROGRAM TOTALS:	\$2,782,532	\$14,472,024	\$0	\$17,254,556	\$67,913	\$134,813	\$0	\$202,727	\$17,051,829
<b>PROGRAM:</b> 5000-TRANSPORTATION									
30-BUILDINGS	\$2,436,340	\$0	\$0	\$2,436,340	\$60,909	\$60,909	\$0	\$121,817	\$2,314,523
PROGRAM TOTALS:	\$2,436,340	\$0	\$0	\$2,436,340	\$60,909	\$60,909	\$0	\$121,817	\$2,314,523
ACCOUNT TOTALS:	\$5,254,934	\$14,489,000	\$0	\$19,743,935	\$130,449	\$201,959	\$0	\$332,408	\$19,411,526
<b>FUND:</b> HC-CAPITAL-KITCHEN									
<b>PROGRAM:</b> 2000-INSTRUCTIONAL									
50-MACHINERY & EQUIPMENT	\$599,442	\$0	\$0	\$599,442	\$39,230	\$39,963	\$0	\$79,192	\$520,250

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**Anytown CSD**  
**Net Changes Summary Report**  
Fiscal Year Ending: 6/30/2019

	Beginning Yr Original Cost	Additions	Disposals	Ending Yr Original Cost	Beginning Yr Depreciation	Current Yr Depreciation	Depreciation of Current Yr Disposals	Accumulated Depreciation	Net Book Value
PROGRAM TOTALS:	\$599,442	\$0	\$0	\$599,442	\$39,230	\$39,963	\$0	\$79,192	\$520,250
ACCOUNT TOTALS:	\$599,442	\$0	\$0	\$599,442	\$39,230	\$39,963	\$0	\$79,192	\$520,250
REPORT TOTALS:	<u>\$41,999,324</u>	<u>\$15,039,179</u>	<u>\$511,748</u>	<u>\$56,526,754</u>	<u>\$16,140,106</u>	<u>\$1,191,784</u>	<u>\$511,748</u>	<u>\$16,820,142</u>	<u>\$39,706,612</u>

## Anytown CSD

### Net Changes Summary Report by Entity

Fiscal Year Ending: 6/30/2019

	Beginning Yr Original Cost	Additions	Disposals	Ending Yr Original Cost	Beginning Yr Depreciation	Current Yr Depreciation	Depreciation of Current Yr Disposals	Accumulated Depreciation	Net Book Value
10-LAND PARCELS	\$852,860	\$0	\$0	\$852,860	\$0	\$0	\$0	\$0	\$852,860
20-OUTDOOR IMPROVEMENTS	\$1,059,835	\$14,472,024	\$0	\$15,531,859	\$670,385	\$99,265	\$0	\$769,650	\$14,762,209
30-BUILDINGS	\$35,406,498	\$3,824	\$0	\$35,410,322	\$12,642,641	\$828,339	\$0	\$13,470,980	\$21,939,342
50-MACHINERY & EQUIPMENT	\$2,819,617	\$73,049	\$9,684	\$2,882,982	\$1,932,129	\$93,137	\$9,684	\$2,015,582	\$867,400
60-LICENSED VEHICLES	\$1,860,514	\$490,281	\$502,064	\$1,848,731	\$894,950	\$171,043	\$502,064	\$563,930	\$1,284,802
REPORT TOTALS:	<u>\$41,999,324</u>	<u>\$15,039,179</u>	<u>\$511,748</u>	<u>\$56,526,754</u>	<u>\$16,140,106</u>	<u>\$1,191,784</u>	<u>\$511,748</u>	<u>\$16,820,142</u>	<u>\$39,706,612</u>







TWO GATEWAY CENTER, 603 Stanwix St., Suite 1450, Pittsburgh, Pennsylvania 15222  
Phone 800-245-2718 Fax 412-471-1758 [www.indappr.com](http://www.indappr.com)

November 5, 2020

Email to: [titum@mcdonald.k12.oh.us](mailto:titum@mcdonald.k12.oh.us)

Ms. Megan Q. Titus, CPA  
Treasurer/CFO  
McDonald Local Schools  
600 Iowa Avenue  
McDonald, Ohio 44437

Dear Ms. Titus:

We welcome the opportunity to resubmit our proposal to provide an appraisal for the McDonald Local Schools for fixed asset accounting control and insurance valuation purposes.

Under the terms of our agreement, we will conduct an on-site inspection and appraisal of the **buildings, site improvements (insurable and uninsurable), fixed equipment and movable equipment** associated with the property locations listed in Addendum No. 1 of the agreement.

The report will be presented in our *Property Inventory and Accounting Cost Record* format which will provide a record of assets in computerized form. This presentation is designed for the continued maintenance of effective property control as well as providing a depreciation study for all fixed assets in compliance with GASB 34 requirements. The depreciation study is based upon actual or estimated acquisition cost and year acquired.

Applicable to insurance values, our certified report will establish the current cost of reproduction new and sound insurable value (actual cash value) of the properties appraised.

When our proposal is accepted, please sign and date the Acceptance Page (Page 6 of the Agreement), Initial the Verification of Property Listing as shown in Addendum No. 1 (Page 8 of the Agreement) and return the signed, dated and initialed Agreement to me. Upon receipt, we will proceed promptly in making arrangements to schedule the on-site inspection.

If you wish to have us furnish your insurance agent or broker with a copy of the appraisal summary, please complete and return the attached Form 311, agent authorization (Page 15). Due to the confidential nature of these figures, they will be released only with your written consent.

Should you have any questions, concerns, or if I can be of assistance in any way, do not hesitate to contact me at 412-208-1780 or email [gpintado@indappr.com](mailto:gpintado@indappr.com).

Thank you for considering the professional appraisal services of Industrial Appraisal Company. We look forward to be of service to you in your valuation requirements.

Very truly yours,

INDUSTRIAL APPRAISAL COMPANY

*Gary Pintado*

Gary Pintado  
Regional Sales Manager

GP/mg



# Industrial Appraisal — COMPANY —

TWO GATEWAY CENTER, 603 Stanwix St., Suite 1450, Pittsburgh, Pennsylvania 15222  
Phone 800-245-2718 Fax 412-471-1758 www.indappr.com

## APPRAISAL AGREEMENT

The Industrial Appraisal Company hereby proposes to provide inventory and valuation services for the:

**McDonald Local Schools**  
600 Iowa Avenue  
McDonald, Ohio 44437

### I. PROVISIONS AND SCOPE OF APPRAISAL

The appraisal services and reports are to consist of on-site consultation, data collection, inventory, valuation, and cost analysis of the fixed assets of the **McDonald Local Schools** for the purpose of preparing a tabulated schedule of fixed assets including a depreciation study related to actual or estimated year of acquisition and acquisition cost. This schedule is designed to conform to the requirements of **GASB 34** as it pertains to depreciation. Supplementally, an opinion of the current insurance values of the buildings and equipment will be provided.

The fixed assets to be identified and recorded will include buildings/structures, fixed and movable equipment. The applicable property locations to be considered for appraisal are listed in **Addendum No. 1** to this agreement.

### II. INVENTORY AND APPRAISAL PROVISIONS

The data for the proposed asset management system and the insurance valuation report will be developed by physical inspection, inventory and cost analysis of all applicable assets.

#### A. Buildings

The buildings will be valued as a unit-in-place for cost accounting and insurance valuation purposes reflecting specific data elements relating to dates of construction or acquisition, original cost allocation, square footage, useful life, and reproduction cost new. Building component classifications will be comprised of General Construction, Plumbing, Heating/Air Conditioning/Ventilating, Electrical, Sprinkler System, Roofing and Fixed Equipment allocations.

#### B. Site Improvements – (Insurable and Uninsurable Site Improvements)

The site improvements will consist of: Lighting, Fencing, Signs, Flagpoles, Parking Lots, Sidewalks, Curbs, Retaining Walls, Property in the Open, Etc.

#### C. Movable Equipment

Movable equipment will be inventoried on a building, floor, departmental and room-by-room basis and will be segregated by asset class and between major movable equipment and other movable equipment.

1. Major movable equipment will generally include individual items with a replacement cost exceeding \$1,000.00 applicable to insurance and \$1,000.00 capitalization thresholds with a useful life of one year or more. Certain items/systems below the unit cost standard that may warrant special property and cost control will be considered Critical Control Assets. Such items (CPU's, Printers, Monitors) may be designated "Critical Control Assets" in advance of commencement of the inventory.

2. The remaining movable equipment, designated as other movable equipment, will be inventoried on a room-by-room or by building basis, grouped and valued by asset class. Data elements relating to dates of acquisition, acquisition cost, useful life, and replacement cost will be developed "at average" by asset type for each location segregation.

### Licensed Vehicles

Licensed Vehicles may be included in the fixed asset record based on information to be supplied by the McDonald Local Schools. Vehicles should be reported with *Vehicle Description, Manufacturer, Model, Vehicle Identification Number (VIN), Cost and Year Acquired*.

Please note that the onsite inventory will not include Musical Instruments and Uniforms of any kind. These assets can be included in the final report; however, if Industrial Appraisal Company is provided with a listing from the McDonald Local Schools which should include approximate purchase date.

### **III. PROVIDE TAGS AND TAG MOVABLE EQUIPMENT ASSETS**

#### **Asset Identification Number**

Industrial Appraisal Company will provide the tags. The tag form and layout is to be approved by McDonald Local Schools. Tags will be of vinyl pressure sensitive type with bar code identifier.

The movable furniture and equipment items warranting specific property control with a current **replacement cost exceeding \$1,000.00** will be physically tagged and reflected in the completed report. The appraiser will affix tags neatly in a uniform manner in accordance with existing appraisal standards consistent with those outlined in **Addendum No. 2**.

The Industrial Appraisal Company will not tag surplus, obsolete, non-functional, stored or otherwise inaccessible furniture, fixtures or equipment. These items may be valued as a group using an estimate based on the observations of the appraisers or as otherwise directed by McDonald Local Schools.

### **IV. REPORT PRESENTATION**

The capital asset report presentation will include all fixed asset classifications currently scheduled or pre-designated by the **McDonald Local Schools** and will be prepared in conformance with Industrial Appraisal's Property Inventory and Accounting Cost Record form.

#### **A. The report(s) to be provided will include:**

- Letter of Transmittal
- Building Schedule Index
- Departmental Schedule Index
- Insurance Valuation Summary
- Recapitulation Summary by Asset Code
- Master Detailed Report
- A Supplemental Sequential Asset Number Report

#### **B. The Master Detailed Report will include the following data:**

**Building Identification - Floor/Room/Area Code - Asset Class Code - Asset Identification Number - Quantity - Description - Date Acquired - Life - Reproduction Cost New - Acquisition Cost - Accumulated Depreciation - Annual Depreciation - Salvage Value**

##### **1. Acquisition Date and Cost (Buildings/Structures):**

The dates of acquisition and acquisition costs of the Buildings/Structures will be developed by the appraisal staff through use of data to be supplied by the McDonald Local Schools and should include architectural cost breakdowns, renovation projects and any records of site purchases. In the absence of actual costs, Industrial Appraisal Company will utilize reverse trending indices applied against current replacement cost calculations.

##### **2. Life:**

The life schedule for fixed assets conforms to recommendations by GASB Statement 34 implementation as indicated in **Addendum No. 3**. Any exceptions required by the McDonald Local Schools must be made prior to commencement of the work.

##### **3. Depreciation:**

All major fixed asset items recorded will be capitalized and depreciated on a straight-line basis utilizing the half-year convention computed as of a **June 30 fiscal cutoff** or as otherwise specified.

4. **Fund/Function Code:**

Fund and Function coding, determined and agreed upon in advance of the fieldwork, will be assigned in the field based on item location. In the absence of specific coding instructions, the items will be classified as **FUNCTION - INSTRUCTIONAL / FUND - GENERAL OR FUNCTION - FOOD SERVICES OPERATION / FUND - FOOD SERVICES.**

5. **Salvage Value:**

The estimated amount expressed in terms of money that may be expected upon sale or other disposition of an asset after it is no longer useful to the owner and is to be retired from service. Salvage value will be computed by classification and calculated using the schedule indicated in **Addendum No. 3.**

**Ohio State Software Data File**

Industrial Appraisal Company will provide the insurance report on disk in Ohio State Software Format intended for conversion and upload into the McDonald Local Schools' in-house system, fixed asset module.

Industrial Appraisal Company will deliver one (1) original bound copy of the completed appraisal report including the **Ohio State Software Data File** and **Microsoft Excel Data File (Spreadsheet).**

V. **PROFESSIONAL FEE**

The total fee for the proposed inventory and appraisal services is:

**FOUR THOUSAND FOUR HUNDRED AND TWENTY DOLLARS**

**\$4,420.00**

**FEE IS INCLUSIVE OF ALL EXPENSES**

This fee covers work under this agreement only, and such items as legal conferences, depositions, court testimony or expansion of the appraisal for purposes not specified herein will be invoiced at a per diem rate to be determined.

VI. **BILLING PROCEDURE**

The fee quoted for services to be provided currently will be progressively billed as follows:

- 60% of Appraisal Service Fee due upon completion of the on-site fieldwork
- Balance due upon delivery of the completed appraisal report

Unless special arrangements have been made all progressive payments must be in hand before the appraisal results are released for delivery.

This agreement may be terminated by either party at any time given 10 days written notice, however, accumulated fees and costs incurred to the point of termination will be billed through the active period.

## VII. ANNUAL SERVICES

The Industrial Appraisal Company will provide annual maintenance service for both the updating of the Property Inventory and Accounting Cost Record and Report of Insurable Values.

### A. Property Inventory and Accounting Cost Record Updating

Industrial Appraisal Company offers to furnish annually a new fixed asset schedule that will reflect the additions, deletions and transfers that have been reported to Industrial Appraisal Company for the previous year. New depreciation data will be calculated. In addition to the revised master report the following supplemental reports will be prepared.

- Sequential Asset Number Report
- Current Year Capital Additions by Building
- Current Year Deletions by Building

### B. Insurable Values Updating

A report of updated insurable values will include a new appraisal summary reflecting the current Cost of Reproduction New and Sound Insurable Value of the buildings and equipment.

### ANNUAL SERVICES FEES

Annual Updating of Property Inventory and Accounting Cost Record..... (Due First Anniversary)	\$210.00
Annual Updating of Insurable Values..... (Due First Anniversary)	\$310.00

## VIII. PROOF OF LOSS SERVICE

In the event of a loss covered by insurance, provided immediate written notice is given to our Corporate Office, and our Annual Revaluation Service is in effect, the Industrial Appraisal Company will provide updated values, for preparation of proof of loss, of the appraised property as of the date of the loss.

## **TERMS AND CONDITIONS**

### **General**

In the event Industrial Appraisal Company's services are requested to include items not covered by this agreement, these services shall be negotiated between the McDonald Local Schools and Industrial Appraisal Company.

Fees stated in this proposal are predicated on properties as indicated to us without benefit of independent verification. Should the results of our investigation indicate that the scope of the project or total number of structures to be appraised is greater than indicated, we reserve the right to adjust our fee based on the additional work effort. Correspondingly, if we are requested to include other properties not listed in the information provided, we will identify the cost to provide those additional services on a separate invoice.

Performance of this contract and fees developed hereunder are predicated upon reasonable free access to the property and required information and available data to be provided promptly as requested. When formulating our conclusions, we may rely on information provided by the McDonald Local Schools or others. Should new information become available after a draft or final report has been submitted, we reserve the right to amend or modify our report and the conclusions therein. The fee quoted is contingent upon the on-site inspection being conducted during normal business hours, Monday through Friday. Should it be necessary to conduct the on-site inspection other than during normal business hours, an additional fee may apply.

Any exceptions to our standard life schedules, codes, salvage values, etc. will result in additional charges.

Terms and conditions on purchase orders issued to Industrial Appraisal Company for authorization are for the McDonald Local Schools' internal use only and shall not modify the terms and conditions of this agreement, addenda, or related documents.

The Industrial Appraisal Company is not an accounting firm and we rely upon mutual cooperation with the McDonald Local Schools in developing an accurate accounting database that will meet GASB 34 requirements for compliance.

### **Limitation on Damages**

The McDonald Local Schools agrees that the Industrial Appraisal Company officers, directors, employees, shareholders, agents and subsidiary or related entities shall not be liable to the McDonald Local Schools for any claims, liabilities, causes of action, losses, damages (whether compensatory, consequential, special, direct, indirect, incidental, punitive, exemplary, or of any other type), costs and expenses (including, but not limited to reasonable attorneys' fees and expert witness fees and the reasonable time and expenses of Industrial Appraisal Company's personnel involved) in any way arising out of this engagement in any amount greater than the total amount of fees paid by the McDonald Local Schools to the Industrial Appraisal Company, except to the extent finally and judicially determined to have been the result of bad faith, gross negligence, or intentional or willful misconduct of the Industrial Appraisal Company. This provision shall survive the termination of this agreement for any reason, and shall apply to the fullest extent of the law, whether in contract, statute, tort, strict liability or otherwise.

### **Force Majeure**

Neither Party shall be liable for or deemed to be in default for any delay or failure to perform any act under this Agreement (other than the payment of money) resulting, directly or indirectly, from Acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquake, flood, failure of transportation, strikes or other work stoppages by either Party's employees, or any other cause beyond the reasonable control of such Party.

### **Confidentiality**

To the extent Industrial Appraisal Company, its employees or agents is provided, has access to or comes into possession of, any protected proprietary and/or confidential information of the McDonald Local Schools (collectively, "Confidential Information"), the Industrial Appraisal Company, its employees and agents shall not, directly or indirectly, acting alone, or with others: (i) disclose to any other person or entity any Confidential Information (unless required by law); or (ii) use any Confidential Information other than for performance of this contract.

Industrial Appraisal Company agrees that upon completion and delivery of the appraisal reports, whether physically or electronically, the appraisals shall be the property of the McDonald Local Schools. Industrial Appraisal Company agrees to maintain the confidentiality of this proposal and the information contained in the appraisals unless compelled to disclose such information by judicial process from a court of competent jurisdiction. Industrial Appraisal Company agrees that prior to any disclosure pursuant to judicial process, Industrial Appraisal Company shall notify, and provide a copy of such process to, the McDonald Local Schools.

### **Property Exclusions**

The appraisal will not include land, landscaping, licensed vehicles, musical instruments and uniforms, fine arts, antiques, work in progress, consumable supplies, valuable papers, intangible assets, property of third parties, or properties other than those indicated in this agreement.

**ACCEPTANCE AND AUTHORIZATION TO PROCEED**

Neither party to this contract is bound by any promise, term nor condition, either oral or written, not incorporated in this instrument. Acceptance of this Appraisal Agreement also indicates acceptance of the Addenda. This offer for appraisal services expires after ninety (90) days at which time it may be renegotiated.

REVISED AND RESUBMITTED this 5<sup>th</sup> day of November 2020

**INDUSTRIAL APPRAISAL COMPANY  
TWO GATEWAY CENTER  
603 STANWIX STREET, SUITE 1450  
PITTSBURGH, PENNSYLVANIA 15222**

*Gary Pintado*

Gary Pintado  
Regional Sales Manager

**ACCEPTED:**

**MCDONALD LOCAL SCHOOLS  
600 IOWA AVENUE  
MCDONALD, OHIO 44437**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

**ADDENDUM NO. 1**  
**Properties to be Appraised**



## ADDENDUM NO. 1

### Properties to be Appraised

#### APPRAISAL AGREEMENT

McDonald Local Schools  
600 Iowa Avenue  
McDonald, Ohio 44437

PROPERTY LOCATION	APPROXIMATE SQUARE FOOTAGE
Board of Education	
Administration Building	
600 Iowa Avenue	
McDonald, OH 44437	
McDonald High School	120,000
600 Iowa Avenue	
McDonald, OH 44437	
Roosevelt Elementary	64,000
410 West Seventh Street	
McDonald, OH 44437	
APPROXIMATE TOTAL SQUARE FOOTAGE:	184,000
Site Improvements (Insurable and Uninsurable) at Property Locations Listed on this Addendum To Include: <i>Lighting, Fencing, Signs, Flagpoles, Parking Lots, Playground Equipment, Sidewalks, Curbs, Retaining Walls, All Weather Track, Press Box, Score Boards, Bleachers, Rest Concessions, Storage, Property in the Open, Etc.</i>	

THE FEE QUOTED IN THIS AGREEMENT IS FOR THE APPRAISAL OF THE LOCATIONS INDICATED ON THIS ADDENDUM.  
THE APPRAISAL OF LOCATIONS NOT INDICATED ON THIS ADDENDUM OR SIGNIFICANT INCREASE IN SQUARE FOOTAGE  
WILL RESULT IN ADDITIONAL CHARGES.

Please Initial Verification of Property Listing \_\_\_\_\_

## **ADDENDUM NO. 2**

### **General Tagging Procedures**



# Industrial Appraisal — C O M P A N Y —

## General Tagging Procedures

The Industrial Appraisal Company recommends the following tagging procedures. Variations on tag placement are welcomed, but any desired variations and/or unique tag placement must be discussed with the Appraiser prior to the start of the field inventory work.

### 1. EASE OF IDENTIFICATION

Tags will be placed in consistent locations on similar assets. Consistency increases the ease of identification by internal staff and outside auditors.

### 2. DETRACTABILITY

The tag placement will take into consideration the appearance of a tagged asset in specified high visibility areas e.g., Executive Offices. The appearance of an asset should not be compromised by placing the tag on an area that will diminish its appearance.

### 3. NO OBSTRUCTION OF WORK ACTIVITY

Tags will not be placed on movable parts, protective glass covering readouts and measurements or on safety decals.

### 4. PHYSICAL CONVENIENCE

On assets that are bulky or heavy and would require movement to access the proper location, tags will be placed on the most convenient location. Tags will be placed on a flat surface to insure readability by a hand-held scanner.

### 5. EQUIPMENT AND RECOMMENDED TAG PLACEMENT

The following lists various assets and the recommended tag placement.

## GENERAL FURNITURE

### Description

### Tag Location Code

Desks	KW
Chairs / Swivel (Executive-Secretary)	PB
Chairs / Stationary (Slide, Open Arm, LNG)	IL
Credenza	ULF
Bookcase	ULF
Cabinets (File, Storage, Supply)	ULF
Shelving	ULF
Table (Conference, Work, Library)	IL
Table (End, Coffee)	IL
Sofa, Settee	IL
Air Conditioners (Window Type)	ULF

## OFFICE MACHINES

### Description

### Tag Location Code

Computer Monitors	ULF
Computer Processors	ULF
Typewriters	LC
Calculators and Adding Machines	S
Copiers and Duplicators	S
Accounting Machines	NP
Time Stamps	ULF
Mailing Machines	NP
Dictators and Transcribers	S
Microfilm Readers	S
Imprinters	NP

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B	BOTTOM
C	COVER
F	FRONT
I	INSIDE
KW	KNEE WELL
L	LEFT
NP	NUMBER PLATE
P	PEDESTAL
R	RIGHT
S	SIDE
U	UPPER

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**ADDENDUM NO. 3**

**Universal Coding**  
**(GASB 34 Compliant)**



# Industrial Appraisal COMPANY

Information Technology  
Two Gateway Center  
603 Stanwix Street, Suite 1450  
Pittsburgh, PA 15222  
412-471-2566/800-245-2718  
[www.indappr.com](http://www.indappr.com)

## UNIVERSAL CODING for Property Record, Fixed Asset Appraisals

DESCRIPTION	ASSET/ PROPERTY CLASS	LIFE	SALVAGE VALUE %
<b>LAND, IMPROVEMENTS, BUILDINGS/STRUCTURES, INFRASTRUCTURE</b>			
Land	01	N/A	N/A
Site Improvements	02	20+/-	00
Buildings	03	40+/-	00
Leasehold Improvements	04	20	00
Infrastructure	05	50+/-	00
<b>BUILDING ITEMS/PERMANENT FIXTURES</b>			
Stained Glass	06	--	--
Stained Glass - Fine Arts	07	--	--
Chandeliers/Sconces	08	--	10
Pipe Organs	09	--	10
Statues	10	--	--
Bells/Bell Carillons (Bldg.)	11	--	--
Murals/Icons	12	--	--
Architectural Fine Arts	14	--	--
Permanent Fixtures	21	20	00
Bowling Alley/Pinsetters	22	20	10
Carillon (PF)	23	20	10
Permanent Fixtures - SV	25	N/A	N/A

<u>DESCRIPTION</u>	<u>ASSET/ PROPERTY CLASS</u>	<u>LIFE</u>	<u>SALVAGE VALUE %</u>
<b>EQUIPMENT</b>			
Machinery/Shop Equip.	30	15	10
Construction Equipment	32	15	10
Refrigeration Equip (Ice Rink, etc.)	34	15	05
Equipment	38	15	05
Office Mach & Devices	44	08	00
Audio Visual Equip	45	06	05
EDP Equip	46	05	00
Telephone System	47	10	00
Laboratory/Science Equipment	48	10	10
Medical/Hospital Equipment	49	10	10
Food Service & Appliances	51	15	05
Communications (Radio/TV) Equip	52	10	05
Sacred Vessels/Vestments/Altar Linens	54	10	10
Books, Periodicals & Materials	55	7	10
Fine Arts	56	N/A	N/A
Music Equip & Instruments	57	20	10
Manufacturing Piping	58	20	00
Process Piping	60	20	00
Power Feed Mains	62	20	00
Vehicles -- Police -- Acq. Only	63	2	05
Mobile Equipment	64	12	05
Vehicles -- Licensed -- Acq. Only	66	8	10
Leased Equipment	67	N/A	N/A
"On Board" Vehicle Equipment	70	10	05
Maintenance & Grounds Equip.	72	15	05
Books & Periodicals "OV"	80	7 w/cost	N/A
Dockets & Maps "OV"	81	7 w/cost	N/A
Law Books "OV"	82	7 w/cost	N/A
Molds - Dies - Fixtures "OV"	83	N/A	N/A
EDP Software or Equip."OV"	84	5 w/cost	00
AV Software or Equip."OV"	85	6 w/cost	05
Miscellaneous Equip. "OV"	86	10 w/cost	00
Musical Instruments "OV"	87	20 w/cost	10
Uniforms "OV"	88	10 w/Cost	10
Stated Value Equipment	90	N/A	N/A
Athletic & Sports Equipment	91	10	10
Educational & Janitorial Supplies	98	N/A	N/A
"Optional" Description	99	Optional	Optional




# Industrial Appraisal COMPANY

FORM 311

**Corporate Office**  
Two Gateway Center  
603 Stanwix Street, Suite 1460  
Pittsburgh, PA 15222  
800-245-2718  
412-471-2566  
Fax: 412-471-1758  
www.indappr.com

Please forward a copy of the Appraisal Summary to our Advisor Listed Below:

Advisor's Email:			
	Please indicate if you wish to have a copy forwarded to your advisor electronically each year: Yes <input type="checkbox"/> No <input type="checkbox"/>		
Name:			
Company:			
Address:			
Name of Appraised Property:			
Signature:			
Print Name:		Date:	
Telephone:			
<div> <b>Industrial Appraisal</b> COMPANY</div> <b>Form 311</b>			



2020-2021 BASKETBALL WORKER RATES**Junior Varsity/Varsity****BOYS:**

	#	Amount	Total
Officials			
Varsity	3	68.00	204.00
JV	2	48.00	96.00
Security	2	70.00	140.00
Ticket Sellers	2	40.00	80.00
Scoreboard	1	75.00	75.00
Scorebook	1	20.00	<u>20.00</u>
			\$615.00 x 11 home games = \$6,765.00

**GIRLS:**

Officials			
Varsity	3	68.00	204.00
JV	2	48.00	96.00
Security	1	70.00	70.00
Ticket seller	1	40.00	40.00
	1	30.00	30.00
Scoreboard	1	65.00	65.00
Scorebook	1	15.00	<u>15.00</u>
			\$520.00 x 11 home games = \$5,720.00

**Junior High B/G**

Officials	2	48.00	96.00
Ticket Sellers	2	15.00	30.00
Scoreboard	1	30.00	<u>30.00</u>
			\$156.00 x 16 home games = \$2,496.00



## MCDONALD

TRUMBULL

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;  
Forecasted Fiscal Years Ending June 30, 2021 Through 2025

	Actual				Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$1,171,679	\$1,219,525	\$1,419,418	10.2%	\$1,429,000	\$1,415,000	\$1,401,000	\$1,408,000	\$1,415,000
1.020 Tangible Personal Property Tax									
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	5,499,984	5,424,971	5,350,158	-1.4%	5,352,000	5,413,000	5,419,000	5,424,000	5,424,000
1.040 Restricted State Grants-in-Aid	26,378	31,221	48,401	38.7%	31,100	31,000	31,000	31,000	31,000
1.045 Restricted Federal Grants-in-Aid - SFSE									
1.050 Property Tax Allocation	216,537	214,776	252,751	8.4%	250,000	248,000	245,000	243,000	240,000
1.060 All Other Revenues	1,510,435	1,808,276	1,650,029	4.5%	1,644,000	1,583,000	1,598,000	1,614,000	1,629,000
1.070 Total Revenues	8,425,013	8,498,769	8,720,757	1.7%	8,706,100	8,690,000	8,694,000	8,720,000	8,739,000
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Appro									
2.040 Operating Transfers-In		21,725							
2.050 Advances-In									
2.060 All Other Financing Sources	1,129	10,824	4,449	399.9%	249				
2.070 Total Other Financing Sources	1,129	32,549	4,449	1348.3%	249				
2.080 Total Revenues and Other Financing Sources	8,426,142	8,531,318	8,725,206	1.8%	8,706,349	8,690,000	8,694,000	8,720,000	8,739,000
<b>Expenditures</b>									
3.010 Personal Services	4,400,895	4,611,968	4,772,874	4.1%	5,031,000	5,209,000	5,356,000	5,466,000	5,597,000
3.020 Employees' Retirement/Insurance Benefits	1,612,307	1,769,482	1,685,938	2.5%	1,812,000	1,858,000	1,967,000	2,091,000	2,157,000
3.030 Purchased Services	1,232,909	1,259,530	1,168,585	-2.5%	1,065,000	1,285,000	1,310,700	1,337,000	1,363,700
3.040 Supplies and Materials	211,919	235,038	188,274	-2.4%	244,000	246,900	251,700	256,700	261,800
3.050 Capital Outlay	1,283	2,483		-3.2%					
4.300 Other Objects	52,491	58,980	63,533	10.0%	80,000	61,300	63,700	66,200	68,800
4.500 Total Expenditures	7,511,804	7,937,481	7,889,205	2.5%	8,232,000	8,660,100	8,949,100	9,216,900	9,448,300
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	200,000	229,480	443,984	54.1%	225,000	227,000	230,000	230,000	230,000
5.020 Advances-Out									
5.030 All Other Financing Uses		533,108							
5.040 Total Other Financing Uses	200,000	762,588	443,984	119.8%	225,000	227,000	230,000	230,000	230,000
5.050 Total Expenditures and Other Financing Uses	7,711,804	8,700,069	8,333,189	4.3%	8,457,000	8,887,100	9,179,100	9,446,900	9,678,300
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other	714,338	168,751	392,017	-228.0%	249,349	197,100	485,100	726,900	939,300
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,586,279	5,300,617	5,131,866	6.2%	5,523,883	5,773,232	5,576,132	5,091,032	4,364,132
7.020 Cash Balance June 30	5,300,617	5,131,866	5,523,883	2.2%	5,773,232	5,576,132	5,091,032	4,364,132	3,424,832
8.010 Estimated Encumbrances June 30	11,879	3,200	14,905	146.4%					
<b>Fund Balance June 30 for Certification of</b>									
10.010 Appropriations	5,288,738	5,128,666	5,508,978	2.2%	5,773,232	5,576,132	5,091,032	4,364,132	3,424,832
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	5,288,738	5,128,666	5,508,978	2.2%	5,773,232	5,576,132	5,091,032	4,364,132	3,424,832
15.010 Unreserved Fund Balance June 30	5,288,738	5,128,666	5,508,978	2.2%	5,773,232	5,576,132	5,091,032	4,364,132	3,424,832

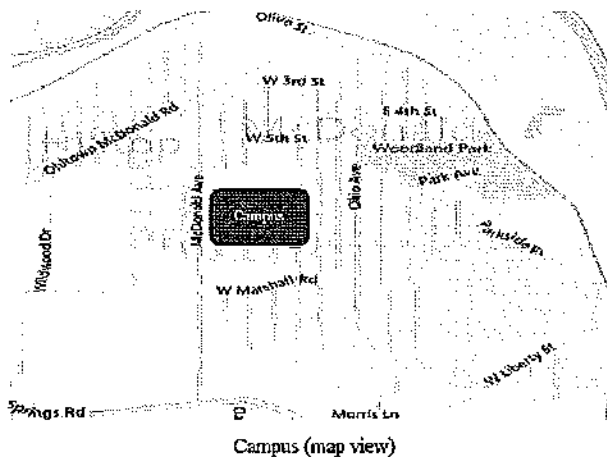
See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

**McDonald Local School District**  
**Trumbull County**  
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**Note 1 – The School District**

The McDonald Local School District is located in Trumbull County and encompasses all of the Village of McDonald and a portion of Weathersfield township. The School District is organized under Article VI, Sections 2 and 3, of the Constitution of the State of Ohio. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms. The School District operates two instructional buildings on one campus which are staffed by 60 highly qualified teachers (including Title I certified and classified teachers), 5 para-professional aids and 15 quality non-teaching classified personnel to provide services to 744 students. Note that the student count for this forecast includes open enrollment-in students, court-placed students, and current students within the district attending school.



Campus (map view)



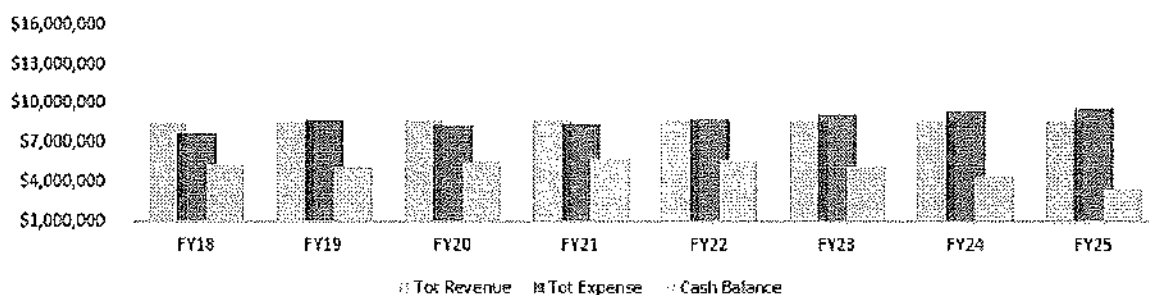
Roosevelt Elementary School



McDonald High School

**Note 2 – Uncertain Nature of the Forecast**

This forecast presents, to the best of the Board of Education's ability, the expected revenues, expenditures and balances of the operating funds. Accordingly, the forecast reflects the Board's judgment of the expected conditions and its planned course of action as of November 18, 2020, the adopted date of this forecast. The assumptions herein involve actions and influences of: the board of education, superintendent, students, governor, legislators, voters, consortiums, unions and various other stakeholders. **Differences** between the forecasted and actual results **are inevitable** because of the vast number of people involved.



**McDonald Local School District**  
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**Note 3 – General Operating Assumptions**

The McDonald Local School District will continue to operate in accordance with its adopted school calendar and pay all obligations. The forecast contains those expenditures deemed necessary to provide high quality yet affordable educational programs aligned with state and local objectives for students.

**Note 4 – Capital Expense Policies and Procedures**

Continuous upkeep and maintenance of the high school and elementary buildings is a significant challenge and can prove to be very costly. Revenues for capital expenditures are generated from the following sources: OSFC Maintenance levy, Half Mill Equalization payments, Replacement Fund, and a Permanent Improvement levy. Note that these revenues are categorized separately from the General Fund.

**OSFC Maintenance and Bond Levies:**

The OSFC Maintenance levy generates 0.5 mills. During tax year 2021 (collection year 2022), this levy and the Bond levy will expire. At that time, an opportunity exists to combine the two levies and request another Permanent Improvement or alternative levy equal to the expiring amounts (see Note 1 in table on page 4).

**Replacement Fund:**

The Board transfers \$180,000 from the General Fund to the Replacement Fund on an annual basis. This is done in order to manage on-going capital problems and facilitate repairs to district property as needed. Beginning in fiscal year 2021 and forward, the Board will transfer an additional \$20,000 each year in order to prepare for future replacement/upkeep costs of the new artificial turf field at the athletic complex.

**Permanent Improvement Levy:**

The Permanent Improvement Levy generates 4.3 mills and will continue until 2024.

**Athletic Field Replacement Fund:**

A separate Athletic Field Replacement fund was established specifically for the new athletic complex construction, located on 2<sup>nd</sup> Street in McDonald. The board appropriated \$2,600,000 for the project by transferring this amount out of the General Fund. Note that this balance is currently being collected from an Emergency Levy which generates \$260,000 per year. Estimated costs for this athletic complex have been incorporated into the table on page 4.

Included in the table on the next page are the actual receipts and expenses incurred for which all permanent improvement funds were used historically. The district accomplished numerous improvements to the district, especially during fiscal years 2019 and 2020.

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<b>HISTORICAL 3 YEARS - Permanent Improvements</b>			
	<b>ACTUAL FY18</b>	<b>ACTUAL FY19</b>	<b>FORECAST FY20</b>
<b>Beginning Cash Balance - PI Funds</b>	<b>3,132,981</b>	<b>3,328,127</b>	<b>3,076,544</b>
<b>Revenues</b>			
OSFC Maintenance (034 0000)	22,421	22,673	22,861
Half Mill Equalization (034 0000)	25,750	25,750	24,819
Replacement Fund (005 0000)	180,000	180,000	180,000
Permanent Imp (003 9015)	191,412	196,715	226,495
Athletic Field Replace (005 9016)	-	-	226,991
	<p><u>COMPLETED:</u> 4.3 mill PI levy was reduced to 3.15 mill for 1 year only. PI levy increased back to 4.3 mills in final year, which was tax year 2018 (collection year)</p>	<p><u>COMPLETED:</u> Renewed and extended expiring 4.3 mill PI levy.</p>	
<b>TOTAL REVENUE</b>	<b>419,583</b>	<b>425,138</b>	<b>681,166</b>
<b>ACTUAL EXPENDITURES:</b>			
Technology Improvements	54,608	55,186	-
Boiler Room Waterproofing	17,625	-	-
Stage Rigging	-	41,877	-
Security Cameras & Window Film at HS	-	135,780	-
Masonry Repair at HS	-	58,800	-
Boiler Repairs	-	48,529	45,495
ES Cafeteria Table Replacement	15,725	8,308	-
ES Playground - drainage & upgrades	-	-	34,030
Security Cameras at ES	-	-	17,365
Roof Maintenance/Repairs at HS	-	-	60,692
LED Lighting Project at HS	-	-	178,413
Controls Upgrade Project at HS	-	-	44,713
Exterior LED Lighting at ES	-	-	4,694
Reading & Writing Textbooks for HS	-	-	40,618
Permanent Fixtures for Volleyball	-	-	9,222
Chromebook and iPad purchases	-	-	40,623
Repairs to Buses	-	-	8,500
Athletic Complex Expenses (actual)	46,369	229,420	161,896
Other Miscellaneous Expenses	90,110	98,821	25,486
<b>TOTAL EXPENDITURES</b>	<b>224,437</b>	<b>676,721</b>	<b>671,747</b>
<b>Ending Cash Balance - PI Funds</b>	<b>3,328,127</b>	<b>3,076,544</b>	<b>3,085,963</b>

**McDonald Local School District**  
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Included in the table below are the forecasted receipts and expenses for fiscal years 2021 through 2025, for which all permanent improvement funds are expected to be used.

<b>Financial Model (FORECASTED) - Permanent Improvements</b>					
	<b>FORECAST FY21</b>	<b>FORECAST FY22</b>	<b>FORECAST FY23</b>	<b>FORECAST FY24</b>	<b>FORECAST FY25</b>
Beginning Cash Balance - PI Funds	3,085,963	1,039,731	158,341	568,690	854,220
<b>Revenues</b>					
OSFC Maintenance (034 0000)	23,087	5,806	-	-	-
Half Mill Equalization (034 0000)	24,819	24,819	24,819	-	-
Replacement Fund (005 0000)	200,000	200,000	200,000	200,000	200,000
Permanent Imp (003 9015)	228,030	228,030	228,030	228,030	180,000
Athletic Field Replace (005 9016)	34,500	15,500	7,500	7,500	7,500
	<div style="border: 1px solid black; padding: 5px;"> <p>(Note 1) Debt Service levy expires along with the OSFC Maintenance levy. Opportunity to combine the two and ask for another PI or alternative levy equal to the expiring amounts. Would need approved by voters by the November 2022 election.</p> </div>				
<b>TOTAL REVENUE</b>	<b>510,436</b>	<b>474,155</b>	<b>460,349</b>	<b>435,530</b>	<b>387,500</b>
<b>FORECASTED EXPENDITURES:</b>					
Technology Improvements	50,000	50,000	50,000	50,000	50,000
Controls Upgrade Project at HS	15,000	-	-	-	-
Potential Bus Purchase/Replacement	90,000	-	-	-	-
District Site Improvements	50,000	50,000	50,000	50,000	50,000
Upgrades to District Wi-Fi/Network	50,000	-	-	-	-
Other Miscellaneous Expenses	50,000	50,000	50,000	50,000	50,000
Athletic Complex - PHASE 1	1,811,213	-	-	-	-
Athletic Complex - PHASE 2	300,000	895,000	-	-	-
Engineer Project Cost	140,455	210,545	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,556,668</b>	<b>1,255,545</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
Ending Cash Balance - PI Funds	1,039,731	258,341	568,690	854,220	1,091,720

**McDonald Local School District**  
Trumbull County  
Summary of Significant Assumptions and Accounting Policies  
For the Fiscal Year Ending June 30, 2021

**Note 5 – Significant Assumptions for Revenues and Other Financing Sources**

**General and Tangible Personal Property Taxes**

The property tax revenues for the district are realized from the following levies:

<u>Tax Levies</u>	<u>Year Approved/ Renewed</u>	<u>First Calendar Year of Collection</u>	<u>Last Calendar Year of Collection</u>	<u>Full Tax Rate (Per \$1,000 of Assessed Valuation)</u>
Inside Ten Mill Limitation (Unvoted)	n/a	n/a	n/a	\$5.10
Continuing Operating	1976	n/a	n/a	30.80
Continuing Operating	1980	n/a	n/a	6.00
Emergency (\$200,147)	2018	2019	2028	3.90
Emergency (\$260,000)	2016	2017	2026	5.05
<b>Total Operating Tax Rate</b>				<b>\$50.85</b>
Bond	1999	1999	2021	3.05
OSFC Maintenance	1999	1999	2021	0.50
Permanent Improvement	2019	2020	2024	4.30
<b>Total Non-Operating Tax Rate</b>				<b>\$7.85</b>
<b>TOTAL TAX RATE</b>				<b>\$58.70</b>

Depicted in the table above are taxes categorized by operating and non-operating levies. Operating levies currently consist of 5.1 inside mills along with two continuing levies (30.8 mills and 6 mills) and two Emergency levies (one of \$200,147 and one of \$260,000).

Non-operating levies consist of two required levies and one voluntary levy. The required bond levy was passed in 1999 to renovate our high school and build a new elementary school. It is currently collecting at 3.05 mills to service our principal and interest payment. The second required levy is the OSFC Maintenance Levy, which is set by the State at 0.5 mills to provide maintenance on the OSFC buildings. Because our valuation is so low, the District also receives a \$25,000 equalization payment from the State into that fund. The lone voluntary levy is a 4.3 mill Permanent Improvement levy, which was renewed in May 2019 for an additional five years.

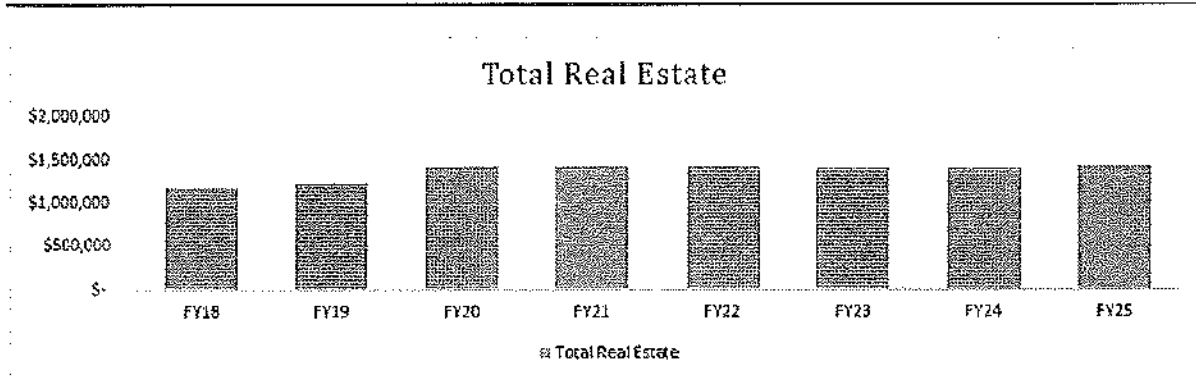
**Line 1.010 General Property Tax**

General property tax revenue includes real estate taxes, public utility property taxes and manufactured home taxes. The forecasted total balance of general property tax and property tax allocation for fiscal year 2021 is based on reporting provided to the district from the Trumbull County Auditor.

The first (\$260,000) emergency levy resumed collection effective for calendar year 2019. Collections will continue until calendar year 2026. The second (\$200,147) emergency levy was renewed in May 2018 and collections began in calendar 2019 for a ten-year period. The assumption that active levies fail at the end of their lifetime (line 1.010) is added back in (line 11.020) to allow certification of contracts.



**McDonald Local School District**  
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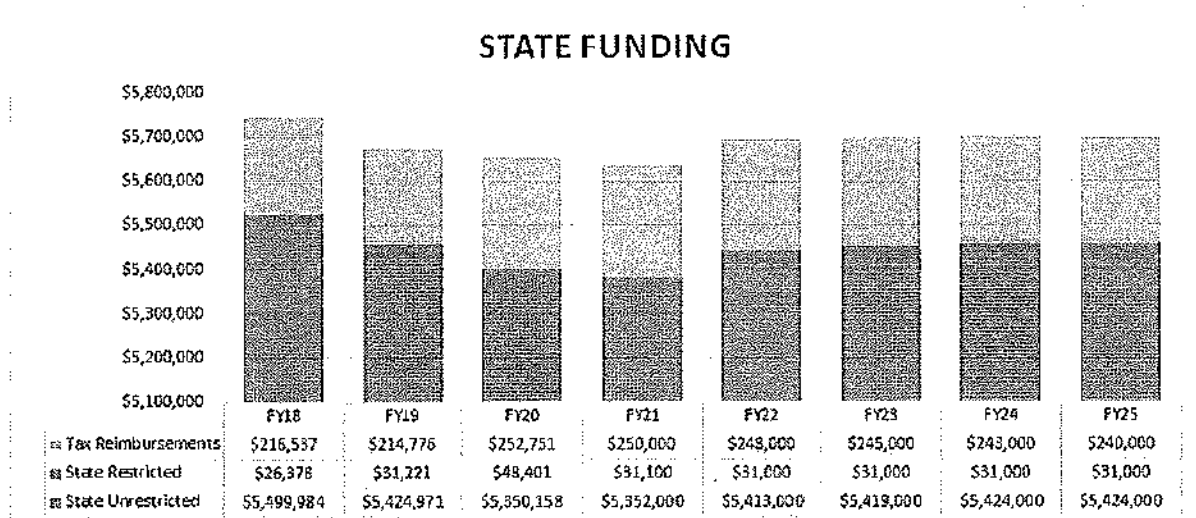


**Line 1.035 Unrestricted Grants-in-Aid**

Unrestricted Aid is generated from Foundation Funding, as well as two casino payments each fiscal year. In May 2020, Foundation Funding for fiscal year 2020 was reduced by \$74,349 for our district, in response to the COVID-19 pandemic. The amount of Foundation Funding that is forecasted to be received in fiscal year 2021 is based on the current amounts the district is receiving, and is also comparable to the reduced funding in fiscal year 2020.

Unrestricted State funding for fiscal years 2022 through 2025 are forecasted to be flat-lined, with fiscal year 2024 ending at the fiscal year 2020 levels prior to the reductions in May 2020. The state education budgeting history has not been consistent; therefore, a more accurate estimate is not possible.

The district received the first casino payment in August 2020 in the amount of \$9,997. This amount was much smaller than the district normally receives; the decrease was in response to the COVID-19 pandemic. Typically the district receives payments ranging from \$18,000 to \$20,000. The second payment will be received in January 2021.



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**Line 1.040 Restricted Grants-in-Aid**

Restricted grants-in-aid is not material to the budget. It consists of a miniscule amount of career tech money, expected to approximate \$8,300 for fiscal year 2021. Career Tech Students are educated by the associated Trumbull County Career and Technical Center located in Warren. A separate 2.4 mill levy is imposed on the McDonald taxpayers and other member districts to allow for this educational choice. Also included as restricted revenue is an expected fiscal year 2021 amount of \$22,700 set aside for support of McDonald's disadvantaged students.

**Line 1.050 Property Tax Allocation**

Property tax allocation revenues consisted of the following for fiscal years 2016 through 2020:

	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019	Actual Fiscal Year 2020
Revenue Sources					
Homestead and Rollback	\$281,781	\$266,815	\$216,537	\$214,776	\$252,751
Tangible Personal Property					
Loss Reimbursement	372	0	0	0	0
Totals	\$282,153	\$266,815	\$216,537	\$214,776	\$252,751

Homestead and Rollback are currently being phased out since new levies will not have this State reimbursement. Since homestead and rollback are directly proportional to the General Property Tax line, it is assumed that they function proportional to the Real Estate revenue. Note that there were decreased amounts of Homestead and Rollback received in fiscal years 2018 and 2019. This was because the district suspended collection for an emergency levy for a time period. Fiscal year 2020 reflects the complete resumed collections.

**Line 1.060 All Other Revenues**

All other revenues include open-enrollment-in, interest income, and a few other items. Tuition revenue from open-enrollment-in is expected to remain consistent for fiscal years 2021 to 2025. Interest income was increased significantly in fiscal years 2018 through 2020, in response to rising interest rates coupled with the district's cash balance. However, towards the end of fiscal year 2020, interest rates dropped significantly following the COVID-19 pandemic. Interest income forecasted on line 1.060 revenues for fiscal years 2021 through 2025 include expected decreased interest income.

All other revenues consisted of the following for fiscal years 2016 through 2020:

	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019	Actual Fiscal Year 2020
Open Enrollment Tuition	\$1,208,035	\$1,330,400	\$1,347,631	\$1,367,151	\$1,492,285
Interest	12,967	50,476	120,462	190,051	124,993
Student Class Fees	15,672	15,220	15,469	14,967	14,448
Other	20,976	20,767	26,873	36,107	18,303
Totals	\$1,257,650	\$1,416,863	\$1,510,435	\$1,608,276	\$1,650,029

**McDonald Local School District**  
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**Note 6 – Significant Assumptions for Expenditures and Other Financing Uses**

**Line 3.010 Personal Services**

Personal services expenditures represent the salaries and wages paid to certified, classified and administrative staff, substitutes, tutors and board members. In addition to regular salaries, it includes payment for supplemental contracts and severance pay. All retirement incentive bonuses have been eliminated. All salaries are set by the Board of Education.

Staffing levels for the last five fiscal years are displayed in the chart below.

	2016	2017	2018	2019	2020
<b>General Fund:</b>					
Certified	54	54	56	57	59
Classified	19	22	21	21	22
<b>Total General Fund</b>	<b>73</b>	<b>76</b>	<b>77</b>	<b>78</b>	<b>81</b>
<b>Other Funds:</b>					
Certified	4	5	5	5	3
Classified	7	6	5	4	4
<b>Total Other Funds</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>7</b>
<b>Totals</b>	<b>84</b>	<b>87</b>	<b>87</b>	<b>87</b>	<b>88</b>

Certified (teaching) staff salaries and Classified salaries are based on their respective negotiated contracts which include step increases and educational incentives. Each of these current contracts expires on August 31, 2022.

Presented in the chart below is a comparison of salaries and wages for fiscal years 2016 through 2020.

	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019	Actual Fiscal Year 2020
Certified Salaries	\$2,944,623	\$3,232,499	\$3,492,302	\$3,680,050	\$3,821,603
Classified Salaries	487,772	561,114	585,555	604,946	623,285
Substitute Salaries	113,148	122,002	120,036	89,865	72,754
Overtime	7,328	10,912	13,191	12,589	13,224
Supplemental Contracts	170,910	170,956	174,969	180,024	192,843
Severance Pay and Early Retirement Incentives	9,465	10,181	0	28,388	25,933
Insurance Incentive	8,415	8,281	9,442	10,806	14,772
Other Salaries and Wages	1,905	5,300	5,400	5,300	8,460
<b>Totals</b>	<b>\$3,743,566</b>	<b>\$4,121,245</b>	<b>\$4,400,895</b>	<b>\$4,611,968</b>	<b>\$4,772,874</b>

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**Line 3.020 Employees' Retirement/Insurance Benefits**

Employees' retirement and insurance benefits include employer contributions to the State pension systems, health care, Medicare, workers' compensation, and other benefits arising from the negotiated agreements.

Retirement and Medicare fluctuate proportionally with salaries and therefore are expected to increase during fiscal year 2021 and beyond. Enrollment in the health care plan has increased, which will cause an increase in benefit costs. Also insurance premiums have had increases over the last few years. Note that during fiscal year 2020, the medical insurance plans were restructured in order to incorporate 4 tiers for coverage offerings, allowing the district to see slight cost savings for fiscal year 2020.

The certified (teacher) negotiated contract includes a tuition reimbursement feature. For fiscal years 2017 through 2019 there was a cap of \$10,000 (per year) for this reimbursement. Beginning in fiscal year 2020, the tuition reimbursement feature was enhanced to provide additional reimbursement options for teachers. As such the district anticipates increases in this cost for future years.

Presented in the chart below is a comparison of the past five fiscal years:

	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019	Actual Fiscal Year 2020
Employer's Retirement	\$623,980	\$578,621	\$662,156	\$705,363	\$680,392
Health Care/Dental/Vision/Life	681,182	758,136	869,327	986,961	938,575
Workers' Compensation	7,569	56,092	4,673	-3,844	-39,067
Medicare	51,534	64,734	66,151	65,210	66,315
Unemployment	0	0	0	5,792	2,968
Tuition Reimbursement	13,145	10,000	10,000	10,000	36,756
<b>Totals</b>	<b>\$1,377,410</b>	<b>\$1,467,583</b>	<b>\$1,612,307</b>	<b>\$1,769,482</b>	<b>\$1,685,939</b>

**Line 3.030 Purchased Services**

Presented in the table below is a comparison of purchased service expenditures for the past five fiscal years.

	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019	Actual Fiscal Year 2020
Professional and Technical Services	\$93,642	\$127,295	\$133,334	\$155,740	\$155,347
Property Services (police, alarms, etc.)	152,618	151,678	149,690	141,501	167,090
Travel and Meeting Expenses	11,529	13,731	12,732	23,409	13,823
Communication Costs	7,469	12,083	17,289	15,460	14,713
Utility Services	133,875	147,833	152,445	165,715	141,660
Tuition and Other Similar Payments	436,133	518,996	696,981	687,969	616,322
Pupil Transportation	60,894	56,175	70,438	69,736	59,630
<b>Totals</b>	<b>\$896,160</b>	<b>\$1,027,791</b>	<b>\$1,232,909</b>	<b>\$1,259,530</b>	<b>\$1,168,585</b>

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For fiscal year 2021, there is an expected decrease in certain purchased services. Among these are decreased travel and meeting expenses. Due to the COVID-19 pandemic many events have been cancelled or have been held remotely. Further, pupil transportation tends to be a larger cost to the district in a normal year, with each rider costing approximately \$15,000 per year to transport. This forecast includes a zero dollar cost for fiscal year 2021 for pupil transportation (also because of the pandemic).

Other expense categories are forecasted to remain consistent with prior years. Certain costs like the district's full-time tech-coordinator and other County Board services have remained unchanged thus far in fiscal year 2021 (not impacted by the pandemic).

**Line 3.040 Supplies and Materials**

Presented below are the supplies and materials expenditures for the past five fiscal years.

	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019	Actual Fiscal Year 2020
General Supplies, Technology Supplies,					
Library Books and Periodicals	\$74,826	\$83,740	\$100,514	\$91,431	\$95,332
Operations, Maintenance and Repair	62,182	62,661	69,431	89,666	61,255
Textbooks	22,596	33,488	41,974	53,941	41,687
Totals	<u>\$159,604</u>	<u>\$179,889</u>	<u>\$211,919</u>	<u>\$235,038</u>	<u>\$198,274</u>

As shown above, costs for supplies and materials have steadily increased between 2016 and 2019. Due to the timing of the COVID-19 pandemic, the district incurred decreased expenses for supplies and materials in fiscal year 2020. In addition, the district was able to use federal funding for certain qualified purchases of supplies and materials in fiscal year 2020.

**Line 3.050 Capital Outlay**

The district has developed a strategy that removes capital expenditures from the general fund. These expenditures are handled by a combination of the following: (1) Permanent Improvement Levy; (2) OSFC Maintenance Fund; and (3) Replacement Fund that is funded by the Board of Education at \$180,000 per year through the General Fund. Additionally, a separate "Athletic Field" replacement fund will provide for the replacement of our athletic facilities. See Note 4 on page 2 for further detail.

**Line 4.300 Other Objects**

Other objects can vary significantly from year to year. Fiscal year 2021 expenses are projected to be increased as compared to the previous three years due to increased fees assessed as part of the district's real estate tax settlement. Other objects have been forecasted to increase moderately for fiscal years 2022 to 2025, based on the fiscal year 2019 actual costs incurred.

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**Line 5.010 Operating Transfers-Out**

The transfers-out line for fiscal year 2020 included a transfer-out of \$226,984. This amount was transferred out of the General Fund and into the Athletic Field Replacement Fund, and was the amount of actual costs incurred for the purchase of land for the new athletic complex. This amount was originally paid out of the Athletic Field Replacement Fund; however, the board intended for this amount to be paid from the General Fund instead. Note that the transfer amount also included fees for the land (e.g. mineral rights evaluation and appraisal costs, wetland delineation, land title survey, etc.).

The fiscal year 2020 transfer-out line also included the annual \$180,000 transfer to the District Replacement Fund, in order to support the current capital expense needs of the district. Additionally, the district transferred out \$17,000 and \$20,000 to cover negative fund balances in the Athletics Fund and the Lunch Room Fund, respectively.

Listed below are the amounts forecasted to be transferred-out during fiscal years 2021 through 2025 to the District Replacement Fund and also to cover negative fund balances:

	Actual Fiscal Year 2021	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Actual Fiscal Year 2024	Actual Fiscal Year 2025
District Replacement Fund	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Athletics Fund	10,000	12,000	15,000	13,000	13,000
Lunch-Room Fund	15,000	15,000	15,000	17,000	17,000
Totals	\$225,000	\$227,000	\$230,000	\$230,000	\$230,000

**Line 5.020 Operating Advances-Out**

Funds previously requiring advances have been managed more closely in recent years. As such, no advances are anticipated.

**Line 11.020 Property Tax – Renewal or Replacement**

Though it is required that the district remove tax levy renewals from the main body of the forecast document, the amounts removed are added back here each year in order to allow for certification of long term contracts. The balance reflected on this line assumes expiring temporary levies will renew. Note that there are no levies expiring or up for renewal during this forecast period of fiscal years 2021 through 2025 that would be reported in the forecast (i.e. general and emergency fund levies).