

**McDONALD LOCAL SCHOOL DISTRICT BOARD OF EDUCATION
SPECIAL MEETING
FRIDAY, MAY 22, 2020 – 8:30AM
MCDONALD LOCAL SCHOOLS FACEBOOK LIVE
Facebook Link on 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 Special Meeting of May 22, 2020

Motion: _____ Second: _____

Discussion: _____

The vote: JC _____ TH _____ JK _____ DS _____ JS _____

President declared the motion: carried/failed

V. 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 adopt the 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

B. Finance Committee – Joseph Cappuzzello, Chairperson

1. DONATION

Resolution to accept the anonymous donation of \$273, to be deposited into the Athletics Fund 300 9970.

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. DONATION

Resolution to accept the donation of \$250 from the McDonald Education Association, to be deposited into the Elementary School Backpack Buddies Program fund 018 9115.

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. DONATIONS

Resolution to accept the following donations, to be deposited into the High School Rehab Room Project fund 300 9980:

- \$100 from Griffin and Dana Hurd
- \$1,000 from Dr. Darren and Theresa Shiley

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. DONATION

Resolution to accept the donation of \$6,000 from Dr. William T. Kunkel, Jr., D.D.S., to be deposited into the William and Irene Kunkel Scholarship fund 007 9222, for the purpose of fiscal year 2020 scholarship awards.

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. DONATION

Resolution to accept the donation of \$2,000 from Terri and James Bodnar, to be deposited into the Bodnar Scholarship Fund 007 9015, for the purpose of fiscal year 2020 scholarship awards.

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 2020 Five-Year Forecast, as presented and amended by the treasurer on May 22, 2020. (See Exhibit B)

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

XI. ADJOURNMENT

Time: _____

Motion: _____ Second: _____

Discussion: _____

The vote: JC _____ TH _____ JK _____ DS _____ JS _____

President declared 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 22nd day of May, 2020, at 8:30 a.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 22nd day of May, 2020

Board President

ATTEST:

Treasurer

EXHIBIT B

MCDONALD

TRUMBULL

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

	Actual				Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenues									
1.010 General Property Tax (Real Estate)	\$1,425,780	\$1,171,679	\$1,219,525	-6.9%	\$1,419,418	\$1,377,000	\$1,336,000	\$1,342,000	\$1,349,000
1.020 Tangible Personal Property Tax									
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	5,412,424	5,499,984	5,424,971	0.1%	5,350,000	4,803,000	5,413,000	5,419,000	5,424,000
1.040 Restricted State Grants-in-Aid	21,228	26,378	31,221	21.3%	31,100	28,000	31,000	31,000	31,000
1.045 Restricted Federal Grants-in-Aid - SFSF									
1.050 Property Tax Allocation	266,815	216,537	214,776	-9.8%	215,000	215,000	215,000	215,000	215,000
1.060 All Other Revenues	1,416,863	1,510,435	1,608,276	6.5%	1,577,000	1,581,000	1,595,000	1,607,000	1,620,000
1.070 Total Revenues	8,543,110	8,425,013	8,498,769	-0.3%	8,592,518	8,004,000	8,590,000	8,614,000	8,639,000
Other Financing Sources									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements (Approval)									
2.040 Operating Transfers-In			21,725						
2.050 Advances-In									
2.060 All Other Financing Sources	2,201	1,129	10,824	405.0%	2,325				
2.070 Total Other Financing Sources	2,201	1,129	32,549	1367.1%	2,325				
2.080 Total Revenues and Other Financing Sources	8,545,311	8,426,142	8,531,318	-0.1%	8,594,843	8,004,000	8,590,000	8,614,000	8,639,000
Expenditures									
3.010 Personal Services	4,121,245	4,400,895	4,611,968	5.8%	4,861,000	5,037,000	5,222,000	5,301,000	5,421,000
3.020 Employees' Retirement/Insurance Benefits	1,467,583	1,612,307	1,769,482	9.8%	1,735,000	1,755,000	1,881,000	2,000,000	2,137,000
3.030 Purchased Services	1,027,791	1,232,909	1,259,530	11.1%	1,160,000	1,332,240	1,385,530	1,440,950	1,498,600
3.040 Supplies and Materials	179,889	211,919	235,038	14.4%	196,000	242,920	257,500	272,950	289,330
3.050 Capital Outlay	8,594	1,283	2,483	4.2%					
4.300 Other Objects	60,583	52,491	58,980	-0.5%	60,000	63,440	66,000	68,640	71,400
4.500 Total Expenditures	6,865,685	7,511,804	7,937,481	7.5%	8,012,000	8,430,600	8,812,030	9,083,540	9,417,330
Other Financing Uses									
5.010 Operating Transfers-Out	2,799,000	200,000	229,480	-39.1%	439,984	225,000	185,000	190,000	200,000
5.020 Advances-Out									
5.030 All Other Financing Uses			533,108						
5.040 Total Other Financing Uses	2,799,000	200,000	762,588	94.2%	439,984	225,000	185,000	190,000	200,000
5.050 Total Expenditures and Other Financing Uses	9,664,685	7,711,804	8,700,069	-3.7%	8,451,984	8,655,600	8,997,030	9,273,540	9,617,330
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,119,374-	714,338	168,751-	-143.7%	142,859	651,600-	407,030-	659,540-	978,330-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	5,705,653	4,586,279	5,300,617	-2.0%	5,131,866	5,274,725	4,623,125	4,216,095	3,556,555
7.020 Cash Balance June 30	4,586,279	5,300,617	5,131,866	6.2%	5,274,725	4,623,125	4,216,095	3,556,555	2,578,225
8.010 Estimated Encumbrances June 30	20,002	11,879	3,200	-56.8%					
Fund Balance June 30 for Certification of Appropriations	4,566,277	5,288,738	5,128,666	6.4%	5,274,725	4,623,125	4,216,095	3,556,555	2,578,225
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement									
11.300 Cumulative Balance of Replacement/Renewal Levies									
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	4,566,277	5,288,738	5,128,666	6.4%	5,274,725	4,623,125	4,216,095	3,556,555	2,578,225
Revenue from New Levies									
13.010 Income Tax - New									
13.020 Property Tax - New									
13.030 Cumulative Balance of New Levies									
14.010 Revenue from Future State Advancements									
15.010 Unreserved Fund Balance June 30	4,566,277	5,288,738	5,128,666	6.4%	5,274,725	4,623,125	4,216,095	3,556,555	2,578,225

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
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2020

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 54 highly qualified teachers, 3 para-professional aids and 15 quality non-teaching classified personnel to provide services to 764 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.



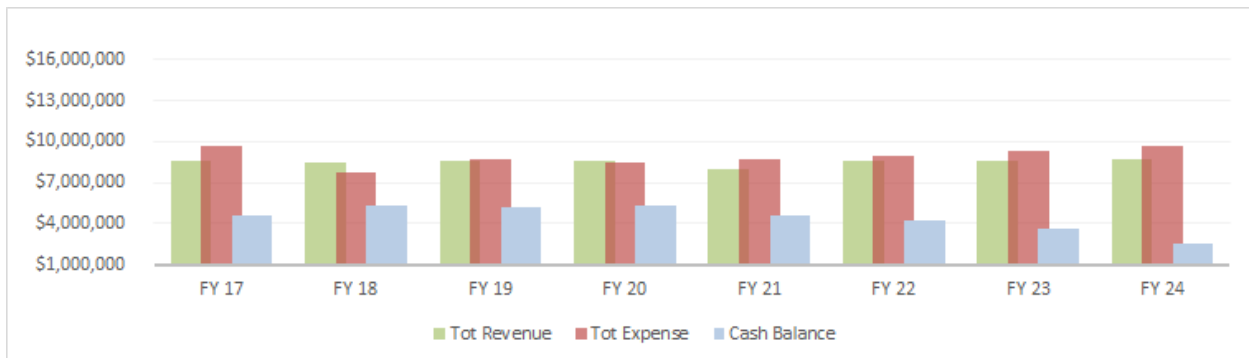
Roosevelt Elementary School



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 May 22, 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
Trumbull County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2020

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, 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 this 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 next page).

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.

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 in fiscal year 2017, specifically for the new athletic complex construction, located on 2nd 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 the following page.

Included in the table on the next page are the actual expenses incurred for which all permanent improvement funds were used historically.

McDonald Local School District
Trumbull County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2020

Financial Model - Permanent Improvements

	ACTUAL FY17	ACTUAL FY18	ACTUAL FY19	FORECAST FY20	FORECAST FY21	FORECAST FY22	FORECAST FY23	FORECAST FY24
Beginning Cash Balance - PI Funds	487,822	3,132,981	3,328,127	3,076,544	3,110,311	1,606,675	810,255	292,005
Revenues								
OSFC Maintenance (034 0000)	22,445	22,421	22,673	22,863	22,863	5,580	-	-
Half Mill Equalization (034 0000)	25,750	25,750	25,750	25,750	25,750	25,750	25,750	-
Replacement Fund (005 0000)	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Permanent Imp (003 9015)	223,879	191,412	196,715	226,557	226,000	226,000	226,000	226,000
Athletic Field Replace (005 9016)	-	-	-	226,991	-	-	-	-
	<p><u>COMPLETED:</u> Renewed, extended and reduced a \$530,00 levy to Generate \$260,000 for 10yrs. Used Fund Balance Statement to transfer \$2.6 million to project.</p>	<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 2019).</p>	<p><u>COMPLETED:</u> Renewed and extended expiring 4.3 mill PI levy.</p>	<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.</p>				
FROM GENERAL FUND via Fund Bal	2,600,000	-	-	-	-	-	-	-
TOTAL REVENUE	3,052,074	419,583	425,138	682,161	454,613	437,330	431,750	406,000
ACTUAL EXPENDITURES:								
Gym Bleachers	84,800	-	-	-	-	-	-	-
Auditorium Lighting	69,100	-	-	-	-	-	-	-
Technology Improvements	86,745	54,608	55,186	-	-	-	-	-
HVAC Expenses	50,095	-	-	-	-	-	-	-
Boiler Room Waterproofing	-	17,625	-	-	-	-	-	-
Concrete Work at HS	13,880	-	-	-	-	-	-	-
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	-	-	-	51,292	-	-	-	-
LED Lighting Project at HS	-	-	-	128,205	-	-	-	-
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 (new sport in FY20)	-	-	-	9,222	-	-	-	-
Chromebook and iPad purchases	-	-	-	40,623	-	-	-	-
Repairs to Buses	-	-	-	8,500	-	-	-	-
Athletic Complex Expenses (actual)	-	46,369	229,420	142,383	-	-	-	-
Other Miscellaneous Expenses	102,295	90,110	98,821	28,254	-	-	-	-
FORECASTED EXPENDITURES:								
Technology Improvements	-	-	-	-	50,000	50,000	50,000	50,000
LED Lighting Project at HS	-	-	-	18,000	-	-	-	-
Controls Upgrade Project at HS	-	-	-	5,000	-	-	-	-
District Site Improvements	-	-	-	-	50,000	50,000	50,000	50,000
Other Miscellaneous Expenses	-	-	-	30,000	50,000	100,000	100,000	100,000
Athletic Complex - PHASE 1	-	-	-	-	1,572,175	-	-	-
Athletic Complex - PHASE 2	-	-	-	-	-	895,000	-	-
Athletic Complex - PHASE 3	-	-	-	-	-	-	750,000	-
Construction Contingency (estimate)	-	-	-	-	88,750	88,750	-	-
Engineer Project Cost	-	-	-	-	147,324	50,000	-	-
TOTAL EXPENDITURES	406,915	224,437	676,721	648,394	1,958,249	1,233,750	950,000	200,000
Ending Cash Balance - PI Funds	3,132,981	3,328,127	3,076,544	3,110,311	1,606,675	810,255	292,005	498,005

McDonald Local School District
Trumbull County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2020

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:

Tax Levies	Year Approved/ Renewed	First Calendar Year of Collection	Last Calendar Year of Collection	Full Tax Rate (Per \$1,000 of Assessed Valuation)
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
Total Operating Tax Rate				\$50.85
 Bond	1999	1999	2021	3.05
OSFC Maintenance	1999	1999	2021	0.50
Permanent Improvement	2019	2020	2024	4.30
Total Non-Operating Tax Rate				\$7.85
 TOTAL TAX RATE				\$58.70

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 2020 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
Trumbull County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2020

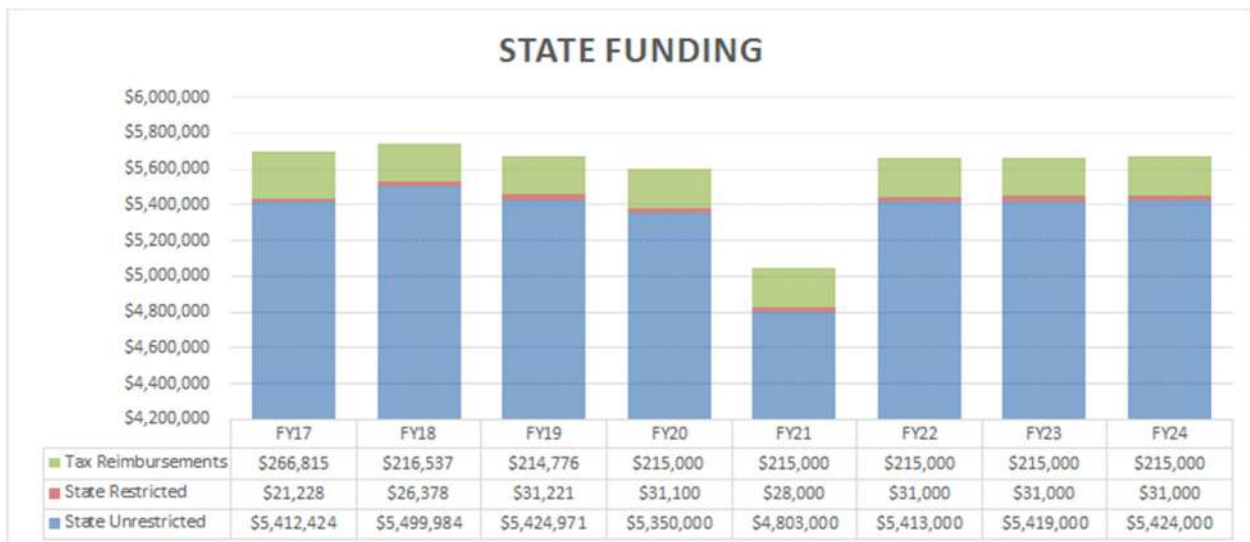


Line 1.035 Unrestricted Grants-in-Aid

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. Very little information is available as it relates to planned state Foundation Funding for fiscal year 2021. This forecast includes a ten-percent reduction in this state funding for fiscal year 2021, in response to the COVID-19 pandemic.

The district received the first casino payment in August 2019 in the amount of \$19,840. The second payment was received in January 2020 in the amount of \$18,888.

Unrestricted State funding for fiscal years 2022 through 2024 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.



McDonald Local School District
Trumbull County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2020

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 2020. 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 2020 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 2015 through 2019:

Revenue Sources	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019
Homestead and Rollback	\$305,823	\$281,781	\$266,815	\$216,537	\$214,776
Tangible Personal Property Exemption	0	0	0	0	0
Utility Deregulation	0	0	0	0	0
Tangible Personal Property Loss Reimbursement	744	372	0	0	0
Totals	\$306,567	\$282,153	\$266,815	\$216,537	\$214,776

Based on the table above, Tangible Personal Property, Reimbursement of Tangible Personal Property and Utility Deregulation are eliminated. 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.

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 2020 to 2024. Interest income has increased significantly in fiscal year 2019, in response to rising interest rates coupled with the district's cash balance. However, based on current trends following the COVID-19 pandemic, interest rates have decreased drastically and the forecasted line 1.060 revenues for fiscal years 2021 through 2024 include expected decreased interest income.

All other revenues consisted of the following:

	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019
Open Enrollment Tuition	\$1,164,732	\$1,208,035	\$1,330,400	\$1,347,631	\$1,367,151
Interest	2,328	12,967	50,476	120,462	190,051
Student Class Fees	15,520	15,672	15,220	15,469	14,967
Other	18,180	20,976	20,767	26,873	36,107
Totals	\$1,200,760	\$1,257,650	\$1,416,863	\$1,510,435	\$1,608,276

McDonald Local School District
Trumbull County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2020

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.

	2015	2016	2017	2018	2019
General Fund:					
Certified	52	52	53	53	54
Classified	12	14	14	14	15
Total General Fund	64	66	67	67	69
Other Funds:					
Certified	4	4	4	3	3
Classified	2.88	2.88	2.88	2.88	2.88
Total Other Funds	6.88	6.88	6.88	5.88	5.88
Totals	70.88	72.88	73.88	72.88	74.88

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 2015 - 2019.

	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019
Certified Salaries	\$2,943,419	\$2,944,623	\$3,232,499	\$3,492,302	\$3,694,244
Classified Salaries	465,242	487,772	561,114	585,555	604,946
Substitute Salaries	93,826	113,148	122,002	120,036	89,865
Overtime	8,970	7,328	10,912	13,191	12,589
Supplemental Contracts	154,469	170,910	170,956	174,969	180,024
Severance Pay and Early Retirement Incentives	30,482	9,465	10,181	0	14,194
Insurance Incentive	0	8,415	8,281	9,442	10,806
Ins Opt Out/Taxable Benefits	0	0	0	0	0
Other Salaries and Wages	4,312	1,905	5,300	5,400	5,300
Totals	\$3,700,720	\$3,743,566	\$4,121,245	\$4,400,895	\$4,611,968

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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 2020 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 the current negotiated contract for 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 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019
Employer's Retirement	\$557,471	\$602,457	\$574,622	\$659,157	\$689,456
Health Care/Dental/Vision/Life	648,250	732,715	758,136	869,327	1,000,899
Workers' Compensation	26,706	7,569	56,091	3,672	-5,875
Medicare	51,101	51,101	64,734	66,151	65,210
Unemployment	0	0	0	0	5,792
Tuition Reimbursement	14,073	14,073	10,000	10,000	10,000
Ohio Deferred Compensation	4,000	4,000	4,000	4,000	4,000
Totals	<u>\$1,301,601</u>	<u>\$1,411,915</u>	<u>\$1,467,583</u>	<u>\$1,612,307</u>	<u>\$1,769,482</u>

Line 3.030 Purchased Services

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

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	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019
Professional and Technical Services	\$96,308	\$93,642	\$127,295	\$133,334	\$155,740
Property Services	113,828	152,618	151,678	149,690	141,501
Travel and Meeting Expenses	13,898	11,529	13,731	12,732	23,409
Communication Costs	12,020	7,469	12,083	17,289	15,460
Utility Services	160,293	133,875	147,833	152,445	165,715
Tuition and Other Similar Payments	446,997	436,130	518,994	696,977	687,969
Pupil Transportation	62,759	60,894	56,175	70,438	69,736
Other Purchased Services	3	3	2	4	0
Totals	\$906,106	\$896,160	\$1,027,791	\$1,232,909	\$1,259,530

Professional and technical services are expected to remain increased in fiscal year 2020, in response to increased County Board services. The district also has a full-time tech-coordinator included in this expense category. Special needs transportation is also a large component of purchased services and it is typical that each rider will cost approximately \$15,000 per year to transport.

Due to the timing of the COVID-19 pandemic, the district incurred a decreased amount of purchased services expenditures for fiscal year 2020.

Line 3.040 Supplies and Materials

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

	Actual Fiscal Year 2015	Actual Fiscal Year 2016	Actual Fiscal Year 2017	Actual Fiscal Year 2018	Actual Fiscal Year 2019
General Supplies, Library Books and Periodicals	\$66,954	\$74,826	\$83,740	\$100,514	\$91,431
Operations, Maintenance and Repair	63,203	62,182	62,661	69,431	89,666
Textbooks	32,431	22,596	33,488	41,974	53,941
Totals	\$162,588	\$159,604	\$179,889	\$211,919	\$235,038

As shown above, there has been some uneven history in supplies and materials costs during fiscal years 2015 through 2017. However, based on current trends, this line item expense is forecasted to increase each year going forward.

Due to the timing of the COVID-19 pandemic, the district incurred a decreased amount of supplies and materials expenditures for fiscal year 2020.

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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 for further detail.

Line 4.300 Other Objects

Other objects can vary significantly from year to year, and have been forecasted to increase moderately for fiscal years 2020 to 2024, based on the fiscal year 2019 actual costs incurred.

Line 5.010 Operating Transfers-Out

The transfers-out line for fiscal year 2020 includes 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 includes 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 expects to transfer-out amounts of \$20,000 and \$13,000 to cover negative fund balances in the Lunch Room Fund and the Athletics Fund, respectively.

Forecasted transfers-out for fiscal years 2021 through 2024 include the annual \$180,000 transfer as noted above, as well as forecasted transfers-out to the Lunch Room Fund and Athletics Fund.

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 2020 through 2024 that would be reported in the forecast (i.e. general fund levies).