

6637

**McDONALD LOCAL SCHOOL DISTRICT BOARD OF EDUCATION
REGULAR MEETING
WEDNESDAY, NOVEMBER 16, 2022 – 7:00 P.M.
M.H.S. LIBRARY
MCDONALD, OHIO 44437**

The McDonald Local School District Board of Education held a Regular Meeting on Wednesday, November 16, 2022, at 7:00 p.m., in the high school library and via McDonald Schools Facebook Live, 600 Iowa Avenue, McDonald, OH 44437.

The Regular Meeting was called to order at 7:00 p.m., by President John Saganich. Treasurer Megan Titus called the roll:

Roll Call:

Members Present: Joseph Cappuzzello, Jody Klase, Jessica Krumpak,
Donna Shields, John 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.”

Pledge of Allegiance

Res. 22-749 Approve agenda for Regular Meeting of November 16, 2022

Mr. Cappuzzello moved and Mrs. Shields seconded
Yeas: Cappuzzello, Shields, Krumpak, Klase, Saganich
Nays: None
President declared motion carried

Res. 22-750 Approval of Board Minutes:

Regular Meeting – October 18, 2022

Mr. Cappuzzello moved and Mrs. Shields seconded
Yeas: Cappuzzello, Shields, Krumpak, Klase, Saganich
Nays: None
President declared motion carried

6638

Recognition of Visitors / Audience Participation:

Gary Carkido – High School Principal
Meghan Watson – Special Education Update
Eric Jones –Elementary Principal

Old Business: any Old Business to bring before the Board - None

New Business:

Res. 22-751 RESOLUTION IN RECOGNITION OF DAN WILLIAMS

Resolution to recognize Dan Williams for his induction into the Trumbull County Sports Hall of Fame. (See Exhibit A)

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

Mr. Cappuzzello moved and Mrs. Shields seconded
Yeas: Cappuzzello, Shields, Krumpak, Klase, Saganich
Nays: None
President declared motion carried

A. Finance Committee – Jody Klase, Chairperson

Res. 22-752 TREASURER’S FINANCIAL REPORT

Treasurer’s Financial Report: October, 2022

- 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.

Mrs. Klase moved and Mr. Cappuzzello seconded
Yeas: Klase, Cappuzzello, Krumpak, Shields, Saganich
Nays: None
President declared motion carried

Res. 22-753 DONATIONS

Resolution to accept the following donations:

| DONOR | AMOUNT | FUND | PURPOSE |
|-------------------------------|---------------|------------------------|---|
| Riko's BBQ LLC | \$250 | 003-9016 | Donation to the Athletic Complex Training Facility. |
| Walmart | \$337.21 | 018-9111 | Donation of hot dogs and buns for Roosevelt Elementary school event. |
| McDonald Athletics Foundation | \$8,236 | 200-9088 | Donation from fundraising event held by the McDonald Athletics Foundation group. |
| The Hipple Family | n/a | 300-9978 & 300-9979 | Donation of portable heaters and propane to the boys and girls cross country teams. |

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

Mrs. Klase moved and Mr. Cappuzzello seconded
Yeas: Klase, Cappuzzello, Krumpak, Shields, Saganich
Nays: None
President declared motion carried

Res. 22-754 GENERAL FUND TRANSFER-OUT

Resolution to approve the transfer of \$50,000 out of the General Fund (001-0000) and in to the Athletic Facility Fund (005-9016).

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

Mrs. Klase moved and Mr. Cappuzzello seconded
Yeas: Klase, Cappuzzello, Krumpak, Shields, Saganich
Nays: None
President declared motion carried

6640

Res. 22-755 FIVE-YEAR FORECAST

Resolution to approve the Fiscal Year 2023 Five-Year Forecast. (See Exhibit B)

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

Mrs. Klase moved and Mr. Cappuzzello seconded
Yeas: Klase, Cappuzzello, Krumpak, Shields, Saganich
Nays: None
President declared motion carried

B. Personnel Committee – Donna Shields, Chairperson

Res. 22-756 SUPPLEMENTAL CONTRACTS – 2022/2023

Resolution to approve the following personnel on a one (1) year supplemental contract for the school year 2022/2023, pending BCII and FBI background checks, as well as ODE Pupil Activity Permit:

| | |
|--|------------|
| Andrew Timko – Head Baseball Coach | \$6,012.00 |
| Louis Domitrovich – Varsity Boys Head Track Coach | \$6,012.00 |
| Tyler Cintron – Varsity Boys Assistant Track Coach | \$3,206.00 |
| Jack Bucan – JH Boys Head Track Coach (split) | \$1,603.00 |
| Ryan Scala – JH Boys Head Track Coach (split) | \$1,603.00 |
| Mary Domitrovich – Girls Head Track Coach | \$6,012.00 |
| John Fields – Varsity Girls Assistant Track Coach | \$3,206.00 |
| Jeannette Domitrovich – JH Girls Head Track Coach | \$3,206.00 |
| Cheyenne Titus – Assistant Softball Coach (split) | \$1,603.00 |

6641

| | |
|--|------------|
| Christian Rusinowski –Assistant Softball Coach (split) | \$1,603.00 |
| Robin Kapalko – Volunteer Track Coach | \$-0- |
| Kyle Joynes – Volunteer Track Coach | \$-0- and |
| Matthias Tayala – Volunteer Track Coach | \$-0- |

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

Mrs. Shields moved and Mrs. Krumpak seconded
Yeas: Shields, Krumpak, Cappuzzello, Klase, Saganich
Nays: None
President declared motion carried

Res. 22-757 CERTIFIED SUBSTITUTE – 2022/2023 SY

Resolution to approve the hiring of Susie Davison, as a certified substitute for McDonald Schools, for the 2022-2023 school year, pending BCII and FBI background checks.

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

Mrs. Shields moved and Mrs. Krumpak seconded
Yeas: Shields, Krumpak, Cappuzzello, Klase, Saganich
Nays: None
President declared motion carried

C. Buildings and Grounds Committee - Joseph Cappuzzello, Chairperson

Res. 22-758 ATHLETIC COMPLEX PHASE 3 CHANGE ORDER #2

Resolution to approve change order #2 for phase 3 of the Athletic Complex project, in the amount of \$2,000.

6642

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

Mr. Cappuzzello moved and Mrs. Shields seconded
Yeas: Cappuzzello, Shields, Krumpak, Klase, Saganich
Nays: None
President declared motion carried

Res. 22-759 EXECUTIVE SESSION – O.R.C. 121.22

Mr. Cappuzzello moved and Mrs. Klase seconded, that the McDonald Local Board of Education go into Executive Session at 8:48 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. X 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.

6643

- 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) A2, as listed above.

Yeas: Cappuzzello, Klase, Krumpak, Klase, Saganich
Nays: None
President declared motion carried

Res. 22-760 ADJOURN EXECUTIVE SESSION

Mrs. Krumpak moved and Mr. Cappuzzello seconded to adjourn Executive Session at 9:31 p.m. and return to the Regular Meeting.

Yeas: Krumpak, Cappuzzello, Shields, Klase, Saganich
Nays: None
President declared motion carried

6644

Res. 22-761 ADJOURNMENT

Mrs. Klase moved and Mrs. Shields seconded to adjourn the Regular Meeting at 9:32 p.m.

Yeas: Klase, Shields, Krumpak, Cappuzzello, Saganich

Nays: None

President declared motion carried

ATTEST:



PRESIDENT



TREASURER

**MCDONALD LOCAL SCHOOL DISTRICT BOARD OF EDUCATION
REGULAR MEETING
WEDNESDAY, NOVEMBER 16, 2022 – 6:00 P.M.
M.H.S. LIBRARY
MCDONALD, OHIO 44437**

Visitors, please register.

1. Sean Schwedt
2. Brian Backer
3. Samantha Nozlo
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.



McDonald Local Schools

RESOLUTION IN RECOGNITION AND APPRECIATION OF SERVICE OF DAN WILLIAMS

WHEREAS McDonald High School Football Coach Dan Williams has been inducted into the Trumbull County Sports Hall of Fame;

WHEREAS throughout his 22 seasons as head coach, Dan Williams has worked tirelessly to promote the value of education and athletics to all of his students;

WHEREAS Dan Williams has guided his team to 159 wins, 11 Ohio High School Athletic Association play-off appearances, 7 league championships, 4 undefeated seasons, and 12 Trumbull County Coach of the Year honors;

WHEREAS his work ethic, energy and passion for the community has enriched those fortunate enough to know and play for him;

WHEREAS Dan Williams has served his athletes with honor and dedication;

NOW, THEREFORE, BE IT RESOLVED that the McDonald Local Board of Education hereby recognizes the achievement of Dan Williams as an asset to the McDonald Local Schools community; and expresses gratitude and sincere appreciation for his accomplishments.

BE IT FURTHER RESOLVED that a copy of this Resolution be presented to Dan Williams as a dedicated and faithful McDonald Local Schools Coach with our sincere appreciation.

PRESENTED, ADOPTED, APPROVED AND RECORDED this 16th day of November, 2022

John Saganich, Board President

Jody Klase, Board Vice President

Jessica Krumpak, Board Member

Donna Shields, Board Member

Joseph Cappuzzello, Board Member

Kevin O'Connell, Superintendent

Megan Titus, Treasurer

EXHIBIT B

MCDONALD

TRUMBULL

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

| | Actual | | | | Average Change | Forecasted | | | | |
|---|---------------------|---------------------|---------------------|--------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 | | | Fiscal Year 2023 | Fiscal Year 2024 | Fiscal Year 2025 | Fiscal Year 2026 | Fiscal Year 2027 |
| Revenues | | | | | | | | | | |
| 1.010 General Property Tax (Real Estate) | \$1,419,418 | \$1,475,014 | \$1,478,980 | 2.1% | \$1,485,000 | \$1,487,000 | \$1,488,000 | \$1,490,000 | \$1,491,000 | |
| 1.020 Tangible Personal Property Tax | | | | | | | | | | |
| 1.030 Income Tax | | | | | | | | | | |
| 1.035 Unrestricted State Grants-in-Aid | 5,350,158 | 5,390,489 | 6,486,436 | 10.5% | 6,638,925 | 6,638,900 | 6,638,900 | 6,638,900 | 6,638,900 | |
| 1.040 Restricted State Grants-in-Aid | 48,401 | 32,254 | 381,334 | 524.5% | 399,455 | 399,450 | 399,450 | 399,450 | 399,450 | |
| 1.045 Restricted Federal Grants-in-Aid - SFSF | | | | | | | | | | |
| 1.050 Property Tax Allocation | 252,751 | 250,724 | 252,836 | 0.0% | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | |
| 1.060 All Other Revenues | 1,650,029 | 1,659,955 | 356,711 | -39.0% | 237,000 | 182,000 | 182,000 | 182,000 | 182,000 | |
| 1.070 Total Revenues | 8,720,757 | 8,808,436 | 8,956,297 | 1.3% | 9,010,380 | 8,957,350 | 8,958,350 | 8,960,350 | 8,961,350 | |
| Other Financing Sources | | | | | | | | | | |
| 2.010 Proceeds from Sale of Notes | | | | | | | | | | |
| 2.020 State Emergency Loans and Advancements (Appro | | | | | | | | | | |
| 2.040 Operating Transfers-In | | 6 | | | | | | | | |
| 2.050 Advances-In | | | | | | | | | | |
| 2.060 All Other Financing Sources | 4,449 | 2,574 | 5,962 | 44.7% | 25,000 | | | | | |
| 2.070 Total Other Financing Sources | 4,449 | 2,580 | 5,962 | 44.5% | 25,000 | | | | | |
| 2.080 Total Revenues and Other Financing Sources | 8,725,206 | 8,811,016 | 8,962,259 | 1.3% | 9,035,380 | 8,957,350 | 8,958,350 | 8,960,350 | 8,961,350 | |
| Expenditures | | | | | | | | | | |
| 3.010 Personal Services | 4,772,874 | 4,934,674 | 4,738,121 | -0.3% | 4,705,000 | 5,250,000 | 5,411,000 | 5,608,000 | 5,815,000 | |
| 3.020 Employees' Retirement/Insurance Benefits | 1,685,939 | 1,796,858 | 1,702,727 | 0.7% | 1,671,000 | 1,906,000 | 1,988,000 | 2,075,000 | 2,175,000 | |
| 3.030 Purchased Services | 1,168,585 | 1,205,699 | 1,232,006 | 2.7% | 1,269,000 | 1,307,000 | 1,346,000 | 1,386,500 | 1,428,000 | |
| 3.040 Supplies and Materials | 198,274 | 213,452 | 197,584 | 0.1% | 205,500 | 213,700 | 222,225 | 231,000 | 240,250 | |
| 3.050 Capital Outlay | | | 35,061 | | | | | | | |
| 4.300 Other Objects | 63,533 | 64,646 | 59,557 | -3.1% | 62,500 | 62,500 | 62,500 | 62,500 | 62,500 | |
| 4.500 Total Expenditures | 7,889,205 | 8,215,329 | 7,965,056 | 0.5% | 7,913,000 | 8,739,200 | 9,029,725 | 9,363,000 | 9,720,750 | |
| Other Financing Uses | | | | | | | | | | |
| 5.010 Operating Transfers-Out | 443,984 | 575,000 | 975,000 | 49.5% | 540,000 | 35,000 | 35,000 | 150,000 | 185,000 | |
| 5.020 Advances-Out | | | | | | | | | | |
| 5.030 All Other Financing Uses | | | | | | | | | | |
| 5.040 Total Other Financing Uses | 443,984 | 575,000 | 975,000 | 49.5% | 540,000 | 35,000 | 35,000 | 150,000 | 185,000 | |
| 5.050 Total Expenditures and Other Financing Uses | 8,333,189 | 8,790,329 | 8,940,056 | 3.6% | 8,453,000 | 8,774,200 | 9,064,725 | 9,513,000 | 9,905,750 | |
| 6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other | 392,017 | 20,687 | 22,203 | -43.7% | 582,380 | 183,150 | 106,375- | 552,650- | 944,400- | |
| 7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies | 5,131,866 | 5,523,883 | 5,544,570 | 4.0% | 5,566,773 | 6,149,153 | 6,332,303 | 6,225,928 | 5,673,278 | |
| 7.020 Cash Balance June 30 | 5,523,883 | 5,544,570 | 5,566,773 | 0.4% | 6,149,153 | 6,332,303 | 6,225,928 | 5,673,278 | 4,728,878 | |
| 8.010 Estimated Encumbrances June 30 | 14,905 | 9,554 | 2,994 | -52.3% | | | | | | |
| Fund Balance June 30 for Certification of | | | | | | | | | | |
| 10.010 Appropriations | 5,508,978 | 5,535,016 | 5,563,779 | 0.5% | 6,149,153 | 6,332,303 | 6,225,928 | 5,673,278 | 4,728,878 | |
| Fund Balance June 30 for Certification of | | | | | | | | | | |
| 12.010 Contracts, Salary Schedules and Other Obligations | 5,508,978 | 5,535,016 | 5,563,779 | 0.5% | 6,149,153 | 6,332,303 | 6,225,928 | 5,673,278 | 4,728,878 | |
| 15.010 Unreserved Fund Balance June 30 | 5,508,978 | 5,535,016 | 5,563,779 | 0.5% | 6,149,153 | 6,332,303 | 6,225,928 | 5,673,278 | 4,728,878 | |

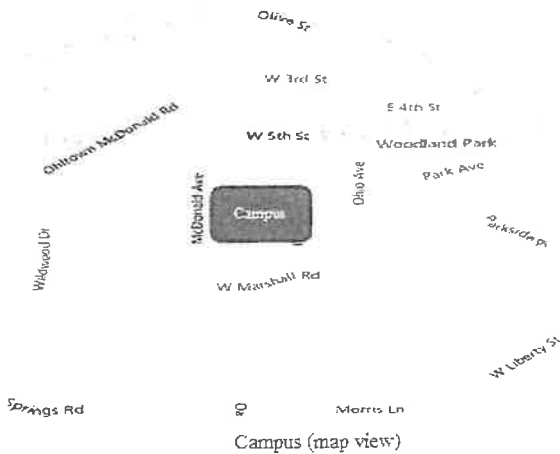
See accompanying summary of significant forecast assumptions and accounting policies

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, 2023

Note 1 – The School District

The McDonald Local School District (“District”) is located in Trumbull County and encompasses all of the Village of McDonald and a portion of Weathersfield township. The District is organized under Article VI, Sections 2 and 3, of the Constitution of the State of Ohio. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms. The District operates two instructional buildings on one campus to provide services to 733 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. The current student count has increased by approximately 10 students from fiscal year 2022. District staff include 60 certified members (including teachers, Title I teachers, and administration staff) and 24 classified members (including classified union members, para-professional aids, and administration staff).



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 16, 2022, 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, 2023

Note 3 – General Operating Assumptions

The 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, and a Permanent Improvement levy. The District also has the following separate funds that are used for capital expenditures: Replacement Fund, Training Facility Permanent Improvement Fund, and Athletic Field Replacement Fund. All revenue and expense activities for each of these funds are categorized separately from the General Fund.

OSFC Maintenance and Bond Levies:

The OSFC Maintenance levy generates 0.5 mills. Final payments will be received by the District during fiscal year 2023.

Permanent Improvement Levy:

This levy generates 4.3 mills and will continue until calendar year 2024 (fiscal year 2025).

Replacement Fund:

The Board transfers between \$180,000 and \$200,000 from the General Fund to the Replacement Fund on an annual basis. This is done in order to manage on-going capital needs and facilitate repairs to district property. No transfers from the General Fund to the Replacement Fund were made in fiscal year 2022, and there are no transfers forecasted for fiscal years 2023 through 2025.

Training Facility Permanent Improvement Fund:

This fund was created in fiscal year 2023 in order to segregate donations and expenses related to the new training facility at the athletic complex. Revenues and expenditures estimating \$200,000 are included in the table on page 4.

Athletic Field Replacement Fund:

A separate Athletic Field Replacement fund was established specifically for the new athletic complex construction, located at 501 W. 2nd Street in McDonald. Many areas of this project have been completed to date, including the installation of a synthetic field, new lighting fixtures, completion of new home side grandstands and press box, and the addition of an eight-line, all-weather surface track. All of these items were included in Phase 1 and Phase 2 of the athletic complex construction.

Phase 3 of the athletic complex is on-going and is expected to be completed during fiscal year 2023. This phase is for the completion of the new training facility that will include locker rooms, coaching offices, and an open-concept area in which all student athletes of the District will be able to use. The Board expects to transfer \$500,000 into the Athletic Field Replacement Fund from the General Fund in fiscal year 2023, in order to cover expenses related to Phase 3.

Included in the table on the next page are the actual receipts and expenses for which all permanent improvement funds were used in the last three years.

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2023

HISTORICAL 3 YEARS - Permanent Improvements

| | ACTUAL FY20 | ACTUAL FY21 | ACTUAL FY22 |
|--|------------------------|------------------------|------------------------|
| Beginning Cash Balance - PI Funds | 3,076,544 | 3,085,963 | 1,895,825 |
| FORECASTED REVENUES: | | | |
| OSFC Maintenance (034 0000) | 22,861 | 23,308 | 23,199 |
| Half Mill Equalization (034 0000) | 24,819 | 25,751 | 25,750 |
| Replacement Fund (005 0000) | 180,000 | 200,000 | - |
| Permanent Imp (003 9015) | 226,495 | 230,629 | 229,566 |
| Athletic Field Replace (005 9016) | 226,991 | 356,500 | 945,136 |
| TOTAL REVENUE | 681,166 | 836,188 | 1,223,651 |
| ACTUAL EXPENDITURES: | | | |
| District Chromebook & Technology Purchases | 40,623 | - | 10,053 |
| District Boiler Repairs & HVAC Expenses | 45,495 | 14,783 | 6,599 |
| District Permanent Fixtures for Volleyball | 9,222 | - | - |
| District Resealing of Parking Lots | - | - | 8,250 |
| District Bobcat | - | - | 14,433 |
| District Track Supplies & Equipment | - | - | 12,407 |
| District Maintenance Equipment | - | - | 14,240 |
| District Other Miscellaneous Expenses | 33,986 | 25,180 | 15,367 |
| HS Roof Maintenance Repairs | 60,692 | 5,870 | 5,870 |
| HS Controls Upgrade Project | 44,713 | 9,693 | 11,683 |
| HS LED Lighting Project | 178,413 | - | - |
| HS Reading & Writing Textbooks | 40,618 | - | - |
| HS Exterior projects | - | 22,029 | - |
| HS Repair of flooding garage | - | 14,900 | - |
| HS Masonry Repair | - | - | 6,257 |
| ES Playground - drainage & upgrades | 34,030 | - | - |
| ES Security Cameras | 17,365 | - | - |
| ES Exterior LED Lighting | 4,694 | - | - |
| ES Cafeteria Table Replacement | - | 9,083 | - |
| ES Hot Water Tank Replacement | - | - | 23,845 |
| Cost for lighting at new Athletic Complex | - | 139,950 | 210,355 |
| Athletic Complex Expenses (actual) | 161,896 | 1,784,838 | 1,382,455 |
| Transfers-In to Athletic Complex fund 005 9016 from Other Capex funds | - | - | 240,000 |
| Transfers-Out from Other Capex funds to Athletic Complex fund 005 9016 | - | - | (240,000) |
| TOTAL EXPENDITURES | 671,747 | 2,026,326 | 1,721,814 |
| Ending Cash Balance - PI Funds | 3,085,963 | 1,895,825 | 1,397,662 |

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2023

Included in the table below are the forecasted receipts and expenses for fiscal years 2023 through 2027, for which all permanent improvement funds are expected to be used.

Financial Model (FORECASTED) - Permanent Improvements

| | FORECAST FY23 | FORECAST FY24 | FORECAST FY25 | FORECAST FY26 | FORECAST FY27 |
|--|--|------------------|------------------|------------------|------------------|
| Beginning Cash Balance - PI Funds | 1,397,662 | 291,023 | 351,612 | 277,235 | 194,735 |
| FORECASTED REVENUES: | | | | | |
| OSFC Maintenance (034 0000) | 11,121 | - | - | - | - |
| Replacement Fund (005 0000) | - | - | - | 75,000 | 100,000 |
| Permanent Imp (003 9015) | 233,289 | 233,289 | 108,723 | - | - |
| Training Facility PI Fund (003 9016) | 200,000 | - | - | - | - |
| Athletic Field Replace (005 9016) | 498,000 | 5,500 | 2,500 | 2,500 | - |
| | (Note 1) PI levy expires in collection year 2024 and final collections will be in FY 2025. In order to renew this levy, would need approved by voters by the November 2024 election. | | | | |
| TOTAL REVENUE | 942,410 | 238,789 | 111,223 | 77,500 | 100,000 |
| FORECASTED EXPENDITURES: | | | | | |
| District Chromebook & Technology Purchases | 57,080 | 68,200 | 65,600 | 50,000 | 50,000 |
| District Track Supplies & Equipment | 35,000 | - | - | - | - |
| HS Improvements & Repairs | 61,320 | 30,000 | 30,000 | 30,000 | 30,000 |
| ES Improvements & Repairs | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| ES Playground Equipment Repairs | 17,150 | - | - | - | - |
| ES Cafeteria Table Replacement | 10,000 | - | 10,000 | - | 10,000 |
| Other Miscellaneous Expenses | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Athletic Complex - PHASE 3 | 1,588,499 | - | - | - | - |
| Athletic Complex - Training Facility Equipment | 200,000 | - | - | - | - |
| Transfers-In to Athletic Complex fund 005 9016 from Other Capex funds | 380,000 | - | - | - | - |
| Transfers-Out from Other Capex funds to Athletic Complex fund 005 9016 | (380,000) | - | - | - | - |
| TOTAL EXPENDITURES | 2,049,049 | 178,200 | 185,600 | 160,000 | 170,000 |
| Ending Cash Balance - PI Funds | 291,023 | 351,612 | 277,235 | 194,735 | 124,735 |

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2023

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 | 3.70 |
| Emergency (\$260,000) | 2016 | 2017 | 2026 | 4.75 |
| Total Operating Tax Rate | | | | \$50.35 |
| | | | | |
| Bond | 1999 | 1999 | 2022 | \$2.15 |
| OSFC Maintenance | 1999 | 1999 | 2022 | 0.50 |
| Permanent Improvement | 2019 | 2020 | 2024 | 4.30 |
| Total Non-Operating Tax Rate | | | | \$6.95 |
| | | | | |
| TOTAL TAX RATE | | | | \$57.30 |

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 2.90 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. Note that fiscal year 2023 is the final year for these two levies.

The lone voluntary levy is a 4.3 mill Permanent Improvement levy, which was renewed in May 2019 for an additional five years.

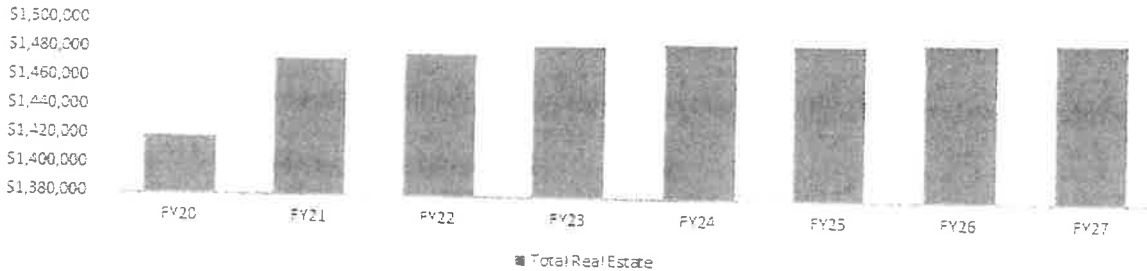
Line 1.010 General Property Tax

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 2023 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, 2023

Total Real Estate



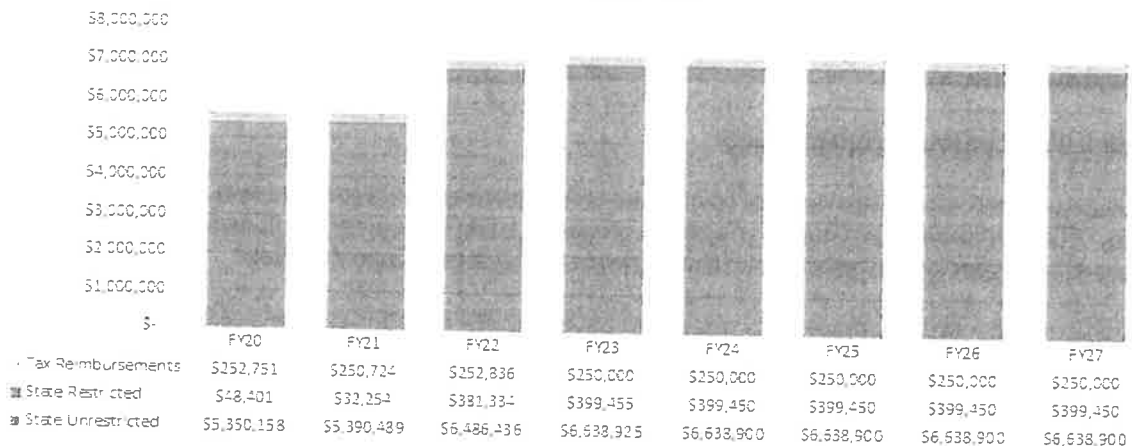
Line 1.035 Unrestricted Grants-in-Aid

Unrestricted Aid is generated from two casino payments each fiscal year, as well as Foundation Funding. The District received the first casino payment in August 2022 in the amount of \$22,488. The second payment is expected to be received in January 2023.

School funding from the State of Ohio (i.e. Foundation payments) is set as part of the State's Biennial Budget for fiscal years 2022 and 2023. Beginning in fiscal year 2022, the Fair School Funding Plan (FSFP) was implemented with payments from the new formula starting in January 2022. The FSFP is driven by a base cost methodology and guarantees that, for fiscal years 2022 and 2023, school districts will receive no less than the funding received from Foundation aid during fiscal year 2021. Further, the FSFP is a more direct funding model in that, community school, STEM school and scholarship funding is directly funded by the State of Ohio to the respective schools. This means that schools are now funded for the students they are educating. Historically, the amounts related to students who were residents of the school district were funded to the district who, in turn, made the payment to the respective school that was educating the student (i.e. a pass-through approach).

Any change in funding will be subject to a phase in percentage of 16.67% for fiscal year 2022 and 33.33% for fiscal year 2023. At this time, it is unknown as to whether or not the FSFP will be fully phased in after fiscal year 2023, as originally planned by the State of Ohio.

STATE FUNDING



McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2023

Line 1.040 Restricted Grants-in-Aid

Effective with the FSFP in fiscal year 2022, restricted grants-in-aid includes career tech money, support for McDonald's disadvantaged students, and Student Wellness and Success funding.

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.

The District expects to receive approximately \$304,000 in Student Wellness and Success Funding during fiscal year 2023. The remaining years in this forecast are unknown, because the State's Biennial Budget has not been finalized. This forecast includes estimates of this restricted funding in each year of \$304,000.

Line 1.050 Property Tax Allocation

Property tax allocation revenues consisted of the following for fiscal years 2018 through 2022:

| Revenue Sources | Actual Fiscal Year 2018 | Actual Fiscal Year 2019 | Actual Fiscal Year 2020 | Actual Fiscal Year 2021 | Actual Fiscal Year 2022 |
|------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Homestead and Rollback | \$216,537 | \$214,776 | \$252,751 | \$250,724 | \$252,836 |

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 years 2020 and forward reflect the complete resumed collections.

Line 1.060 All Other Revenues

Prior to fiscal year 2022, all other revenues included open-enrollment-in, interest income, and a few other items. Effective with the new FSFP, open-enrollment-in amounts are now classified on line 1.035 Unrestricted Grants-In-Aid. Because of this change, there is a large decrease in line 1.060 All Other Revenues for each forecasted year.

All other revenues consisted of the following for fiscal years 2018 through 2022:

| | Actual Fiscal Year 2018 | Actual Fiscal Year 2019 | Actual Fiscal Year 2020 | Actual Fiscal Year 2021 | Actual Fiscal Year 2022 |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Open Enrollment Tuition | \$1,347,631 | \$1,367,151 | \$1,492,285 | \$1,481,954 | \$271,723 |
| Interest | 120,462 | 190,051 | 124,993 | 15,222 | 14,892 |
| Student Class Fees | 15,469 | 14,967 | 14,448 | 12,279 | 13,211 |
| Ohio BWC Dividend | 0 | 0 | 0 | 116,181 | 0 |
| Other | 26,873 | 36,107 | 18,303 | 34,319 | 56,885 |
| Totals | \$1,510,435 | \$1,608,276 | \$1,650,029 | \$1,659,955 | \$356,711 |

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2023

Note 6 – Significant Assumptions for Expenditures and Other Financing Uses

Line 3.010 Personal Services

Expenditures of personal services 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 salaries are set by the Board of Education.

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

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|------|------|------|------|------|
| General Fund: | | | | | |
| Certified | 56 | 57 | 59 | 59 | 56 |
| Classified | 21 | 21 | 22 | 22 | 13 |
| Total General Fund | 77 | 78 | 81 | 81 | 69 |
| Other Funds: | | | | | |
| Certified | 5 | 5 | 3 | 4 | 5 |
| Classified | 5 | 4 | 4 | 2 | 12 |
| Total Other Funds | 10 | 9 | 7 | 6 | 17 |
| Totals | 87 | 87 | 88 | 87 | 86 |

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, 2025.

Presented in the chart below is a comparison of salaries and wages for fiscal years 2018 through 2022.

| | Actual Fiscal Year 2018 | Actual Fiscal Year 2019 | Actual Fiscal Year 2020 | Actual Fiscal Year 2021 | Actual Fiscal Year 2022 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Certified Salaries | \$3,492,302 | \$3,680,050 | \$3,823,523 | \$3,947,218 | \$3,953,443 |
| Classified Salaries | 585,555 | 604,946 | 623,285 | 652,552 | 420,380 |
| Substitute Salaries | 120,036 | 89,865 | 72,754 | 65,712 | 70,466 |
| Overtime | 13,191 | 12,589 | 13,224 | 21,719 | 1,479 |
| Supplemental Contracts | 174,969 | 180,024 | 192,843 | 225,561 | 234,022 |
| Severance Pay and Early Retirement Incentives | 0 | 28,388 | 25,933 | 0 | 37,919 |
| Insurance Incentive | 9,442 | 10,806 | 14,772 | 14,772 | 14,772 |
| Other Salaries and Wages | 5,400 | 5,300 | 6,540 | 7,140 | 5,640 |
| Totals | <u>\$4,400,895</u> | <u>\$4,611,968</u> | <u>\$4,772,874</u> | <u>\$4,934,674</u> | <u>\$4,738,121</u> |
| Ratio of Salaries to Total Revenue (line 2.080) | 52.2% | 54.1% | 54.7% | 56.0% | 53.8% |

Total expenses for salaries and wages were decreased in fiscal year 2022 because the District paid certain salaries using federal funding instead of general fund dollars. This is forecasted to continue for fiscal year 2023.

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2023

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.

The fiscal year 2022 expenses for employees' retirement/insurance benefits were decreased due to the District paying certain benefits using federal funding instead of general fund dollars. This is forecasted to continue for fiscal year 2023.

Retirement and Medicare fluctuate proportionally with salaries. Health care costs also continue to increase. 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.

Workers' compensation expense fluctuates each year. During fiscal years 2019 through 2021 the District received rebates and dividends which exceeded the expenses incurred.

The certified (teacher) negotiated contract includes a tuition reimbursement feature. For fiscal years 2018 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 2018 | Actual Fiscal Year 2019 | Actual Fiscal Year 2020 | Actual Fiscal Year 2021 | Actual Fiscal Year 2022 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Employer's Retirement | \$662,156 | \$705,363 | \$680,392 | \$776,401 | \$726,250 |
| Health Care/Dental/Vision/Life | 869,327 | 986,961 | 938,575 | 942,654 | 872,980 |
| Workers' Compensation | 4,673 | -3,844 | -39,067 | -7,107 | 23,954 |
| Medicare | 66,151 | 65,210 | 66,315 | 68,694 | 66,843 |
| Unemployment | 0 | 5,792 | 2,968 | 6,216 | 0 |
| Tuition Reimbursement | 10,000 | 10,000 | 36,756 | 10,000 | 12,700 |
| Totals | \$1,612,307 | \$1,769,482 | \$1,685,939 | \$1,796,858 | \$1,702,727 |
| Ratio of Benefits to Total Revenue (line 2.080) | 19.1% | 20.7% | 19.3% | 20.4% | 19.3% |

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2023

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 2018 | Actual Fiscal Year 2019 | Actual Fiscal Year 2020 | Actual Fiscal Year 2021 | Actual Fiscal Year 2022 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Professional and Technical Services | \$133,334 | \$155,740 | \$155,347 | \$214,961 | \$178,021 |
| Property Services (police, alarms, etc.) | 149,690 | 141,501 | 167,090 | 138,635 | 171,454 |
| Travel and Meeting Expenses | 12,732 | 23,409 | 13,823 | 6,133 | 15,381 |
| Communication Costs | 17,289 | 15,460 | 14,713 | 12,616 | 19,254 |
| Utility Services | 152,445 | 165,715 | 141,660 | 147,704 | 217,170 |
| Tuition and Other Similar Payments | 696,981 | 687,969 | 616,322 | 620,951 | 485,831 |
| Pupil Transportation | 70,438 | 69,736 | 59,630 | 42,760 | 109,924 |
| Other Purchased Services | 0 | 0 | 0 | 21,939 | 34,971 |
| Totals | \$1,232,909 | \$1,259,530 | \$1,168,585 | \$1,205,699 | \$1,232,006 |

Line 3.040 Supplies and Materials

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

| | Actual Fiscal Year 2018 | Actual Fiscal Year 2019 | Actual Fiscal Year 2020 | Actual Fiscal Year 2021 | Actual Fiscal Year 2022 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| General Supplies, Technology Supplies, Library Books and Periodicals | \$100,514 | \$91,431 | \$95,332 | \$116,168 | \$82,304 |
| Operations, Maintenance and Repair | 69,431 | 89,666 | 61,255 | 71,856 | 64,873 |
| Textbooks | 41,974 | 53,941 | 41,687 | 25,428 | 50,407 |
| Totals | \$211,919 | \$235,038 | \$198,274 | \$213,452 | \$197,584 |

As shown above, costs for supplies and materials range between \$197,000 up to \$235,000. These expenses were decreased in fiscal year 2020 due to the COVID-19 pandemic. In addition, the District was able to use federal funding for certain qualified purchases of supplies and materials in fiscal years 2020 through 2022.

Line 3.050 Capital Outlay

In fiscal year 2022, the District purchased Clevertouch boards using general fund monies in the amount of \$35,061.

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 annually 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.

McDonald Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2023

Line 4.300 Other Objects

Other objects can vary significantly from year to year and have been forecasted to approximate \$62,500 in each year.

Line 5.010 Operating Transfers-Out

Presented below are the transfers-out for the past four fiscal years.

| | Actual Fiscal Year 2019 | Actual Fiscal Year 2020 | Actual Fiscal Year 2021 | Actual Fiscal Year 2022 |
|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| District Replacement Fund | \$180,000 | \$180,000 | \$200,000 | \$200,000 |
| Athletics Fund | 49,000 | 17,000 | 50,000 | 45,000 |
| Athletic Complex Fund | 0 | 226,984 | 325,000 | 730,000 |
| Lunch Room Fund | 0 | 20,000 | 0 | 0 |
| Title I FY2018 Fund | 480 | 0 | 0 | 0 |
| Totals | <u>\$229,480</u> | <u>\$443,984</u> | <u>\$575,000</u> | <u>\$975,000</u> |

Listed below are the amounts *forecasted* to be transferred-out during fiscal years 2023 through 2027:

| | Forecasted Fiscal Year 2023 | Forecasted Fiscal Year 2024 | Forecasted Fiscal Year 2025 | Forecasted Fiscal Year 2026 | Forecasted Fiscal Year 2027 |
|---------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Athletics Fund | \$40,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 |
| Athletic Complex Fund | 500,000 | 0 | 0 | 0 | 0 |
| Cafeteria Fund | 0 | 0 | 0 | 40,000 | 50,000 |
| District Replacement Fund | 0 | 0 | 0 | 75,000 | 100,000 |
| Totals | <u>\$540,000</u> | <u>\$35,000</u> | <u>\$35,000</u> | <u>\$150,000</u> | <u>\$185,000</u> |

Line 5.020 Operating Advances-Out

No advances are anticipated for this forecast period.

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 2023 through 2027 that would be reported in the forecast (i.e. general and emergency fund levies).

