

MATHEWS

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				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019			Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenues										
1.010 General Property Tax (Real Estate)	\$4,510,721	\$4,606,574	\$4,596,628	1.0%	\$4,689,085	\$4,548,127	\$4,548,127	\$4,192,173	\$3,836,219	
1.020 Tangible Personal Property Tax	379,721	407,688	398,663	2.6%	395,717	375,182	375,182	374,792	374,402	
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	2,476,478	2,549,229	2,445,755	-0.6%	2,277,574	2,072,483	2,264,599	2,453,215	2,458,215	
1.040 Restricted State Grants-in-Aid	63,143	69,760	60,714	-1.2%	52,266	47,266	47,266	47,266	47,266	
1.045 Restricted Federal Grants-in-Aid - SFSF										
1.050 Property Tax Allocation	794,091	755,974	719,408	-4.8%	720,975	702,951	702,951	702,951	702,951	
1.060 All Other Revenues	628,509	703,220	766,698	10.5%	862,071	737,900	737,900	737,900	737,900	
1.070 Total Revenues	8,852,663	9,092,445	8,987,866	0.8%	8,997,688	8,483,909	8,676,025	8,508,297	8,156,953	
Other Financing Sources										
2.010 Proceeds from Sale of Notes										
2.020 State Emergency Loans and Advancements (Approved)										
2.040 Operating Transfers-In										
2.050 Advances-In	58,721	64,559	49,378	-6.8%	61,000	20,000	20,000	20,000	20,000	
2.060 All Other Financing Sources	89,337	67,049	5,774	-58.2%	100,709	16,000	16,000	16,000	16,000	
2.070 Total Other Financing Sources	148,058	131,608	55,152	-34.6%	161,709	36,000	36,000	36,000	36,000	
2.080 Total Revenues and Other Financing Sources	9,000,721	9,224,053	9,043,018	0.3%	9,159,397	8,519,909	8,712,025	8,544,297	8,192,953	
Expenditures										
3.010 Personal Services	3,989,339	4,020,984	4,184,416	2.4%	4,123,945	4,186,875	4,300,993	4,471,178	4,575,175	
3.020 Employees' Retirement/Insurance Benefits	1,534,089	1,593,132	1,687,912	4.9%	1,648,314	1,670,242	1,742,600	1,813,479	1,847,031	
3.030 Purchased Services	2,218,814	2,215,302	2,253,030	0.8%	2,240,741	2,294,007	2,366,867	2,440,829	2,515,927	
3.040 Supplies and Materials	255,274	208,038	275,527	7.0%	241,100	277,600	267,600	277,600	277,600	
3.050 Capital Outlay	56,336	84,013	89,961	28.1%	13,000	60,000	150,000	80,000	80,000	
3.060 Intergovernmental										
Debt Service:										
4.010 Principal-All (Historical Only)										
4.020 Principal-Notes										
4.030 Principal-State Loans										
4.040 Principal-State Advancements										
4.050 Principal-HB 264 Loans										
4.055 Principal-Other										
4.060 Interest and Fiscal Charges										
4.300 Other Objects	140,495	143,355	129,894	-3.7%	118,500	135,500	137,540	139,621	141,743	
4.500 Total Expenditures	8,194,347	8,264,824	8,620,740	2.6%	8,385,600	8,624,224	8,965,600	9,222,707	9,437,476	
Other Financing Uses										
5.010 Operating Transfers-Out	216,500	258,996	269,900	11.9%	276,257	325,000	305,000	295,000	285,000	
5.020 Advances-Out	47,659	73,578	70,200	24.9%	61,000	20,000	20,000	20,000	20,000	
5.030 All Other Financing Uses										
5.040 Total Other Financing Uses	264,159	332,574	340,100	14.1%	337,257	345,000	325,000	315,000	305,000	
5.050 Total Expenditures and Other Financing Uses	8,458,506	8,597,398	8,960,840	2.9%	8,722,857	8,969,224	9,290,600	9,537,707	9,742,476	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	542,215	626,655	82,178	-35.7%	436,540	449,315-	578,575-	993,410-	1,549,523-	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,609,054	3,151,269	3,777,924	20.3%	3,860,102	4,296,642	3,847,327	3,268,752	2,275,342	
7.020 Cash Balance June 30	3,151,269	3,777,924	3,860,102	11.0%	4,296,642	3,847,327	3,268,752	2,275,342	725,819	
8.010 Estimated Encumbrances June 30	56,148	163,521	40,282	57.9%	50,000	50,000	50,000	50,000	50,000	
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials										
9.020 Capital Improvements										
9.030 Budget Reserve										
9.040 DPIA										
9.045 Fiscal Stabilization										
9.050 Debt Service										
9.060 Property Tax Advances										
9.070 Bus Purchases										
9.080 Subtotal										
10.010 Fund Balance June 30 for Certification of Appropriations	3,095,121	3,614,403	3,819,820	11.2%	4,246,642	3,797,327	3,218,752	2,225,342	675,819	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement							355,954	711,909		
11.300 Cumulative Balance of Replacement/Renewal Levies							355,954	1,067,863		
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	3,095,121	3,614,403	3,819,820	11.2%	4,246,642	3,797,327	3,218,752	2,581,296	1,743,682	
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	3,095,121	3,614,403	3,819,820	11.2%	4,246,642	3,797,327	3,218,752	2,581,296	1,743,682	
ADM Forecasts										
20.010 Kindergarten - October Count										
20.015 Grades 1-12 - October Count										
State Fiscal Stabilization Funds										
21.010 Personal Services SFSF										
21.020 Employees Retirement/Insurance Benefits SFSF										
21.030 Purchased Services SFSF										
21.040 Supplies and Materials SFSF										
21.050 Capital Outlay SFSF										
21.060 Total Expenditures - SFSF										

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

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

Mathews Local School District
5-Year Forecast
May 2020



Mathews Local School District Board of Education:

Michele Garman, Board President

James Pegg, Board Vice President

Tarin Brown, Board Member

Thomas Gifford, Board Member

Prepared by: Bradley Panak, Treasurer

Beth Haddle, Board Member

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

The School District

The Mathews Local School District (the School District) is located in Trumbull County and includes Vienna and Fowler Townships in Ohio. 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 currently operates three instructional buildings. The School District is staffed by approximately 40 non-certified and 64 certificated personnel who provide services to approximately 670 students and other community members.

Nature of the Forecast

This financial forecast presents, to the best of the Mathews Local School District Board of Education's knowledge and belief, the expected revenues, expenditures and operating balance of the general fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of May 20, 2020, the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

Nature of the Presentation

The forecast presents the revenues, expenditures, and changes in fund balance of the general fund. Under State law, certain general fund revenues received from the State must be spent on specific programs. These resources and the related expenditures have been segregated in the accounting records of the School District to demonstrate compliance. State laws also require the general fund resources pledged for the repayment of debt to be recorded directly in the debt service fund. For presentation in the forecast, the School District's general fund supported debt is also included in the general fund.

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

Significant Assumptions for Revenues and Other Financing Sources

1.010 & 1.020 - General and Tangible Personal Property Taxes 55% of FY20 total revenues

Property taxes are applied to real property, public utility real and personal property and manufactured homes which are located within the School District. Property taxes are collected for, and distributed to, the School District by the county auditor and treasurer. Settlement dates, on which collections are distributed to the School District, are established by State statute. The School District may request advances from the Trumbull County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the School District are paid. Deductions for auditor and treasurer fees, advertising, delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenue.

Property taxes are levied and assessed on a calendar year basis while the School District’s fiscal year runs from July through June. Property tax revenue received during calendar year 2019 (the collection year) for real and public utility property taxes represents collections of 2018 taxes (the tax year). First half calendar year tax collections are received by the School District in the second half of the fiscal year. Second half calendar year tax distributions occur in the first half of the following fiscal year.

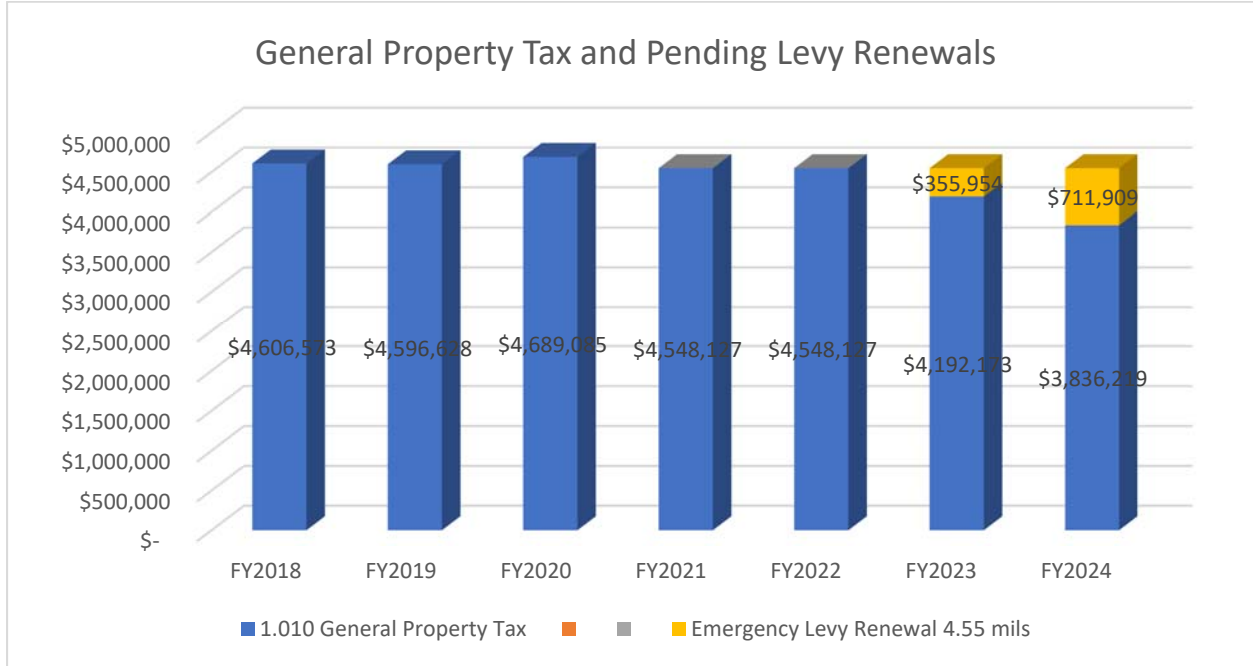
State law allows for certain reductions in the form of rollbacks and homestead exemptions for real estate taxes. The State reimburses the School District for all revenues lost due to these exemptions. The amount of the reimbursement is presented in the forecast line “Property Tax Allocation”.

The property tax revenues for the general fund are generated from several levies. The levies being collected for the general fund, the year approved, first and last year of collection and the full tax rate are as follows:

Tax Levies	Year Approved	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	5.90
Operating	1976	1977	n/a	22.20
Operating	1981	1982	n/a	4.30
Operating	2019	2020	2025	9.25
Operating	2014	2021	2026	7.80
Emergency (\$680,000)	2016	2017	2022	4.40
Total Tax Rate				53.85

The School District also has a permanent improvement levy totaling \$2.00 per \$1,000 of assessed valuation. The School District’s total rate is \$55.85 per \$1,000 of valuation.

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



The School District has a renewal levy that needs to be voted on during the life of the forecast. While the School District anticipates renewing this levy, voter approval is uncertain and the tax revenues have been excluded from the revenues section and presented under the heading “Revenue from Renewal Levies”. The graph above explains the property tax collections and levies that will need voter approval. The financial health of the Mathews Local School District is very reliant on the passage of all three levies. Due to the COVID-19 pandemic, the district expects a decrease of 3% to property taxes to fiscal year 2021 and beyond.

1.035 Unrestricted/1.040 Restricted Grants-in-Aid

28% of FY20 total revenues

Newly elected governor Mike DeWine passed a new biannual budget (HB 166) for fiscal years 2020 and 2021. The new funding formula is similar to previous funding formulas and guarantee’s districts the same formula funding as the previous year. However, the new biannual budget does include addition funding for Student Success and Wellness. These funds are not recorded in the general fund and not reflected on the forecast as revenues. Due to the COVID-19 pandemic, the governor announced that the State has reduced the funding for schools in fiscal year 2020 by over 300 million dollars. As a result, Mathews is going to lose \$167,602 in the current fiscal year and forecasted 12% lose to funding in FY2021 and 6% lose in FY2022. Casino closures has also led to Mathews forecasting loses to casino revenues in future year.

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

Career technology education and Economic Disadvantage funding are included in Restricted Grants-in-Aid. The chart to the left shows fiscal year 2020 estimates and both funding elements are expected to remain the same for the life of the forecast. Restricted Grants-in-Aid also includes Catastrophic Cost reimbursement from the State. These annual reimbursements are projected to remain fixed for the life of the forecast. The chart on the right demonstrates the funding categories under the current funding formula.

1.050 Property Tax Allocation
8% of FY20 total revenues

State law grants tax relief in the form of a ten percent reduction in real property tax bills. In addition, a two and one-half percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. Beginning in tax collection year 2008, the State expanded the homestead exemption to allow eligible homeowners to shield the first \$25,000 in market value from taxation. The State reimburses the School District for the loss of real property taxes as a result of the rollback and homestead tax relief programs. Under the HB 59 Biennial Budget bill, a broad tax reform package was announced, including the elimination of the 10% and 2-1/2% rollback replacement payments for property taxpayers on new and replacement levies.

In fiscal year 2006, the State began reimbursing the School District for lost

<u>STATE AID</u>		<u>FY2020</u>
	Opportunity Grant	\$ 1,336,048
	Targeted Assistance Funding	158,175
	Special Education Funding	170,480
	K-3 Literacy Aid	34,325
	Limited English Proficiency Funding	-
	Gifted Educaiton Funding	45,420
	Transportation Funding	280,164
	Capacity Aid	348,788
	Graduation Bonus	7,424
	3rd Grade Reading Bonus	2,161
	Economic Disadvantage Funding	34,328
	Career Tech Education Funding	2,941
	Total Formula Funding	2,420,254
	Guaranteed Amount	\$ 2,431,115
	Transitional Aid	13,802
	Preschool Spec. Education Funding	41,426
	Special Education Trans. Funding	-
	Adjustments to Previous Years SFPR	(29,039)
	Less: Econ. Disadvantage Funding	(34,328)
	Less: Career Tech Education Funding	(2,941)
	Casino Revenue	36,000
	COVID19 reductions	(167,602)
	Total Unrestricted Grants-in-Aid	\$ 2,277,572
	Student Success and Wellness Funds	\$ 163,480
	(receipt in Fund 467, not in Forecast)	
	Economic Disadvantage Funding	\$ 34,328
	Career Tech Education Funding	2,941
	Catastrophic Cost Reimbursement	15,000
	Total Restricted Grants-in-Aid	\$ 52,269

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

revenue due to the phase out of tangible personal property tax. In the first five years, the School District will be fully reimbursed relative to prior law for revenue lost due to the taxable value of reductions. The reimbursement will be for the difference between the assessed values under prior law and the assessed values under House Bill 64. This means the School District is only reimbursed for the difference between the amounts that would have been received under the prior law and the amounts actually received as the phase-outs in House Bill 64 are implemented. In fiscal year 2018, the School District received \$28,192 in reimbursement for the tangible personal property tax losses based on the information from the Ohio Department of Taxation. According to ODE, the phase-out of Tangible Personal Property will begin in FY19.

1.060 All Other Revenues 8% of FY20 total revenues

All other revenues include open enrollment, interest on investments, classroom fees, and other receipts. The chart below illustrates the funding changes through open enrollment into the School District over the past seven years:

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Students	86.68	82.77	90.37	87.82	81.79	86.63	82
Per Pupil Amount	\$ 5,745.00	\$ 5,800.00	\$ 5,900.00	\$ 6,000.00	\$ 6,010.00	\$ 6,020.00	\$ 6,020.00
Funding	\$497,976.60	\$ 480,066.00	\$ 533,183.00	\$ 526,920.00	\$ 491,557.90	\$ 521,512.60	\$ 493,640.00
Year over Year Student Change:		-3.91	7.6	-2.55	-6.03	4.84	-4.63

Interest is based on historical investment practices and anticipated rates and cash balances during the forecast period. The School District pools cash from all funds for investment purposes. Investments are restricted by provisions of the Ohio Revised Code and are valued at cost. Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings with the greatest allocation being to the general fund.

Classroom fees are approved by the School Board and are forecasted to remain consistent for the life of the forecast. The District received two years of Medicaid reimbursement in FY2020, and future years will include only one year of reimbursement. All revenue sources in other revenue are expected to remain fairly consistent for the life of the forecast.

2.070 Other Financing Sources

Other Financing Sources includes refunds of prior year expenditures. In fiscal year 2020 the district received a refund of estimated costs of special services in fiscal year 2019 from the Trumbull County ESC in the amount of \$52,338. This is not expected in the future, and only BWC refunds are forecasted for years 2021 to 2024. Also, included in Other Financing Sources, are advances back from the Cafeteria Fund.

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

Significant Assumptions for Expenditures and Other Financing Uses

3.010 – Personal Services 47% of FY20 total expenditures

Personal services expenditures represent the salaries and wages paid to certified employees, classified and administrative staff, substitutes, tutors and board members. In addition to regular salaries, it includes payment for overtime and substitutes. All employees receive their compensation on a semi monthly basis. Administrative and non-bargaining unit salaries are set by the Board of Education.

Staff salaries are based on a negotiated agreement which includes step increases and educational incentives for existing staff. The agreement between the Mathews Local School Board of Education and the Mathews Educational Association was approved for August 2018 through July 2021. The agreement included increases to the base salary of the salary schedule of 2% in FY2019, 1.5% in FY2020, and 1.5% in FY2021. The current contract salary schedule allows for annual step increases ranging from 2.5 to 5 percent. The forecasted salaries for fiscal year 2020 through fiscal year 2024 also include step increases and educational incentives.

Classified salaries are based on the negotiated agreement between the Ohio Association of Public School Employees Local #611 and the Mathews Board of Education, which was approved and expires June 2022. The agreement included 3% annual raises for three years.

Staffing levels are forecasted to remain fairly consistent throughout the life of the forecast. Severance Pay and Supplemental wages are expended out of different funds, and transfers are made to those funds from the General Fund. Due to the COVID-19 pandemic, the federal government passed the CARES act to help schools and other businesses. Mathews was granted \$156,925. These funds plan to be used to continue paying a teacher for FY21 and FY22.

A breakdown of Personnel Services is presented below:

	Forecasted Fiscal Year 2020	Forecasted Fiscal Year 2021	Forecasted Fiscal Year 2022	Forecasted Fiscal Year 2023	Forecasted Fiscal Year 2024
Certified Salaries	\$ 3,172,045	\$ 3,233,995	\$ 3,310,720	\$ 3,459,238	\$ 3,541,344
Classified Salaries	\$ 761,000	\$ 756,480	\$ 788,373	\$ 804,540	\$ 820,931
Substitute Salaries	\$ 127,900	\$ 132,400	\$ 136,900	\$ 141,400	\$ 145,900
Other Salaries and Wages	\$ 63,000	\$ 64,000	\$ 65,000	\$ 66,000	\$ 67,000
	\$ 4,123,945	\$ 4,186,875	\$ 4,300,993	\$ 4,471,178	\$ 4,575,175

Employees’ Retirement/Insurance Benefits 19% of FY20 total expenditures

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.

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

Retirement costs are based on the employers' contribution rate of 14 percent of salaries for STRS and SERS and an additional SERS surcharge levied to fund health care benefits for employees earning less than a minimum salary amount. Payments to both retirement systems are made based upon estimated salary and wages for each fiscal year. Adjustments resulting from differences between the estimated and actual expenditures are prorated over the next calendar year.

Under the negotiated agreement, the employees entered the Trumbull County Educational Service Center Health Consortium and benefits will be provided under a fully funded plan for medical and prescription drug coverage, vision, and dental insurance. If employees hired after 2008 elect to enroll in health insurance benefits, they must contribute ten percent of the total premium of PPO Plan 2. Employees hired before 2008 can enroll in PPO Plan 1. Effective January 2020, the Health Consortium will increase for two tiers to four tiers, those tiers being: single, employee and children, employee and spouse, and family. Due to increased medical claims, the School District expects approximately a 5% increase to premiums each forecasted year. In January 2023, the Trumbull County Educational Service Center Health Consortium has voted to move all PPO1 plans to PPO2 and fiscal year 2024 reflects those changes. In the future, District Administration will investigate premium structures and health consortiums, in order to decrease forecasted insurance expenditures.

Life insurance premiums are based on the coverage amount and the anticipated number of employees participating in the program.

Workers' compensation is based on the School District's assigned rate and the amount of wages paid in a calendar year. Premiums are paid in the following calendar year.

Presented below is the forecast period:

	Forecasted Fiscal Year 2020	Forecasted Fiscal Year 2021	Forecasted Fiscal Year 2022	Forecasted Fiscal Year 2023	Forecasted Fiscal Year 2024
Employer's Retirement	\$ 636,829	\$ 660,234	\$ 684,600	\$ 705,138	\$ 726,292
Medical, Dental, Vision, Life	\$ 927,444	\$ 914,773	\$ 960,403	\$ 1,008,312	\$ 1,018,203
Workers Compensation	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636	\$ 24,345
Medicare	\$ 54,812	\$ 56,456	\$ 58,150	\$ 59,894	\$ 61,691
Other	\$ 7,600	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500
	\$ 1,648,314	\$ 1,670,242	\$ 1,742,600	\$ 1,813,479	\$ 1,847,031

Purchased Services 25% of FY20 total expenditures

Presented below are the purchased services expenditures for the forecast period:

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

	Forecasted Fiscal Year 2020	Forecasted Fiscal Year 2021	Forecasted Fiscal Year 2022	Forecasted Fiscal Year 2023	Forecasted Fiscal Year 2024
Pro. and Technical Services	\$ 667,386	\$ 688,205	\$ 708,851	\$ 730,116	\$ 752,020
Property Services	\$ 229,062	\$ 235,934	\$ 243,012	\$ 250,303	\$ 257,812
Travel Expenses	\$ 30,806	\$ 31,730	\$ 32,682	\$ 33,662	\$ 34,672
Communication Costs	\$ 40,251	\$ 41,459	\$ 42,702	\$ 43,983	\$ 45,303
Utility Services	\$ 129,085	\$ 132,957	\$ 136,946	\$ 141,055	\$ 145,286
Tuition Payments	\$ 1,052,521	\$ 1,069,344	\$ 1,105,464	\$ 1,141,584	\$ 1,177,704
Other Purchased Services	\$ 91,630	\$ 94,379	\$ 97,210	\$ 100,126	\$ 103,130
	\$ 2,240,741	\$ 2,294,007	\$ 2,366,867	\$ 2,440,829	\$ 2,515,927

Professional and Technical Services include professional development, NEOMIN services, legal fees, Special Education Transportation, and other services. Also included in these services are special services provided by the Trumbull County ESC. The district's special education enrollment had decreased in FY20 and therefore the ESC services in FY20 will decrease by approximately \$150,000. The addition of a student resource officer increased these services in FY19 and beyond. These services will generally increase year to year based on inflation and increased need.

Property services are forecasted to increase due to the School District anticipating necessary repairs related to the aging buildings. Utility services are forecasted to increase due to an increase in electricity usage when compared to the prior fiscal year as well as expected increases in natural gas costs due to rising rates. Other increases are based on inflation and the increased needs of the District.

Tuition Payments – includes open enrollment out, community school payments, scholarship payments, post-secondary education payments, and foster and court placed students. Community school enrollment and open enrollment out of the district has increased over the past few years, and the district anticipates open enrollment out and community school payments to continue to increase over the life of the forecast. District administration must monitor the loss of resident student and curtail the negative trend over the past few years.

Supplies and Materials 3% of FY20 total expenditures

Expenditures for supplies and materials include general and office supplies, maintenance supplies, transportation supplies, teaching aids, dispensary supplies, software materials, textbooks, and library books. Forecasted years are based on district needs.

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

	Forecasted Fiscal Year 2020	Forecasted Fiscal Year 2021	Forecasted Fiscal Year 2022	Forecasted Fiscal Year 2023	Forecasted Fiscal Year 2024
General Supplies, Library Books					
Textbooks, and Periodicals	\$ 106,000	\$ 157,500	\$ 147,500	\$ 157,500	\$ 157,500
Operations, Maintenance					
and Repairs	\$ 135,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
	\$ 241,000	\$ 277,500	\$ 267,500	\$ 277,500	\$ 277,500

Capital Outlay **1% of FY20 total expenditures**

The costs of property, plant and equipment acquired or constructed for general services are recorded as capital outlay expenditures. The District purchased a new bus in fiscal year 2018 and plans to purchase one in FY2022. Building improvements are scheduled in fiscal years 2021, 2023, and 2023.

Other Objects **2% of FY20 total expenditures**

Other objects expenditures consist of dues and fees, insurance and awards. Also, included in this section is the Trumbull County ESC deduction from the District’s State Foundation Funding. Other objects expenditures are forecasted to increase slightly each year for the life of the forecast.

Operating Transfers and Advances Out **4% of FY20 total expenditures**

Transfers are noted for athletic and student activity funds that may not generate sufficient funds to remain solvent. It is anticipated that the transfers to the athletic fund will increase slightly each year with total athletic transfer ranging between approximately \$170,000 and \$180,000 each year. Transfers are also forecasted for uniform supplies (workbooks) and termination benefits (severance) funds. Advances out are forecasted for the Cafeteria Fund for each year.

Encumbrances

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments which have been performed, invoiced, and are awaiting payment. Encumbrances on a budget basis of accounting are treated as the equivalent of an expenditure at the time authorization is made in order to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance. For fiscal year 2020 through 2024 remaining encumbrances are forecasted to be \$50,000, for each year.

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

Cash Balance Summary

Assuming renewal of the three upcoming levies, this forecast is not projecting a deficit balance ending any year ending FY2020-FY2024. Starting in FY2021 and through the remainder of the forecast, the carryover/unreserved fund balance decreases in each year as deficit spending is forecasted in each year, however, a carryover balance of about two and half months average monthly expenditures is maintained by the end of the forecast period. Ultimately, the cash balance will sustain the district, but it is important to note that slight deficit spending occurs in years FY2021-FY2024 of the forecast. As with the forecast in general, these figures are based on the current projections and assumptions made which are subject to change once additional information is known. The District realizes that prudent management is necessary to continue to provide the resources necessary to meet student needs. The district has taken cost cutting measures in recent years including the non-replacement of staff that has retired, reductions in staff, modified practices and procedures in purchasing, and re-negotiated agreements with district associations. The district will also need to monitor on-going changes to revenues due to the Coronavirus pandemic, and adjust accordingly. Continual work is necessary to maintain district solvency and will be addressed on an on-going basis. The charts below illustrate the School Districts cash balance:

	Revenue and Expenditure Simplified Statement					
	Actual Fiscal Year 2019	Forecasted Fiscal Year 2020	Forecasted Fiscal Year 2021	Forecasted Fiscal Year 2022	Forecasted Fiscal Year 2023	Forecasted Fiscal Year 2024
Beginning Balance	3,777,924	3,860,102	4,296,643	3,847,328	3,268,753	2,275,342
+ Revenue	9,043,018	9,159,398	8,519,909	8,712,025	8,544,297	8,192,953
+ Proposed Renewal Levies	0	0	0	0	355,954	711,909
-Expenditures	8,960,840	8,722,857	8,969,224	9,290,600	9,537,708	9,742,476
= Revenue Surplus or Deficit w/ Levies	82,178	436,541	(449,315)	(578,575)	(637,456)	(837,614)
- Encumbrances	40,282	50,000	50,000	50,000	50,000	50,000
Ending Balance w/ Levies	3,819,820	4,246,643	3,797,328	3,218,753	2,581,297	1,743,683
Ending Balance w/o Levies	3,819,820	4,246,643	3,797,328	3,218,753	2,225,342	675,820
Revenue Surplus or Deficit w/o Levies	82,178	436,541	(449,315)	(578,575)	(993,411)	(1,549,523)