

MATHEWS

TRUMBULL

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2016, 2017 and 2018 Actual;
Forecasted Fiscal Years Ending June 30, 2019 Through 2023

	Actual				Average Change	Forecasted				
	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018			Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenues										
1.010 General Property Tax (Real Estate)	\$4,683,996	\$4,510,721	\$4,606,574	-0.8%	\$4,606,922	\$3,870,548	\$2,536,194	\$1,938,329	\$1,584,074	
1.020 Tangible Personal Property Tax	346,520	379,721	407,689	8.5%	410,251	409,121	407,502	406,761	406,338	
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	2,499,161	2,476,478	2,549,227	1.0%	2,508,458	2,508,458	2,508,458	2,508,458	2,508,458	
1.040 Restricted State Grants-in-Aid	63,650	63,143	69,761	4.8%	73,916	73,917	73,918	73,919	73,920	
1.045 Restricted Federal Grants-in-Aid - SFSF										
1.050 Property Tax Allocation	880,495	794,091	755,974	-7.3%	727,221	727,222	727,222	727,221	727,221	
1.060 All Other Revenues	664,265	628,509	703,220	3.3%	716,379	722,400	722,400	722,400	722,400	
1.070 Total Revenues	9,138,087	8,852,663	9,092,445	-0.2%	9,043,147	8,311,666	6,975,694	6,377,088	6,022,411	
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	52,191	58,721	64,559	11.2%	79,178	70,000	80,000	90,000	100,000	
2.060 All Other Financing Sources	127,989	89,337	67,049	-27.6%	16,588	16,000	16,000	16,000	16,000	
2.070 Total Other Financing Sources	180,180	148,058	131,608	-14.5%	95,766	86,000	96,000	106,000	116,000	
2.080 Total Revenues and Other Financing Sources	9,318,267	9,000,721	9,224,053	-0.5%	9,138,913	8,397,666	7,071,694	6,483,088	6,138,411	
Expenditures										
3.010 Personal Services	3,797,969	3,989,339	4,020,984	2.9%	4,143,101	4,233,374	4,323,530	4,415,944	4,510,467	
3.020 Employees' Retirement/Insurance Benefits	1,529,372	1,534,089	1,593,132	2.1%	1,768,883	1,859,638	1,957,209	2,060,740	2,170,621	
3.030 Purchased Services	1,922,765	2,218,814	2,215,302	7.6%	2,241,099	2,307,786	2,375,631	2,444,665	2,514,922	
3.040 Supplies and Materials	316,317	255,274	208,038	-18.9%	257,000	242,000	242,000	277,000	257,000	
3.050 Capital Outlay	193,327	56,336	84,013	-10.9%	80,000	90,000	60,000	110,000	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	142,814	140,495	143,355	0.2%	147,134	149,237	151,382	153,570	155,801	
4.500 Total Expenditures	7,902,564	8,194,347	8,264,824	2.3%	8,637,217	8,882,035	9,109,752	9,461,919	9,688,811	
Other Financing Uses										
5.010 Operating Transfers-Out	281,771	216,500	258,996	-1.8%	235,000	250,000	255,000	260,000	265,000	
5.020 Advances-Out	73,412	47,659	73,578	9.7%	60,000	70,000	80,000	90,000	100,000	
5.030 All Other Financing Uses										
5.040 Total Other Financing Uses	355,183	264,159	332,574	0.1%	295,000	320,000	335,000	350,000	365,000	
5.050 Total Expenditures and Other Financing Uses	8,257,747	8,458,506	8,597,398	2.0%	8,932,217	9,202,035	9,444,752	9,811,919	10,053,811	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,060,520	542,215	626,655	-16.6%	206,696	804,369-	2,373,058-	3,328,831-	3,915,400-	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	1,548,534	2,609,054	3,151,269	44.6%	3,777,924	3,984,620	3,180,251	807,193	2,521,638-	
7.020 Cash Balance June 30	2,609,054	3,151,269	3,777,924	20.3%	3,984,620	3,180,251	807,193	2,521,638-	6,437,038-	
8.010 Estimated Encumbrances June 30	106,550	56,148	163,521	72.0%	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 Advancements										
9.070 Bus Purchases										
9.080 Subtotal										
10.010 Fund Balance June 30 for Certification of Appropriations	2,502,504	3,095,121	3,614,403	20.2%	3,934,620	3,130,251	757,193	2,571,638-	6,487,038-	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement						736,374	2,093,690	2,714,632	3,068,887	
11.300 Cumulative Balance of Replacement/Renewal Levies						736,374	2,830,064	5,544,696	8,613,583	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	2,502,504	3,095,121	3,614,403	20.2%	3,934,620	3,866,625	3,587,257	2,973,058	2,126,545	
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	2,502,504	3,095,121	3,614,403	20.2%	3,934,620	3,866,625	3,587,257	2,973,058	2,126,545	
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, 2019

Mathews Local School District
5-Year Forecast
October 2018



Mathews Local School District Board of Education:

Tarin Brown, Board President

Michele Garman, Board Vice President

Thomas Gifford, Board Member

James Pegg, Board Member

Prepared by: Bradley Panak, Treasurer

Rex Rager, Board Member

Mathews Local School District
Trumbull County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2019

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 65 certificated personnel who provide services to approximately 690 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 October 31, 2018, 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, 2019

Significant Assumptions for Revenues and Other Financing Sources

1.010 & 1.020 - General and Tangible Personal Property Taxes 54% of FY19 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 2018 (the collection year) for real and public utility property taxes represents collections of 2017 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.

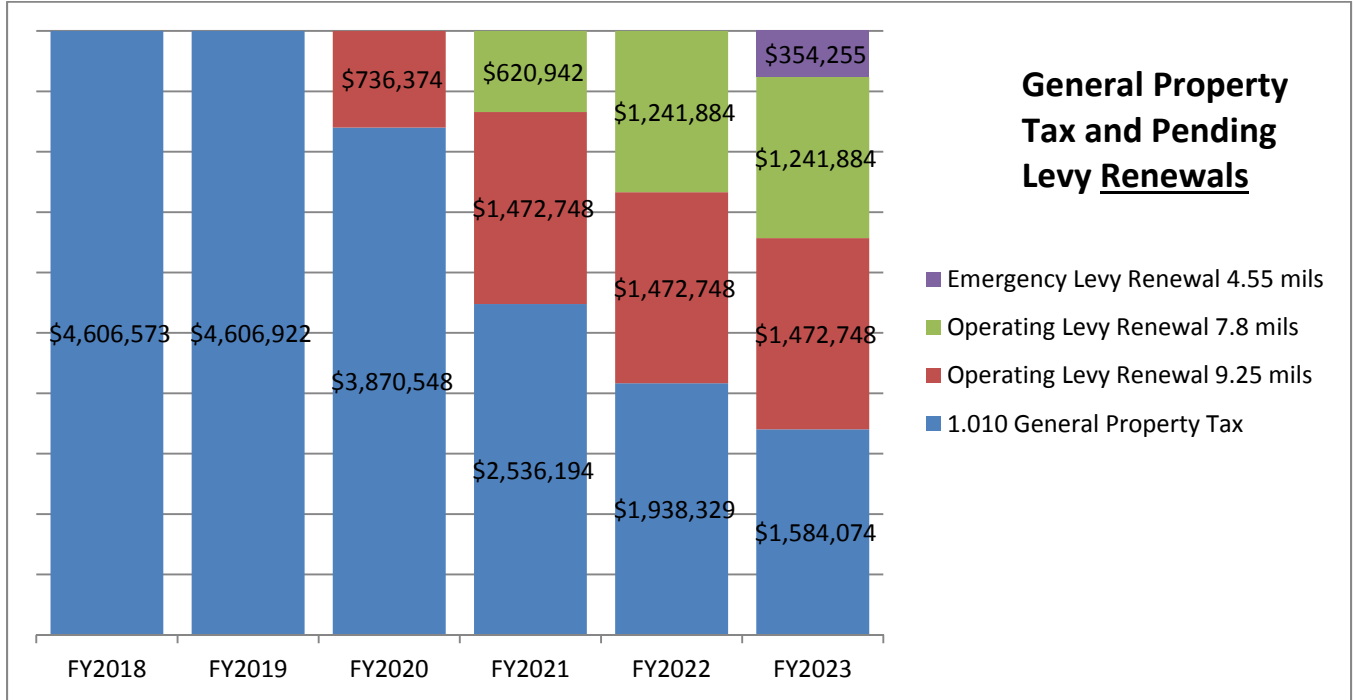
State law allows for certain reductions in the form of rollbacks and homestead exemptions for real estate taxes. The State reimburses the School District for all revenues lost due to these exemptions. The amount of the reimbursement is presented in the forecast line “Property Tax Allocation”.

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	22.10
Operating	1981	1982	n/a	4.30
Operating	2013	2014	2019	9.25
Operating	2014	2015	2020	7.80
Emergency (\$680,000)	2016	2017	2022	4.55
Total Tax Rate				53.90

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 \$55.90 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, 2019



General property tax revenue includes real estate taxes, public utility property taxes and manufactured home taxes. Trumbull County had its Sexennial Reappraisal in 2017; however the School District did not see an increase in collections. The county is also scheduled to have a triennial update in 2020, and it is expected to add a ½% increase to property tax collections in fiscal year 2021, and another ½% in fiscal year 2022.

The School District three renewal levies that need to be voted on during the life of the forecast. While the School District anticipates renewing these levies, 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.

Mathews Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2019

1.035 Unrestricted/1.040 Restricted Grants-in-Aid

28% of FY19 total revenues

In fiscal year 2014, the State General Assembly adopted a new funding method to replace the Bridge Formula. The new foundation formula includes a base amount of funding per pupil, known as the Opportunity Grant, and also provides additional funding for a number of different services designed to serve the needs of various populations of students. The Opportunity Grant is calculated using a per pupil amount times the Average Daily Membership (ADM). This amount is then multiplied by the State Share Index, which factors in the property wealth and the income of residents of the school district. These calculations are a multi-step process and are reflected on the School Finance Payment Report (SFPR). For fiscal year 2019, School districts are guaranteed the amount received for fiscal year 2016.

House Bill 49 (new biennium budget) was introduced for fiscal 2018, and only changed the District's funding slightly. This chart shows the difference in State Funding when enrollment remains constant. Two elements of the foundation funding formula, career technologies funding and economic disadvantage aid, are received in Restricted Grants-in-Aid. These two funding elements account for \$49,383 of the total foundation funding amount.

Beginning in fiscal year 2013, the School District is receiving additional unrestricted grants-in-aid revenue due to casino revenue. The first two casinos opened in Ohio in May 2012, with two more casinos to follow. Of the casino revenue collected by the State, 34 percent is distributed to school districts, based on student population. The School District is expected to receive approximately \$36,000 casino revenue in fiscal year 2019, for a total unrestricted grant-in-aid amount of \$2,508,458.

Career technology education and Economic Disadvantage funding are included in Restricted Grants-in-Aid. The chart to the left shows fiscal year 2019 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.

	STATE AID	
ADM: 722.81	FY2018	FY2019
Opportunity Grant	\$ 1,359,553	\$ 1,369,024
Targeted Assistance Funding	172,024	161,779
Special Education Funding	187,445	187,412
K-3 Literacy Aid	32,981	33,356
Limited English Proficiency Funding	127	128
Gifted Educaiton Funding	45,755	46,255
Transportation Funding	315,862	283,221
Capacity Aid	336,409	354,727
Graduation Bonus	7,095	7,095
3rd Grade Reading Bonus	4,259	4,259
Economic Disadvantage Funding	43,374	46,394
Career Tech Education Funding	1,855	2,989
Total Formula Funding	2,506,739	2,496,641
Guaranteed Amount	\$ 2,431,114	\$ 2,431,114
Transitional Aid		
Preschool Spec. Education Funding	31,900	32,000
Special Education Trans. Funding	3,261	3,200
Adjustments to Previous Years SFPR	(10,861)	(10,000)
Less: Econ. Disadvantage Funding	(43,374)	(46,394)
Less: Career Tech Education Funding	(1,855)	(2,989)
Casino Revenue	36,264	36,000
Total Unrestricted Grants-in-Aid	\$ 2,522,074	\$ 2,508,458
Economic Disadvantage Funding	\$ 43,374	\$ 46,394
Career Tech Education Funding	1,855	2,989
Catastrophic Cost Reimbursement	24,532	24,532
Total Restricted Grants-in-Aid	\$ 69,761	\$ 73,915

Mathews Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2019

1.050 Property Tax Allocation 8% of FY19 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 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 FY19 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:

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Students	86.68	82.77	90.37	87.82	81.79	84
Per Pupil Amount	\$ 5,745.00	\$ 5,800.00	\$ 5,900.00	\$ 6,000.00	\$ 6,010.00	\$ 6,020.00
Funding	\$497,976.60	\$480,066.00	\$533,183.00	\$526,920.00	\$491,557.90	\$505,680.00
Year over Year Student Change:		-3.91	7.6	-2.55	-6.03	2.21

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. Other revenue includes rent, Medicaid reimbursements, and other reimbursements and refunds. All revenue sources in other revenue are expected to remain fairly consistent for the life of the forecast.

Mathews Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2019

2.070 Other Financing Sources

Other Financing Sources includes refunds of prior year expenditures. Only BWC refunds are forecasted for years 2020 to 2023. Also, included in Other Financing Sources, are advances back from the Cafeteria Fund.

Significant Assumptions for Expenditures and Other Financing Uses

3.010 – Personal Services 46% of FY19 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 September 2015 through August 2018. The MEA and the Board of Education are currently negotiations for a new collective bargaining agreement. The current contract salary schedule allows for annual step increases ranging from 2.5 to 5 percent. The forecasted salaries for fiscal year 2019 through fiscal year 2023 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 expires June 2019. The forecasted salaries for fiscal year 2019 through fiscal year 2023 include contractual negotiated raises and step increases.

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.

A breakdown of Personnel Services is presented below:

	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Certified Salaries	\$ 3,234,620	\$ 3,310,186	\$ 3,387,641	\$ 3,467,033	\$ 3,548,409
Classified Salaries	\$ 753,606	\$ 761,588	\$ 769,689	\$ 777,912	\$ 786,258
Substitute Salaries	\$ 100,000	\$ 104,500	\$ 109,000	\$ 113,500	\$ 118,000
Other Salaries and Wages	\$ 54,875	\$ 57,100	\$ 57,200	\$ 57,500	\$ 57,800
	\$ 4,143,101	\$ 4,233,374	\$ 4,323,530	\$ 4,415,944	\$ 4,510,467

Mathews Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2019

Employees' Retirement/Insurance Benefits 20% of FY19 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.

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 July 1, 2018, PPO Plan 1 family premium is \$1,845.43 per month, and the PPO Plan 1 single premium is \$705.05 per month. The total monthly premium for PPO Plan 2 family premium is \$1,668.27, and the single premium is \$636.71. Due to increased medical claims, the School District expects approximately a 7% increase to premiums each forecasted year. 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	Forecasted	Forecasted	Forecasted	Forecasted
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Employer's Retirement	\$ 650,682	\$ 668,181	\$ 687,566	\$ 707,533	\$ 728,099
Medical, Dental, Vision, Life	\$ 1,017,701	\$ 1,088,662	\$ 1,164,484	\$ 1,245,613	\$ 1,332,421
Workers Compensation	\$ 21,000	\$ 21,630	\$ 22,279	\$ 22,947	\$ 23,636
Medicare	\$ 55,500	\$ 57,165	\$ 58,880	\$ 60,646	\$ 62,466
Other	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
	\$ 1,768,883	\$ 1,859,638	\$ 1,957,209	\$ 2,060,740	\$ 2,170,621

Mathews Local School District
 Trumbull County
 Summary of Significant Assumptions and Accounting Policies
 For the Fiscal Year Ending June 30, 2019

Purchased Services 25% of FY19 total expenditures

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

	Forecasted Fiscal Year 2019	Forecasted Fiscal Year 2020	Forecasted Fiscal Year 2021	Forecasted Fiscal Year 2022	Forecasted Fiscal Year 2023
Pro. and Technical Services	\$ 767,619	\$ 790,647	\$ 814,367	\$ 838,798	\$ 863,962
Property Services	\$ 134,271	\$ 138,299	\$ 142,448	\$ 146,722	\$ 151,123
Travel Expenses	\$ 32,718	\$ 33,699	\$ 34,710	\$ 35,751	\$ 36,824
Communication Costs	\$ 24,383	\$ 25,114	\$ 25,868	\$ 26,644	\$ 27,443
Utility Services	\$ 136,302	\$ 140,391	\$ 144,603	\$ 148,941	\$ 153,409
Tuition Payments	\$ 1,065,540	\$ 1,096,960	\$ 1,128,480	\$ 1,160,100	\$ 1,191,820
Other Purchased Services	\$ 80,267	\$ 82,675	\$ 85,155	\$ 87,710	\$ 90,341
	\$ 2,241,099	\$ 2,307,786	\$ 2,375,631	\$ 2,444,665	\$ 2,514,922

Professional and Technical Services include professional development, NEOMIN services, legal fees, Special Education Transportation, and other services. 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 FY19 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. In fiscal year 2018 and 2019 the District satisfied its Chromebook needs, and more expenditures for instructional technology will not occur until fiscal year 2022.

Mathews Local School District
Trumbull County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2019

	Forecasted Fiscal Year 2019	Forecasted Fiscal Year 2020	Forecasted Fiscal Year 2021	Forecasted Fiscal Year 2022	Forecasted Fiscal Year 2023
General Supplies, Library Books					
Textbooks, and Periodicals	\$ 142,000	\$ 127,000	\$ 127,000	\$ 162,000	\$ 142,000
Operations, Maintenance					
and Repairs	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
	\$ 257,000	\$ 242,000	\$ 242,000	\$ 277,000	\$ 257,000

Capital Outlay 1% of FY19 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 FY2020 and another in FY2022. Building improvements are scheduled in fiscal years 2019, 2021, and 2023.

Other Objects 2% of FY19 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 FY19 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 \$152,000 and \$170,000 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 2019 through 2023 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, 2019

Cash Balance Summary

Assuming renewal of the three upcoming levies, this forecast is not projecting a deficit balance ending any year ending FY2019-FY2023. Starting in FY2020 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 FY2020-FY2023 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. 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 2018	Forecasted Fiscal Year 2019	Forecasted Fiscal Year 2020	Forecasted Fiscal Year 2021	Forecasted Fiscal Year 2022	Forecasted Fiscal Year 2023
Beginning Balance	3,151,269	3,777,924	3,984,620	3,180,251	807,193	(2,521,638)
+ Revenue	9,224,053	9,138,915	8,397,666	7,071,694	6,483,088	6,138,411
+ Proposed Renewal Levies	0	0	736,374	2,093,690	2,714,632	3,068,887
-Expenditures	8,597,398	8,932,218	9,202,035	9,444,752	9,811,919	10,053,812
= Revenue Surplus or Deficit w/ Levies	626,655	206,696	(67,995)	(279,369)	(614,199)	(846,513)
- Encumbrances	163,521	50,000	50,000	50,000	50,000	50,000
Ending Balance w/ Levies	3,614,403	3,934,620	3,866,625	3,587,257	2,973,058	2,126,545
Ending Balance w/o Levies	3,614,403	3,934,620	3,130,251	757,193	(2,571,638)	(6,487,038)
Revenue Surplus or Deficit w/o Levies	626,655	206,696	(804,369)	(2,373,058)	(3,328,831)	(3,915,401)

FORECAST COMPARE		Forecast Presented MAY 2018	Forecast Presented Oct 2018	Difference
Revenue Surplus or Deficit w/ Levies				
	FY2018	\$ 85,416	\$ 626,655	\$ 541,239
	FY2019	\$ (119,287)	\$ 206,696	\$ 325,983
	FY2020	\$ (170,840)	\$ (67,995)	\$ 102,845
	FY2021	\$ (289,348)	\$ (279,368)	\$ 9,980
	FY2022	\$ (491,215)	\$ (614,199)	\$ (122,984)
	FY2023		\$ (846,513)	