



Dave Yost • Auditor of State

**Newbury Local School District
Geauga County, Ohio**

**Financial Forecast
For the Fiscal Years Ending June 30, 2018 through June 30, 2022**

Local Government Services Section

Newbury Local School District
Geauga County

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Dave Yost • Auditor of State

Board of Education
Newbury Local School District
14775 Auburn Road
Newbury, Ohio 44065

Independent Accountant's Report

We have examined the accompanying forecasted statement of revenues, expenditures and changes in fund balance of the general fund of the Newbury Local School District for the fiscal years ending June 30, 2018 through June 30, 2022, based on the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants. The Newbury Local School District's management is responsible for preparing and presenting the forecast in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the forecast is presented in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants, in all material respects. An examination involves performing procedures to obtain evidence about the forecast. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the forecast, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the accompanying forecast is presented, in all material respects, in accordance with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions are suitable supported and provide a reasonable basis for the Board's forecast.

There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The statement of revenues, expenditures and changes in fund balance arising from cash transactions of the general fund for the fiscal years ended June 30, 2015, 2016, and 2017 were compiled by us and we have not audited or reviewed the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying financial statements. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for determining that the cash basis of accounting is an acceptable framework. Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Management has chosen to omit the disclosures associated with the cash basis of accounting.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

DAVE YOST
Auditor of State

Columbus, Ohio

March 12, 2018

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Newbury Local School District
Geauga County

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2015 Through 2017 Actual;
For the Fiscal Years Ending June 30, 2018 Through 2022 Forecasted
General Fund

	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual
Revenues			
General Property Taxes	\$5,876,000	\$6,505,000	\$6,516,000
Tangible Personal Property Taxes	359,000	389,000	398,000
Unrestricted Grants-in-Aid	1,138,000	1,179,000	1,176,000
Restricted Grants-in-Aid	134,000	91,000	86,000
Property Tax Allocation	980,000	954,000	946,000
All Other Revenues	400,000	626,000	469,000
<i>Total Revenues</i>	<u>8,887,000</u>	<u>9,744,000</u>	<u>9,591,000</u>
Other Financing Sources			
Advances In	13,000	52,000	33,000
<i>Total Revenues and Other Financing Sources</i>	<u>8,900,000</u>	<u>9,796,000</u>	<u>9,624,000</u>
Expenditures			
Personal Services	3,643,000	3,512,000	3,603,000
Employees' Retirement/Insurance Benefits	1,249,000	1,205,000	1,438,000
Purchased Services	2,751,000	2,590,000	2,582,000
Supplies and Materials	191,000	166,000	156,000
Capital Outlay	11,000	236,000	75,000
Other Objects	120,000	162,000	103,000
<i>Total Expenditures</i>	<u>7,965,000</u>	<u>7,871,000</u>	<u>7,957,000</u>
Other Financing Uses			
Transfers Out	436,000	486,000	79,000
Advances Out	52,000	33,000	22,000
Other Financing Uses	7,000	0	0
<i>Total Other Financing Uses</i>	<u>495,000</u>	<u>519,000</u>	<u>101,000</u>
<i>Total Expenditures and Other Financing Uses</i>	<u>8,460,000</u>	<u>8,390,000</u>	<u>8,058,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	440,000	1,406,000	1,566,000
Cash Balance July 1	428,000	868,000	2,274,000
Adjustments	0	0	3,000
Cash Balance June 30	868,000	2,274,000	3,843,000
Encumbrances			
Actual/Estimated Encumbrances June 30	247,000	246,000	470,000
Fund Balance June 30 for Certification of Appropriation	621,000	2,028,000	3,373,000
Revenue from Renewal Levies			
General Property Taxes	0	0	0
Tangible Personal Property Taxes	0	0	0
Homestead and Rollback	0	0	0
<i>Total Revenue from Renewal Levies</i>	<u>0</u>	<u>0</u>	<u>0</u>
Cumulative Balance of Renewal Levies	0	0	0
Unencumbered/Unreserved Fund Balance June 30	<u>\$621,000</u>	<u>\$2,028,000</u>	<u>\$3,373,000</u>

See accompanying summary of significant forecast assumptions and accounting policies
See Independent Accountant's Report

Fiscal Year 2018 Forecasted	Fiscal Year 2019 Forecasted	Fiscal Year 2020 Forecasted	Fiscal Year 2021 Forecasted	Fiscal Year 2022 Forecasted
\$6,672,000	\$6,573,000	\$5,379,000	\$4,310,000	\$4,310,000
418,000	413,000	370,000	331,000	331,000
1,202,000	1,202,000	1,202,000	1,202,000	1,202,000
53,000	53,000	53,000	53,000	53,000
826,000	731,000	644,000	566,000	566,000
527,000	440,000	439,000	433,000	427,000
<u>9,698,000</u>	<u>9,412,000</u>	<u>8,087,000</u>	<u>6,895,000</u>	<u>6,889,000</u>
22,000	22,000	22,000	22,000	22,000
<u>9,720,000</u>	<u>9,434,000</u>	<u>8,109,000</u>	<u>6,917,000</u>	<u>6,911,000</u>
3,809,000	4,013,000	4,009,000	4,017,000	4,024,000
1,630,000	1,699,000	1,770,000	1,841,000	1,916,000
2,674,000	2,633,000	2,618,000	2,613,000	2,646,000
180,000	171,000	171,000	171,000	171,000
470,000	101,000	101,000	101,000	101,000
204,000	143,000	169,000	145,000	171,000
<u>8,967,000</u>	<u>8,760,000</u>	<u>8,838,000</u>	<u>8,888,000</u>	<u>9,029,000</u>
79,000	79,000	79,000	79,000	79,000
22,000	22,000	22,000	22,000	22,000
0	0	0	0	0
<u>101,000</u>	<u>101,000</u>	<u>101,000</u>	<u>101,000</u>	<u>101,000</u>
<u>9,068,000</u>	<u>8,861,000</u>	<u>8,939,000</u>	<u>8,989,000</u>	<u>9,130,000</u>
652,000	573,000	(830,000)	(2,072,000)	(2,219,000)
3,843,000	4,495,000	5,068,000	4,238,000	2,166,000
0	0	0	0	0
<u>4,495,000</u>	<u>5,068,000</u>	<u>4,238,000</u>	<u>2,166,000</u>	<u>(53,000)</u>
246,000	246,000	246,000	246,000	246,000
<u>4,249,000</u>	<u>4,822,000</u>	<u>3,992,000</u>	<u>1,920,000</u>	<u>(299,000)</u>
0	0	1,194,000	2,263,000	2,263,000
0	0	43,000	82,000	82,000
0	0	87,000	165,000	165,000
<u>0</u>	<u>0</u>	<u>1,324,000</u>	<u>2,510,000</u>	<u>2,510,000</u>
<u>0</u>	<u>0</u>	<u>1,324,000</u>	<u>3,834,000</u>	<u>6,344,000</u>
<u>\$4,249,000</u>	<u>\$4,822,000</u>	<u>\$5,316,000</u>	<u>\$5,754,000</u>	<u>\$6,045,000</u>

Newbury Local School District

Geauga County

Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2018 through June 30, 2022

Note 1 – The School District

The Newbury Local School District (the School District) is located in Geauga County and includes all of Newbury Township. The School District is organized under Article VI, Sections 2 and 3, of the Constitution of the State of Ohio. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms. The School District currently operates one instructional/administrative building. The School District is staffed by 33 non-certified and 53 certificated personnel to provide services to approximately 432 students and other community members.

Note 2 – Nature of the Forecast

This financial forecast presents, to the best of the Newbury 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 March 12, 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.

Note 3 – 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 general fund supported debt is included in the general fund. The School District currently has no debt.

Note 4 – Summary of Significant Accounting Policies

Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the required budget basis (non-GAAP) of accounting used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the School District is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2018 through June 30, 2022

Fund Accounting

The School District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund – The general fund is the operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specified restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Fund – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service funds.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Funds – Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

Proprietary Funds

Enterprise Funds – Enterprise funds account for any activity for which a fee is charged to external users for goods or services.

Internal Service Funds – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments on a cost-reimbursement basis.

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2018 through June 30, 2022

Fiduciary Funds

Fiduciary funds account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds.

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Budget – A budget of estimated cash receipts and disbursements is submitted to the Geauga County Auditor, as secretary of the county budget commission, by January 20 of each year, for the succeeding fiscal year.

Estimated Resources – The county budget commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding fiscal year. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations – A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire fiscal year. The appropriation measure may be amended or supplemented during the fiscal year as new information becomes available.

Encumbrances – The School District uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

Note 5 – General Operating Assumptions

The Newbury Local School District will continue to operate its instructional program in accordance with its adopted and anticipated school calendars and pay all obligations. The forecast contains those expenditures the Board of Education has determined to be necessary to provide for an adequate educational program.

Newbury Local School District

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2018 through June 30, 2022

Note 6 – Significant Assumptions for Revenues and Other Financing Sources

General and Tangible Personal Property Taxes

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 Geauga 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 account “Property Tax Allocation”.

Prior to fiscal year end, a school district may request an advance of real property tax collections that ordinarily would be settled in August and used to finance the upcoming fiscal year. The forecast excludes the receipt of any advances against the next fiscal year scheduled property tax settlements. The potential advances have been excluded due to the School District’s inability to appropriate this revenue until received and the uncertainty of the timing of any advances. Currently, it is the Board’s intent not to appropriate any such advances for fiscal years 2018 through 2022.

The property tax revenues for the general fund are generated from several levies. The current 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/ 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	1977	n/a	28.10
Continuing Operating	1977	1978	n/a	5.50
Continuing Operating	1983	1984	n/a	3.50
Continuing Operating	1986	1987	n/a	5.00
Continuing Operating	1989	1990	n/a	1.70
Continuing Operating	2004	2005	n/a	4.89
Emergency (\$1,200,000)	2009	2010	2020	6.92
Emergency (\$1,356,000)	2014	2015	2020	7.82
Emergency (\$800,000)	2016	2017	2027	4.61
Total Tax Rate				<u>\$73.14</u>

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Summary of Significant Assumptions and Accounting Policies For the Fiscal Years Ending June 30, 2018 through June 30, 2022

The School District also has a permanent improvement levy equal to \$1.00 per \$1,000 of assessed valuation. The School District's total tax rate is \$74.14 per \$1,000 of assessed valuation.

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to voted levies so that each levy yields the same amount of real property tax revenues on carryover property as in the prior year. Reduction factors are also adjusted to generate the same amount of property tax revenue on carryover property when there is a decline in the assessed valuation of property. For all voted levies, except emergency and debt levies, increases in revenues are restricted to amounts generated from new construction. Emergency and debt levies are intended to generate a set revenue amount annually. The revenue generated by emergency and debt levies is not affected by changes in real property valuation. The reduction factors are computed annually and applied separately for residential/agricultural real property and commercial/industrial real property. Reduction factors are not applied to inside millage (an unvoted levy). State law also prohibits the reduction factors from reducing the effective millage of the sum of the general fund current operating levies (excluding emergency levies) plus inside millage used for operating purposes below 20 mills. For the general fund, the effective residential and agricultural real property tax rate is at \$43.77 per \$1,000 of assessed valuation for collection year 2018, and the effective commercial and industrial real property tax rate is \$44.58 per \$1,000 of assessed valuation for collection year 2018.

Public utility real and personal property taxes are collected and settled by the county with real estate taxes and are recorded as general property taxes.

General Property Tax – General property tax revenue includes real estate taxes, public utility property taxes and manufactured home taxes. The amount shown in the revenue section of the forecast schedule represents gross property tax revenue and is based upon current and historical property tax settlements. The School District anticipates an increase of \$152,000 in fiscal year 2018 based on information provided by the Geauga County Auditor due to the collection of delinquent property taxes and a review of current fiscal year tax settlements at the School District. Fiscal year 2019 is forecasted to decrease \$99,000 based upon information provided by the Geauga County Auditor. This decrease is due to the Geauga County Auditor not including anticipated collection of prior year delinquent property taxes. Fiscal years 2020 through 2022 are expected to remain relatively constant with fiscal year 2019. Geauga County's next triennial update will be in tax year 2020, and the next reappraisal will be in tax year 2023.

The School District has two emergency levies with the last year of collection in calendar year 2020. 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 estimated renewal levies are presented net of estimated delinquencies. In fiscal year 2020, the School District anticipates a decrease of \$1,237,000 for a half year collection of the expiring emergency levies.

Unrestricted Grants-in-Aid

In fiscal year 2011 Ohio school districts received their funding under the Ohio Evidence-Based Model (OEBM) that was established in Chapter 3306 of the Ohio Revised Code and linked educational research on academic achievement and successful outcomes with funding components to achieve results. It incorporated real financial data and socioeconomic factors to fund resources and implement proven school programs according to the student need to achieve educational adequacy. The adequacy amount was the sum of service support components for instruction, administrative, operations and maintenance, gifted and enrichment, professional development and an instructional materials factor. These factors were

Newbury Local School District

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2018 through June 30, 2022

multiplied against the Ohio education challenge factor (a district's wealth factor) and the State-wide base salary for given positions and the number of positions funded. Other factors included in the calculation were student/teacher ratios, organizational units, and average daily membership (ADM). The adequacy amount was offset by the school district share of the adequacy amount (the charge off amount), which was equal to 20 mills for 2014 and thereafter.

Beginning in fiscal year 2012, the administration of Governor John Kasich proposed to move away from the Ohio Evidence Based Model (OEBM) to a new funding method. However, since a new funding mechanism was not formulated as of yet, the administration decided to fund school districts in fiscal years 2012 and 2013 based on a transitional approach until a new formula was devised. This transitional approach was referred to as the Bridge formula. The Bridge formula divided the fiscal year 2011 OEBM funding by a calculated ADM to determine the per pupil funding. The per pupil funding was then multiplied by the fiscal year 2012 and 2013 ADM. The adequacy amount was offset by the school district share of the adequacy amount (the charge off amount), which was equal to 21 mills of property taxes for fiscal years 2012 and 2013. In addition to this adjustment, each school district's fiscal year 2012 and 2013 funding was further adjusted so that the district received at least the total funding it received in fiscal year 2011 after subtracting the state fiscal stabilization funds from total funding, as well as to provide financial incentives for high performing districts.

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). For fiscal year 2014, the ADM count continued to use the current fiscal year count taken during the first full week of October. (FY 14 was the last year an October count week was used. Districts are now paid based on an annualized FTE enrollment). This amount (from the October 2014 count week) was then multiplied by the State Share Index, which factored 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). School districts were guaranteed the amount received for fiscal year 2013 (including transportation aid and funding for career technical education) and no school district received an increase greater than 6.25 percent for fiscal year 2014 or 10.5 percent for fiscal year 2015. For fiscal years 2016 and 2017, the SFPR continues to be used and the calculation of foundation funding is similar to fiscal year 2015. School districts are guaranteed the amount received for fiscal year 2015 (excluding capacity aid, transportation supplement, graduation bonus, and third grade reading bonus), and limited to an increase of 7.5 percent in each fiscal year. For fiscal year 2017, career-technical education funding has been removed from the guarantee base and exempt from the 7.5 percent increase cap. There were no significant changes to the structure of the funding formula for fiscal year 2018 and 2019. Limited growth in state revenues left all per pupil amounts flat funded to fiscal year 2017 amounts, with the exception of a \$10 annual increase in the per pupil amount for the Opportunity Grant. The guarantee for fiscal year 2018 and 2019 is 100 percent of fiscal year 2017 foundation funding (with the continued exclusion of career-technical education funding), unless the school district has lost more than 5 percent of resident enrollment (ADM) between fiscal year 2014 and 2016. Districts whom have experienced enrollment loss are subject to a modified guarantee base that is no less than 95 percent of fiscal year 2017 foundation funding. School districts can receive up to 3 percent growth in foundation funding (with career-technical education funding exempt), unless a district has experienced increasing enrollment. For growing districts, the cap is 5.5 percent in fiscal year 2018 and 6.0 percent in fiscal year 2019.

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2018 through June 30, 2022

Beginning in fiscal year 2013, the School District started receiving additional unrestricted grants-in-aid revenue due to casino revenue. Of the casino revenue collected by the State, thirty-four percent is distributed to school districts, based on student population. For fiscal year 2018, the School District anticipates casino revenue of \$21,000, for a total unrestricted grants-in-aid amount of \$1,202,000. These amounts are forecast to remain consistent for the forecast period.

Restricted Grants-in-Aid

Restricted grants-in-aid consists of revenue to aid economically disadvantaged funding and catastrophic aid. Based on the latest foundation settlement, the School District anticipates \$13,000 in economically disadvantaged funding and \$40,000 in catastrophic aid for a total restricted grants-in-aid amount of \$53,000 for fiscal year 2018. These amounts are forecast to remain consistent for the forecast period.

Property Tax Allocation

Since 1971, the State has reimbursed local governments for lost tax revenue related to State mandated rollback and homestead exemptions. House Bill 59 signed in 2013 effected these reductions. The new law indicates that the ten percent and the two and one-half percent rollbacks will no longer apply to new levies that are enacted after August 31, 2013. In addition, House Bill 59 has adjusted the Homestead Exemption and it will now be a means tested provision only available to those otherwise eligible taxpayers with household incomes that do not exceed \$30,000. These changes reduced reimbursements from the State and increased real property tax revenue. Homestead and rollback revenue is forecast to decrease \$6,000 in fiscal year 2018, based on the latest settlements and information from the County Auditor. Fiscal year 2019 is forecasted to decrease \$68,000 based upon information provided by the County Auditor. While the School District anticipates renewing the two emergency levies, voter approval is uncertain, and the related homestead and rollback reimbursements have been excluded from the revenues section and presented under the heading Revenue from Renewal Levies. Fiscal year 2020 homestead and rollback revenues are forecast to decrease by \$87,000 due to the loss of the spring homestead and rollback reimbursements for the emergency levies. Homestead and rollback revenues are forecast to decrease by another \$78,000 in fiscal year 2021 due to the full-year loss of homestead and rollback reimbursements related to the emergency levies, and remain the same for fiscal year 2022.

From 2005 to 2011, State law phased out taxes levied by school districts on business personal property. The State's original intent was to compensate school districts for resulting tax losses in full until fiscal year 2013, when payments themselves were to begin to be phased out. House Bill 153 signed in June 2011 accelerated the phase out during fiscal year 2012-2013 biennium and to pay reimbursements after the biennium at the reduced level paid at the end of fiscal year 2013. The new phase out is scaled according to a school districts reliance on those reimbursements as a percentage of the district's total budget. In 2012, House Bill 508 went into effect. It provides technical changes to the formula used to calculate fixed rate losses pertaining to business property tax expense levies. House Bill 64, which went into effect in 2015, resumed the phase-out of tangible personal properties (TPP) reimbursements and changed the calculation and distribution methodology of TPP reimbursements. The School District is anticipating a decrease in TPP reimbursement revenues during the forecast period. The decrease is based on the House Bill 64 phase out of this reimbursement. The School District received a reduced fixed rate current operating levy loss reimbursement in fiscal years 2015 through 2017 and is forecasting a \$26,000 reimbursement in fiscal year 2018. The fixed sum operating levy loss reimbursements are scheduled to be phased out in decreasing factors of the fiscal year 2015 reimbursement amount, with factors of 1.0, 0.8, 0.6, 0.4 and 0.2 for fiscal years 2017, 2018, 2019, 2020 and 2021, respectively. The School District is forecasting that it will not receive any TPP reimbursement in fiscal year 2019 through 2022.

Newbury Local School District

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For the Fiscal Years Ending June 30, 2018 through June 30, 2022

All Other Revenues

All other revenues consist of the following:

Revenue Sources	Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Open Enrollment Tuition	\$249,000	\$249,000	\$249,000	\$249,000	\$249,000
Interest on Investments	12,000	13,000	12,000	6,000	0
Pay to Participate	15,000	15,000	15,000	15,000	15,000
Student Class Fees	3,000	3,000	3,000	3,000	3,000
Donations	6,000	6,000	6,000	6,000	6,000
Medicaid School Program	77,000	77,000	77,000	77,000	77,000
Metzenbaum Center	75,000	75,000	75,000	75,000	75,000
Refund of Prior Year Expenditures	88,000	0	0	0	0
Other Revenue	2,000	2,000	2,000	2,000	2,000
Totals	\$527,000	\$440,000	\$439,000	\$433,000	\$427,000

All other revenues include tuition, interest, pay to participate, student class fees, donations, Medicaid School Program reimbursements, Metzenbaum reimbursements, and other revenue.

Open enrollment tuition revenue is expected to decrease from fiscal year 2017, based on the latest foundation settlement, and remain flat for the forecast period.

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. Interest revenue is expected to increase from fiscal year 2017. These revenues are expected to decrease for the forecast period based on the forecasted decreases in the balance available to invest.

Medicaid School Programs are expected to decrease in fiscal year 2018 due to the School District receiving increased settlements during prior years. The remaining fiscal years are forecast to be consistent with fiscal year 2018.

The School District receives a portion of the revenues collected from the Metzenbaum Center, Geauga County Board of Developmental Disabilities to assist with the special education costs. This payment is expected to remain consistent through the forecast period.

Refund of prior year expenditures is forecasted to increase \$51,000 in fiscal year 2018 as a result of the School District receiving a late payment from Cardinal Local School District for shared services, a workers' compensation rebate, and late notice of a REAP grant award.

Other revenues include vocational mileage, gas well royalties and other miscellaneous revenue. This is expected to remain consistent through the forecast period.

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Other Financing Sources

Advances In – The general fund is forecasted to receive advances from the grant funds as a repayment of advances made during the fiscal years to cover year end deficits.

Note 7 – Significant Assumptions for Expenditures and Other Financing Uses

Personal Services

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 supplemental contracts and severance pay. Most employees receive their compensation on a bi-weekly basis. Administrative salaries are set by an administrative agreement.

Staffing levels for the last three fiscal years and the current fiscal year are displayed in the following chart. Staffing levels for fiscal years 2019 through 2022 are anticipated to remain consistent with fiscal year 2018.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<i>General Fund:</i>				
Certified	41	51	50	51
Classified	29	28	28	30
Total General Fund	<u>70</u>	<u>79</u>	<u>78</u>	<u>81</u>
<i>Other Funds:</i>				
Certified	4	2	2	2
Classified	4	3	3	3
Total Other Funds	<u>8</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total	<u><u>78</u></u>	<u><u>84</u></u>	<u><u>83</u></u>	<u><u>86</u></u>

The following table presents a comparison of salaries and wages for fiscal years 2018 through 2022:

	Fiscal Year	Fiscal Year	Forecasted	Fiscal Year	Fiscal Year
	2018	2019	Fiscal Year	2021	2022
	2018	2019	2020	2021	2022
Certified Salaries	\$2,646,000	\$2,791,000	\$2,809,000	\$2,811,000	\$2,814,000
Classified Salaries	841,000	865,000	870,000	873,000	876,000
Substitute Salaries	71,000	71,000	71,000	71,000	71,000
Supplemental Contracts	221,000	225,000	229,000	232,000	233,000
Overtime	4,000	4,000	4,000	4,000	4,000
Severance	0	31,000	0	0	0
Board Members	8,000	8,000	8,000	8,000	8,000
Other Salaries and Wages	18,000	18,000	18,000	18,000	18,000
Totals	<u><u>\$3,809,000</u></u>	<u><u>\$4,013,000</u></u>	<u><u>\$4,009,000</u></u>	<u><u>\$4,017,000</u></u>	<u><u>\$4,024,000</u></u>

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Certified (teaching) staff salaries are based on a negotiated contract which includes step increases and educational incentives for existing staff. The contract covers the period July 1, 2016 to June 30, 2019, and allows for a one percent increase in the base salary. Negotiations for a new contract will begin in calendar year 2019. Certified employees received step increases ranging from 0 to 4.2 percent, with an average step increase of 3.3 percent with no base salary increases included in the forecasted salaries for fiscal years 2020 through 2022. Each one percent increase in certified salaries will cost the School District approximately \$28,000. Certified salaries are forecast to increase from fiscal year 2017 due to the addition of one certified employee and certified employees receiving a one percent increase in the base salary as well as step increases based on the contractual agreement. Contractually approved step increases have been included in forecasted salaries for fiscal years 2020 through 2022.

Classified salaries are based on a negotiated contract which includes base and step increases. The contract covers the period July 1, 2016 to June 30, 2019. The forecasted salaries for fiscal year 2018 include a one percent base increase and an average step increase of two percent. No base increases have been included in the forecasted salaries for fiscal years 2020 through 2022. Each one percent increase in classified salaries will cost the School District approximately \$9,000. Classified salaries are forecast to increase during both fiscal years 2018 and 2019 due to the above mentioned base and step increases as well as an increase of two classified employees. Contractually approved step increases have been included in forecasted salaries for fiscal years 2020 through 2022.

Substitute salaries are expected to increase for fiscal year 2018 based upon fiscal year 2017 substitute salaries being unusually low. The remaining fiscal years are forecast to be consistent with fiscal year 2018.

Supplemental salaries are based on a negotiated contract. Supplemental costs are forecast to increase from fiscal year 2017 due to the increase in the base salary in the negotiated contract. Supplemental salaries are anticipated to increase in fiscal years 2019 through 2022 due to a one percent base increase in fiscal year 2019 and step increases in all four remaining fiscal years of the forecast.

Overtime is forecast to increase slightly in fiscal year 2018 and is forecast to remain consistent throughout fiscal years 2019 through 2022. The reason for this increase is that the School District is forecasting to pay overtime to its classified employees to cover open shifts instead of hiring classified substitutes.

The School District offers severance pay upon retirement to its certified and classified employees who are eligible to retire under the provisions set by STRS or SERS. Upon retirement, certificated employees with ten to twenty-four years of service receive payment for twenty-five percent of total sick leave accumulation up to a maximum of forty-five days and those with twenty-five or more years of service receive payment of fifty percent of total sick leave accumulation up to a maximum of seventy-five days. Full-time classified employees with ten to twenty-four years of service upon retirement receive payment for twenty-five percent of total sick leave accumulation up to a maximum of forty-five days and those with twenty-five or more years of service receive payment of fifty percent of total sick leave up to a maximum of seventy-five days. No certified and classified severance costs for fiscal year 2018 were forecasted based on no employees known to be retiring during this fiscal year. Certified and classified severance for fiscal years 2019 through 2022 were based on examining both staff listings and identifying any employees becoming eligible to retire. There was one certified and one classified employee eligible to retire during fiscal year 2019 and an estimated severance was based on current unused sick leave for both.

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Board member salaries are forecast to remain consistent for fiscal years 2018 through 2022.

Other salaries are comprised of an attendance incentive, literary stipend and extra pay for certified employees to cover a classroom if a teacher had to leave unexpectedly. This expenditure is anticipated to increase from fiscal year 2017 due to the literary stipend recorded in this line item during fiscal year 2018. The remaining fiscal years are forecast to be consistent with fiscal year 2018.

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 following table presents a comparison of employee's retirement/insurance benefits for fiscal years 2018 through 2022:

	Forecasted				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2018	2019	2020	2021	2022
Employer's Retirement	\$633,000	\$638,000	\$642,000	\$645,000	\$646,000
Health Care/Life Insurance	916,000	977,000	1,041,000	1,109,000	1,183,000
Workers' Compensation	24,000	21,000	23,000	23,000	23,000
Medicare	57,000	59,000	60,000	60,000	60,000
Other Benefits	0	4,000	4,000	4,000	4,000
Total	<u>\$1,630,000</u>	<u>\$1,699,000</u>	<u>\$1,770,000</u>	<u>\$1,841,000</u>	<u>\$1,916,000</u>

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 healthcare benefits for employees earning less than a minimum salary amount. Payments are made based upon estimated salary and wages for each fiscal year. For STRS, adjustments resulting from differences between the estimates and the actual amounts are prorated over the next calendar year. For SERS, a refund or an additional payment is completed in the following fiscal year to correct differences between the estimated and actual salaries. The School District pays the employee retirement contributions for its certified and classified administrators. Retirement costs are anticipated to increase for fiscal year 2018 based on an increase in the amount deducted from the foundation statements that the School District started receiving in calendar year 2018. For fiscal years 2019 through 2022, STRS retirement costs are anticipated to increase due to estimated increases in certified salaries. For fiscal year 2018, SERS retirement costs are forecast to increase based on the most recent foundation information available. For fiscal years 2019 through 2022, SERS retirement costs are anticipated to increase due to estimated increases in classified salaries.

In years past, SERS had been paid six months in arrears by Ohio school districts. On March 18, 2010, the SERS board decided to give the school districts two options. Option one was for school districts to pay the six month arrearage by June 30, 2010, to become current. Option two was for SERS to spread the six month arrearage amount over the next six years adding to the current payment. Newbury Local School District chose option two and had a total arrearage liability of \$77,160, with annual payments of \$12,860, at that time. The School District made the final arrearage payment in fiscal year 2016.

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Hospitalization, vision, and dental health care costs are based on monthly premiums set by the Lake County Schools Council Health Care Benefits Program. Health care premiums are currently set for a twelve month period from July 1, 2017 to June 30, 2018. The Consortium voted on and passed an additional 5 percent increase in hospitalization effective July 1, 2017. All funds are charged for the number of employees participating in the program and the type (single or family) of coverage provided to each employee. The health care program includes medical/surgical, prescription drug and dental care. Current health care rates are as follows:

Single Rates:

	<u>Medical and Prescription</u>	<u>Dental and Vision</u>	<u>Life</u>	<u>Total</u>
July 1, 2016 to June 30, 2017				
Standard Plan 1	\$535.64	\$49.54	\$2.64	\$587.82
Standard Plan 2	602.72	49.54	2.64	654.90
Standard Plan 3	673.34	49.54	2.64	725.52
Bronze Plan	392.86	49.54	2.64	445.04
July 1, 2017 to June 30, 2018				
Standard Plan 1	\$498.16	\$49.54	\$2.64	\$550.34
Standard Plan 2	614.78	49.54	2.64	666.96
Standard Plan 3	708.36	49.54	2.64	760.54
Bronze Plan	392.86	49.54	2.64	445.04

Family Rates:

	<u>Medical and Prescription</u>	<u>Dental and Vision</u>	<u>Life</u>	<u>Total</u>
July 1, 2016 to June 30, 2017				
Standard Plan 1	\$1,365.74	\$122.55	\$2.64	\$1,490.93
Standard Plan 2	1,536.74	122.55	2.64	1,661.93
Standard Plan 3	1,716.76	122.55	2.64	1,841.95
Bronze Plan	1,001.70	122.55	2.64	1,126.89
July 1, 2017 to June 30, 2018				
Standard Plan 1	\$1,270.14	\$122.55	\$2.64	\$1,395.33
Standard Plan 2	1,567.48	122.55	2.64	1,692.67
Standard Plan 3	1,806.04	122.55	2.64	1,931.23
Bronze Plan	1,001.70	122.55	2.64	1,126.89

Certified employees of the School District contribute thirteen percent of the premium per month for health insurance for fiscal year 2018 and will contribute fourteen percent of the premium per month for fiscal year 2019. Fourteen percent is the percentage of payment used for the remaining years of the forecast. Classified employees of the School District contribute twelve percent of the premium per month for health insurance for fiscal year 2018 and will contribute thirteen percent of the premium per month for fiscal year 2019. Thirteen percent is the percentage of payment forecast for the remaining years of the forecast. The School District pays eighty-seven percent of the premium for dental coverage for its employees and the employee pays the remaining thirteen percent. The School District also pays \$5 monthly for vision for employee coverage only, with any amount higher than that to be paid by the employee.

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Healthcare costs are forecast to increase in fiscal year 2018. In fiscal year 2018 the School District will make the required 12 monthly payments. In fiscal year 2017 the School District made 11 payments due to 13 payments being made in fiscal year 2016. For fiscal years 2019 through 2022, 12 payments will be made with an annual seven percent increase in medical insurance costs estimated for each fiscal year with no estimated increase to dental, vision or life insurance.

Workers' compensation is based on the School District's assigned rate and the amount of wages paid in a calendar year. In previous years, premiums were paid in the following calendar year. Beginning in calendar year 2016, the Bureau of Worker's Compensation (BWC) transitioned to prospective billing. The bills to be paid in calendar 2016 included payment on calendar year 2015 wages (policy year 2015) and payment on calendar year 2016 estimated wages (policy year 2016). For this transition policy year, the BWC gave a 50 percent credit on the retrospective bill on 2015 wages and a 50 percent credit on the prospective bill on 2016 wages. During fiscal year 2016, the School District paid 55 percent of the premium for calendar year 2014, the premium for calendar year 2015 and the first half installment of the premium for calendar 2016. In fiscal year 2017, the School District paid the second half installment of the premium for calendar year 2016 as well as the 2017 current year premium. The workers' compensation amount for fiscal years 2018 through 2022 is forecast to increase based on estimated salaries.

Medicare is based on a percentage of wages and is estimated to increase in fiscal year 2018 due to the increase in wages. Medicare for fiscal years 2019 through 2022 is based on estimated wages which are forecast to increase due to salary base and step increases for fiscal year 2019 and step increases for fiscal years 2020 through 2022.

Other benefits include unemployment claims, meeting expenses and disability insurance payments for the superintendent. Other benefits are expected to decrease in fiscal year 2018 due to an expenditure reduction in unemployment expenses. The remaining fiscal years are forecast to be approximately \$4,000.

Purchased Services

The following table presents a comparison of purchased services for fiscal years 2018 through 2022:

	Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Professional and Technical Services	\$510,000	\$480,000	\$461,000	\$452,000	\$480,000
Property Services	187,000	167,000	167,000	167,000	167,000
Travel and Meeting Expenses	24,000	24,000	24,000	24,000	24,000
Communication Costs	14,000	18,000	18,000	18,000	18,000
Utility Services	144,000	145,000	147,000	148,000	150,000
Tuition Payments	1,790,000	1,794,000	1,796,000	1,799,000	1,802,000
Pupil Transportation	3,000	3,000	3,000	3,000	3,000
Other Purchased Services	2,000	2,000	2,000	2,000	2,000
Total	<u>\$2,674,000</u>	<u>\$2,633,000</u>	<u>\$2,618,000</u>	<u>\$2,613,000</u>	<u>\$2,646,000</u>

Professional and technical services are expected to decrease in fiscal year 2018 from fiscal year 2017 due to reduced health services provided by the Geauga County Educational Service Center. The School District is forecasting a decrease in fiscal year 2019 due to the School District no longer using

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psychologist services provided by the Geauga County Education Service Center offset by an increase in legal fees due to contract negotiations. For the forecasted period of fiscal years 2020 through 2022, legal fees are forecasted to increase during years of contract negotiations.

Property services costs are expected to increase in fiscal year 2018 primarily due to the School District keeping current with equipment repairs as well as renting bleachers for the stadium. Fiscal year 2019 is forecasted to decrease due to the School District completing the renovation of the stadium and no longer renting bleachers. Fiscal years 2020 through 2022 are forecast to remain consistent with fiscal year 2019.

Travel and meeting expenses will decrease slightly in fiscal year 2018. This is anticipated to remain the same for the rest of the forecast period.

Communication costs are forecasted to increase in fiscal year 2018 due to additional advertising costs for open positions. In fiscal years 2019 through 2022, costs are expected to increase as the School District has implemented a new phone system.

Utility services costs are expected to increase in fiscal year 2018 due to increased gas costs. These expenses are forecast to increase throughout the remaining forecast period due to anticipated rate increases.

The School District is anticipating an increase in tuition payments based upon the latest information from the Ohio Department of Education and increased special education costs. These expenses are forecasted to increase slightly throughout the forecast period due to rising Geauga County Educational Service Center costs.

Pupil transportation costs are forecasted to decrease in fiscal year 2018 due to the School District reducing special education transportation costs. This is anticipated to remain consistent throughout the remaining forecast period.

Supplies and Materials

The following table presents a comparison of supplies and materials for fiscal years 2018 through 2022:

	Forecasted				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2018	2019	2020	2021	2022
General Supplies, Library Books and Periodicals	\$69,000	\$60,000	\$60,000	\$60,000	\$60,000
Operations, Maintenance and Repair	25,000	25,000	25,000	25,000	25,000
Transportation	86,000	86,000	86,000	86,000	86,000
Total	<u>\$180,000</u>	<u>\$171,000</u>	<u>\$171,000</u>	<u>\$171,000</u>	<u>\$171,000</u>

General supplies, library books, and periodicals are expected to increase slightly in fiscal year 2018 due to the School District purchasing reading books and supplies. Fiscal years 2019 through 2022 are anticipated to decrease due to decreased spending for supplies and software. Operations, maintenance and repairs are expected to increase in fiscal year 2018 due to keeping current with equipment repairs. Transportation expenditures are expected to increase due to increasing costs. These costs are anticipated to remain same for the rest of the forecast period.

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Capital Outlay

The costs of property, plant and equipment acquired or constructed for general governmental services are recorded as expenditures. In fiscal year 2018, the School District is forecasting capital outlays to increase, due to the School District's stadium project, demolishing the stadium bleachers and replacing two boilers. Fiscal years 2019 through 2022 are forecasted to remain consistent with historical spending. During fiscal year 2016, the School District purchased \$106,000 in computers for the students.

Other Objects

Other object expenditures consist of dues, fees, and liability insurance. Other object expenditures are forecasted to increase in fiscal year 2018 due to the School District paying for an audit as well as an adjustment from the Ohio Department of Education for fiscal year 2017 costs. Other object expenditures are expected to decrease in fiscal years 2019 through 2022 with forecasted increases during years paying for a two year audit.

Transfers and Advances Out

For fiscal year 2018, transfers of \$79,000 are expected. Advances to federal grant funds are expected to cover deficit balances until federal funds are requested and received. The School District is forecasting advances-out in the amount of \$22,000 for fiscal year 2018. For fiscal years 2019 through 2022, transfers and advances out are expected to remain consistent.

Note 8 – 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 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. Encumbrances of \$246,000 are expected for purchased services, supplies and materials, capital outlay and other objects are forecast for fiscal years 2018 through 2022.

Note 9 – Capital Acquisition and Improvements Set-Aside

The School District is required by State statute to annually set aside in the general fund three percent of certain revenues for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

The set aside amount required for fiscal year 2018 is approximately \$72,000 and is expected to be no less than \$72,000 in the remaining forecast years. The School District anticipates annual qualified expenditures and offsets to exceed the required set aside amount for all forecasted fiscal years. Therefore, no reserve for capital acquisition and improvements is forecast.

Newbury Local School District

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Summary of Significant Assumptions and Accounting Policies
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Note 10 – Levies

The School District has placed levies on the ballot in the last 10 years. The type of levy, millage amount, term and election results are as follows:

<u>Date</u>	<u>Type</u>	<u>Amount</u>	<u>Term</u>	<u>Expiration Date</u>	<u>Election Results</u>
November 2007	Emergency Operating	\$680,000	5 years	2012	Failed
March 2008	Emergency Operating	800,000	5 years	2013	Failed
November 2008	Emergency Operating	870,000	10 years	2018	Failed
February 2009	Emergency Operating	1,200,000	10 years	2019	Passed
November 2010	Permanent Improvement	150,000	5 years	2015	Passed
November 2011	Emergency Operating	800,000	5 years	2016	Passed
November 2012	Permanent Improvement	504,000	5 years	2017	Failed
November 2013	Emergency Operating	1,190,000	5 years	2018	Failed
May 2014	Emergency Operating	1,356,000	5 years	2019	Failed
November 2014	Emergency Operating	1,356,000	5 years	2019	Passed
November 2015	Permanent Improvement	151,901	Continuing	N/A	Passed
March 2016	Emergency Operating	800,000	10 years	2026	Passed

Note 11 – Pending Litigation

The School District's management is of the opinion that there are no issues that would have a material effect on the financial forecast.

Note 12 – Other Funds

The School District has numerous other funds that account for resources that are restricted for specific purposes. All other funds of the School District are anticipated to have sufficient resources to meet their obligations during the forecast period.

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Dave Yost • Auditor of State

NEWBURY LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 10, 2018**