



Comprehensive Annual Financial Report

For the fiscal year ending June 30, 2016
Little Miami Local Schools • Maineville, Ohio



Dave Yost • Auditor of State

Board of Education
Little Miami Local School District
7247 Zoar Road
Maineville, Ohio 45039

We have reviewed the *Independent Auditor's Report* of the Little Miami Local School District, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Little Miami Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 20, 2017

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**Little Miami Local School District
Maineville, Ohio**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2016**

**Prepared By:
Office Of The Treasurer
Terry Gonda, Treasurer**

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Introductory Section



December 29, 2016

To The Citizens and Board of Education of the Little Miami Local School District:

The Comprehensive Annual Financial Report [CAFR] of the Little Miami Local School District [District] for the fiscal year ended June 30, 2016, is hereby submitted. This report, prepared by the Treasurer's office, includes an unmodified opinion from the Auditor of the State of Ohio and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for an accurate, complete and fair presentation of the data, including all disclosures, belongs to the District. This report will provide the taxpayers of the Little Miami Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

THE REPORTING ENTITY AND SERVICES PROVIDED

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advanced placement, college, gifted, special education and vocational levels. The district offers a broad range of co-curricular and extra-curricular activities in the areas of academics, athletics, music, and clubs.

ECONOMIC CONDITION AND OUTLOOK

The District is located north of Cincinnati, in the southeastern part of Warren County. Approximately 94% of the District's tax base is agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains stable with low unemployment rates, growth in the local tax base and low inflationary pressures.

The District is continually challenged by the responsibility bestowed upon it by the community at large. We are always striving to provide the very best opportunities to every student, while carefully guarding the District's resources.

THE DISTRICT AND ITS FACILITIES

The District is located mostly in Warren County and partly in Clermont County. It is approximately thirty miles from downtown Cincinnati, Ohio and covers an area of 98 square miles. It serves pupils from Hamilton, Harlan, Washington and Salem Townships and the Villages of Morrow, Butlerville and Maineville. Since 1995, the District has experienced strong growth, mostly in Hamilton Township.

The District now houses 4,450 students in one high school, one junior high school, one intermediate school and three elementary schools. This was an increase of 142 students over the prior year. The district is projecting continued growth per year in enrollment for future years due to residential developments which have begun construction again as the economy has stabilized. Student growth and enrollment has been a priority for the Board and Administration and will continue to be as the District's needs change.

<u>Constructed</u>	<u>School</u>	<u>Enrollment</u>
2000	Little Miami High School	985
2009	Little Miami Junior High School	768
2009	Little Miami Intermediate School	754
1956	Salem Elementary School	1,139
1934	Hamilton-Maineville Primary School	539
1937	Harlan-Butlerville Primary School	265
1913	Morrow Elementary School*	

* - currently not in use

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education is a five-member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all the general laws of the State of Ohio are followed in the expenditures of the District's tax dollars and approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions in the community. The board members on June 30, 2016, were as follows:

<u>Board Member</u>	<u>Began Service</u>	<u>Term Expires</u>	<u>Profession</u>
Bobbie Grice	June 30, 1997	December, 2017	Education
Michael Cremeans	January 1, 2000	December, 2019	Steel/Retired
Nancy Journeay	January 1, 2012	December, 2019	Education
Randy Haas	January 1, 2012	December, 2019	Manufacturing
Tony Niemesh	January 1, 2014	December, 2017	Education

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. The Board named Greg Power as Interim Superintendent for the 2011-2012 school year at their special meeting on July 7, 2011. Mr. Power was then named the Superintendent for the 2013 and 2014 school years and is under contract as Superintendent of the District for 2016 through 2020 school years. Mr. Power joined Little Miami in 2004 as the Little Miami High School Assistant Principal. In 2008, he was appointed as the Director of Administrative Services, overseeing the completion of construction and renovation projects and managing all facility operations. For the 2010-2011 school year, he served as the Director of Curriculum and Instruction. Mr. Power, who has 41 years of experience in education, has an undergraduate and Master's degrees from the University of Cincinnati and holds his superintendent licensure from Xavier University. He is a member of ASCD, Buckeye Association of School Administrators, Valley Area School Administrators, and AASA.

The Treasurer of the District is Terry Gonda. He is the chief financial officer and is responsible directly to the Board for all financial operations, investments, custody of all district funds and assets, and serves as the Secretary to the Board. Mr. Gonda joined the Little Miami Local School District in November 2009 as the Little Miami Assistant Treasurer. In July, 2011, he became part of the administrative team as Treasurer bringing with him more than twelve years of experience as an auditor with the Auditor of the State of Ohio. At the March 29, 2016 Board meeting, Mr. Gonda was named Treasurer of the District through the 2020 school year. He received an undergraduate degree in accounting from Heidelberg College. Mr. Gonda is a member of the Ohio Association of School Business Officials, Association of School Business Officials International and the Government Finance Officers Association.

EMPLOYEE RELATIONS

The Little Miami Teacher's Association (LMTA), an affiliate of the Ohio Education Association (OEA), represents certificated employees of the District. The District and LMTA entered into a three-year collective bargaining agreement that expires June 30, 2017.

Classified employees are represented by the Ohio Association of Public School Employees (OAPSE). The School District and OAPSE entered into a three-year collective bargaining agreement that expires June 30, 2017.

SERVICES PROVIDED

The District provides a wide variety of educational and support services, as mandated by the Ohio Revised Code or board directives.

The food service department serves lunches at the District's six kitchens. The District currently offers a breakfast program at six sites.

Transportation services are provided to all students in grades PK-12. Private school students are transported within the 30-minute distance requirements.

In addition to transportation and school lunch support services, students in the District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education and gifted programs. Health services are provided by licensed nurses at each of the six school sites.

The District offers regular instructional programs daily to students in grades PK-12. The District provides special services for physical and/or mental handicapping conditions. Gifted services are provided in grades three through six in the areas of Math, Science, Social Studies and Language Arts. Gifted services are provided in grades seven and eight in the area of math. Instructor led advanced placement classes are provided at the high school in the areas of English, Math, Science, and Social Studies. Other high school online AP electives are also available as student options.

The District presented 253 high school diplomas in May, 2016

CURRENT INITIATIVES

Curriculum and Instructional Services

The Little Miami Local School District is committed to providing a quality education for all students. Over the last few years the district has worked to upgrade instructional resources focusing its efforts at the PK-5 grade levels. Currently the district is in the midst of working to revise and upgrade content and instructional resources at grades 6-12. The district is focused on providing professional development to staff which provides high quality learning experiences for all students. An example of this is the district's commitment to implementation of the Ohio Writing Project. Continuing through the next 2 years, staff at all levels will receive professional development that focuses on the writing process with the goal of full implementation and integration of the writing process across all content areas.

The district has been working to increase student access to technology and is creating a plan which supports integrating technology into the learning environments across the district. Installation of SMART projectors at the PK-4 levels puts in place interactive technology. Purchases of Chromebooks and portable carts increased student access to digital resources. The district completed the installation of a robust 10 gigabit wireless network which will further support the increased use of digital resources.

At the elementary level a conscious effort has been made to make sure that each child is reading on grade level through the implementation of a formal literacy program. Data is used from regular assessments such as Fountas and Pinnell Benchmark Assessments, STAR Reading, STAR Early Literacy and state mandated assessments to determine interventions/enrichments that are provided during the school day. Intervention is provided during school to support students who are not meeting their learning grade level benchmarks. Summer school supports are in place to further support students in grades 1-4.

College Credit Plus options are available to all qualified students grades 7-12. French and Spanish World Language offerings have been increased at the Junior High level. Engineering offerings have been added at the Junior High and the High School level.

All schools in the district have implemented an anti-bullying program. This school year there has been a renewed emphasis on implementation of PBIS (Problem Based Intervention Supports) as a part of creating a supportive framework for students. PAX Good Behavior programming has been implemented at the K-2 grade levels to support student learning with implementation at grades 3-4 next school year.

RELEVANT FINANCIAL POLICIES

On June 30, 2015 Ohio Governor John Kasich signed Am. Sub. H.B. 64 ("HB 64"), which is the budget for the 2016-2017 biennium and provides the funding formula to Ohio schools.

Under HB 64, similar to the current formula, the State Department of Education computes and pays to each school district education aid based on per pupil funding (calculated to be \$5,900 in Fiscal Year 2016 and \$6,000 in Fiscal Year 2017) multiplied by each school district's "state share index" which uses a three year average of property valuation per pupil and median income of that school district to calculate the percentage of the per-pupil amount that is to be paid by the State and the amount assumed to be contributed by the school district through local sources. Additional funds are provided for students with exceptional needs, including those with special needs and the disabled, and limited English proficiency, and for economically disadvantaged and gifted students. Funding is also provided based on the number of K-3 students at each school district to be used to help school districts comply with Ohio's third-grade reading guarantee. HB 64 also provides for the payment to certain districts of capacity aid funds, graduation bonuses and third-grade reading bonuses.

As funding formulas change in each biennium budget the District will continue to monitor closely the funds received from the state as they incorporate approximately 27% of total general fund revenue.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that: (1) the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board adopts a temporary appropriation measure. The Board then adopts a permanent appropriation measure in September.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the function level within a fund. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors. The District budgets for all governmental funds.

The accounting system used by the District allows on-line immediate financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. The financial statements are available to each approved District user and budget authority.

As an additional safeguard, all employees involved with receiving and depositing funds are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher bond.

The basis of accounting and the various funds utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the basic financial statements.

CASH MANAGEMENT

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government, or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC].

The cash management program is designed to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure maximum interest rates. For more information on the cash management of the District see Note 3 in the Notes to the Basic Financial Statements.

RISK MANAGEMENT

The District continues to protect its assets through a comprehensive insurance program. For more information on the schedule of insurance of the District see Note 12 in the Notes to the Basic Financial Statements.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. Plattenburg's unmodified opinion rendered on the District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system.

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement for Excellence in Financial Reporting to the Little Miami Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2015. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2016, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2016 Comprehensive Annual Financial Report of the Little Miami Local School District was made possible by the dedicated service of Ms. Susan Murray, Ms. Roxie Burdine and Mrs. Katrina Hillard. Special recognition is given to Plattenburg and Associates, Inc., Certified Public Accountants for their assistance in the preparation of the CAFR in addition to their work for their audit of the CAFR. Finally, this report would not have been possible without the leadership and support of the District's Board of Education and the Little Miami Local Schools community.

The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,



Terry Gonda,
Treasurer/CFO



Greg Power,
Superintendent/CEO

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
As of June 30, 2016**

BOARD OF EDUCATION

Bobbie Grice, President
Michael Cremeans, Vice President
Nancy Journeay, Member
Randy Haas, Member
Tony Niemesh, Member

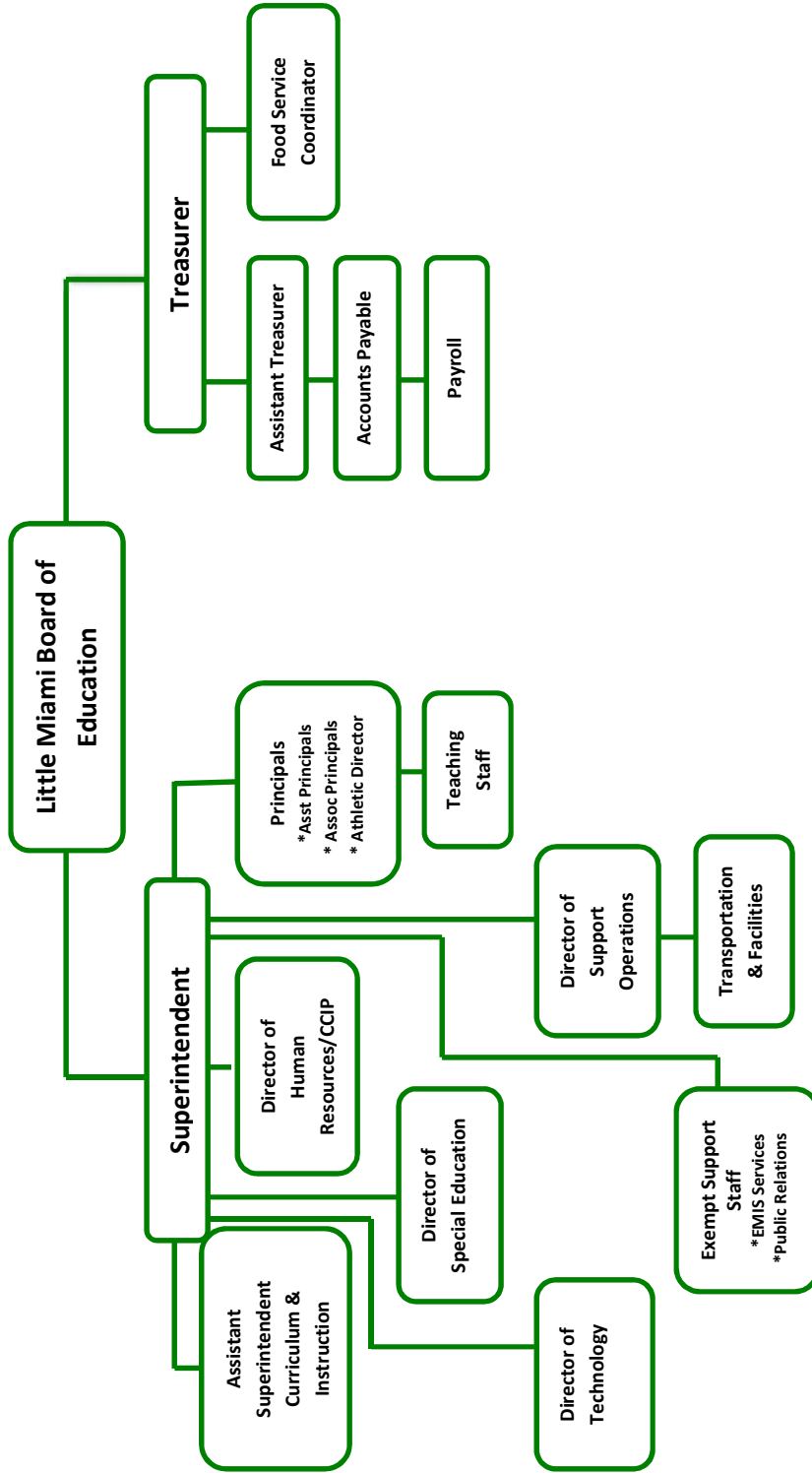
TREASURER

Terry Gonda

SUPERINTENDENT OF SCHOOLS

Gregory Power

LITTLE MIAMI LOCAL SCHOOLS ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Little Miami Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Little Miami Local School District, Ohio

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Financial Section

INDEPENDENT AUDITOR'S REPORT

Board of Education
Little Miami Local School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Little Miami Local School District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2016, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, and schedules of net pension liabilities and pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 29, 2016

**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

The discussion and analysis of Little Miami Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- Net position of governmental activities decreased \$840,589 from 2015.
- General revenues accounted for \$40,435,172 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,431,983 or 12% of total revenues of \$45,867,155.
- The District had \$46,707,744 in expenses related to governmental activities; \$5,431,983 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$40,435,172 were also used to provide for these programs.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General and the Debt Service funds, are the major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The Government-wide Financial Statements answer this question. These statements include *all assets, deferred outflows of resources, liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

These two statements report the District's *net position* and changes in those assets. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, overall financial position of the District is presented in the following manner:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

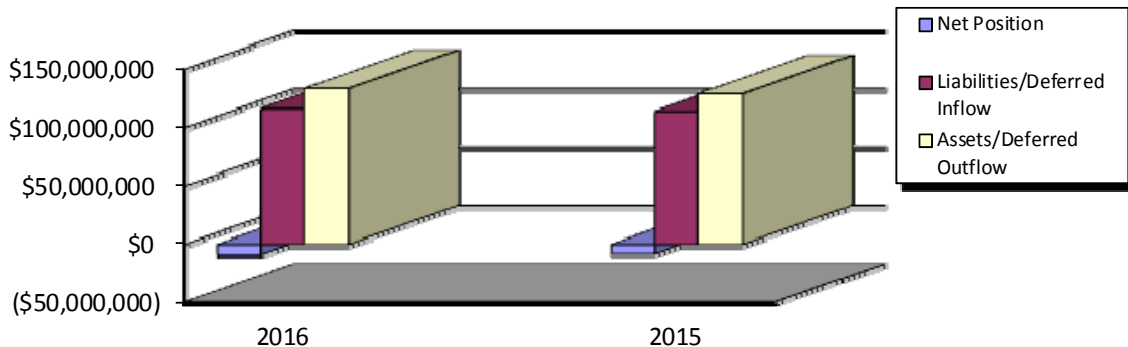
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2016 compared to 2015:

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**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

**Table 1
Net Position**

	Governmental Activities	
	2016	2015
Assets:		
Current and Other Assets	\$66,782,424	\$61,234,863
Capital Assets	66,647,779	67,646,339
Total Assets	133,430,203	128,881,202
Deferred Outflows of Resources:		
Deferred Charge on Refunding Pension	1,263,201	1,331,482
	7,665,211	3,332,221
Total Deferred Outflows of Resources	8,928,412	4,663,703
Liabilities:		
Other Liabilities	2,885,401	3,231,522
Long-Term Liabilities	113,434,704	110,691,707
Total Liabilities	116,320,105	113,923,229
Deferred Inflows of Resources:		
Property Taxes	30,074,267	19,647,905
Revenue in Lieu of Taxes	466,081	466,081
Pension	4,186,757	7,355,696
Total Deferred Inflows of Resources	34,727,105	27,469,682
Net Position:		
Net Investment in Capital Assets	11,365,521	8,286,197
Restricted	2,957,798	5,776,463
Unrestricted	(23,011,914)	(21,910,666)
Total Net Position	(\$8,688,595)	(\$7,848,006)



**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(8,688,595).

At year-end, capital assets represented 50% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2016, totaled \$11,365,521. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$2,957,798 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current assets increased from 2015 to 2016 due to an increase in cash and investments. Capital assets decreased due to depreciation expense being larger than current year additions. Long term liabilities increased due to the increase in the Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2016 and 2015.

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**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

**Table 2
Changes in Net Position**

	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues		
Charges for Services	\$2,414,431	\$2,402,477
Operating Grants, Contributions	3,017,552	2,670,178
General Revenues:		
Property Taxes	23,677,975	42,613,540
Grants and Entitlements	16,112,611	15,844,854
Other	644,586	406,461
Total Revenues	45,867,155	63,937,510
Program Expenses:		
Instruction	26,394,721	24,622,835
Support Services:		
Pupil and Instructional Staff	3,413,010	2,959,069
School Administrative, General		
Administration, Fiscal and Business	3,925,476	3,620,175
Operations and Maintenance	3,601,292	3,484,565
Pupil Transportation	4,039,448	3,662,803
Central	105,170	584,199
Operation of Non-Instructional Services	1,542,552	1,462,233
Extracurricular Activities	643,946	553,129
Interest and Fiscal Charges	3,042,129	3,383,321
Total Program Expenses	46,707,744	44,332,329
Change in Net Position	(840,589)	19,605,181
Net Position - Beginning of Year	(7,848,006)	(27,453,187)
Net Position - End of Year	(\$8,688,595)	(\$7,848,006)

The District revenues came from mainly two sources. Property taxes levied for general, debt service and capital projects purposes, as well as grants and entitlements comprised 87% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

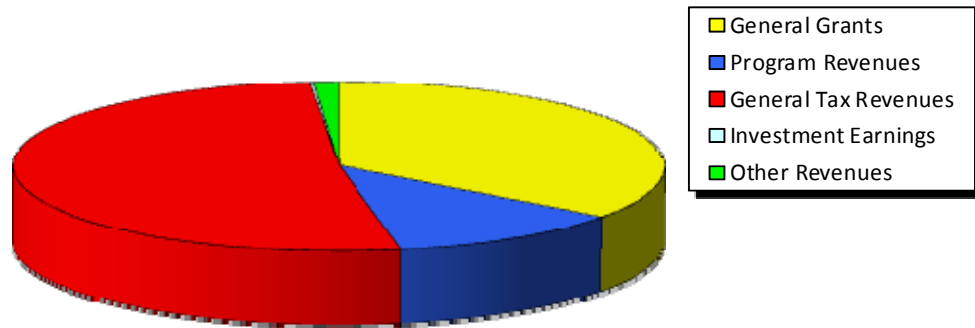
**Little Miami Local School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

Property taxes made up 52% of governmental activities for the District in fiscal year 2016. The District’s reliance upon tax revenues is demonstrated in the following graph:

**Governmental Activities
Revenue Sources**

Revenue Sources	2016	Percent of Total
General Grants	\$16,112,611	35.13%
Program Revenues	5,431,983	11.84%
General Tax Revenues	23,677,975	51.62%
Investment Earnings	84,776	0.18%
Other Revenues	559,810	1.23%
Total Revenues	<u>\$45,867,155</u>	<u>100.00%</u>



Instruction comprises 56.51% of governmental program expenses. Support services expenses were 32.30% of governmental program expenses. All other expenses including interest expense were 11.19%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property tax revenues decreased from the prior year mainly due to a decrease in property tax advances available. Property taxes advances are confirmed with the County Auditor each year. Total Expenses increased due to inflationary factors in 2016 as compared to 2015.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

**Table 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction	\$26,394,721	\$24,622,835	(\$23,656,477)	(\$22,055,953)
Support Services:				
Pupil and Instructional Staff	3,413,010	2,959,069	(3,135,404)	(2,753,174)
School Administrative, General				
Administration, Fiscal and Business	3,925,476	3,620,175	(3,925,476)	(3,619,580)
Operations and Maintenance	3,601,292	3,484,565	(3,474,590)	(3,344,988)
Pupil Transportation	4,039,448	3,662,803	(3,854,223)	(3,483,925)
Central	105,170	584,199	(94,370)	(573,399)
Operation of Non-Instructional Services	1,542,552	1,462,233	121,067	79,102
Extracurricular Activities	643,946	553,129	(214,159)	(124,436)
Interest and Fiscal Charges	3,042,129	3,383,321	(3,042,129)	(3,383,321)
Total Expenses	<u>\$46,707,744</u>	<u>\$44,332,329</u>	<u>(\$41,275,761)</u>	<u>(\$39,259,674)</u>

The District's Funds

The District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of these funds comprised \$61,933,916 (93%) of the total \$66,896,262 governmental fund assets.

General Fund: Fund balance at June 30, 2016 was \$27,880,009. Fund balance decreased \$1,631,551 from the prior year. The primary reason for the decrease in fund balance was a decrease in property tax revenues.

Debt Service Fund: Fund balance at June 30, 2016 was \$1,885,694. Fund balance decreased \$3,079,874 from 2015. The primary reason for the decrease in fund balance was a decrease in property tax revenues.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2016, the District amended its general fund budget, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

**Little Miami Local School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

For the General Fund, final budget basis estimated revenue was \$43,418,369, compared to original budget estimates of \$40,515,924. Of the \$2,899,445 difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District’s ending unobligated actual fund balance for the General Fund was \$27,026,214.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$66,647,779 invested in land, buildings and improvements, and equipment. Table 4 shows fiscal year 2016 balances compared to fiscal year 2015:

**Table 4
Capital Assets at Year End
(Net of Depreciation)**

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Land	\$2,538,132	\$2,538,132
Buildings and Improvements	60,399,066	61,754,884
Equipment	<u>3,710,581</u>	<u>3,353,323</u>
Total Net Capital Assets	<u>\$66,647,779</u>	<u>\$67,646,339</u>

The District continues its ongoing commitment to maintaining and improving its capital assets.

See Note 6 to the basic financial statements for further details on the District’s capital assets.

Debt

At fiscal year end, the District had \$62,685,602 in bonds and capital leases payable, \$2,830,722 due within one year. Table 5 summarizes bonds and capital leases outstanding at year end.

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**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

**Table 5
Outstanding Debt at Year End**

	Governmental Activities	
	2016	2015
Governmental Activities:		
2005 Refunded Bonds:		
Capital Appreciation Bonds	\$0	\$1,295,460
Accreted Interest	0	1,209,540
Premium on Bonds	0	79,826
2006 School Improvement:		
Capital Appreciation Bonds	4,750,613	5,424,275
Accreted Interest	2,890,984	2,853,492
2007 Refunding:		
Current Interest Bonds	40,155,001	41,460,001
Capital Appreciation Bonds	2,164,948	2,164,948
Accreted Interest	3,249,159	2,737,653
Premium on Bonds	2,280,175	2,403,428
HB264 Bond	1,050,000	1,535,000
2011 General Obligation Bonds	5,800,000	5,805,000
Total General Obligation Bonds	62,340,880	66,968,623
Capital Leases Payable:		
2008 OASBO Field Turf Lease	204,000	300,000
2009 Welsh Road Lease	108,000	159,000
2013 OASBO School Busses Lease	32,722	64,686
Total Bonds and Capital Leases	<u>\$62,685,602</u>	<u>\$67,492,309</u>

See Note 7 and 8 to the basic financial statements for further details on the District's long-term obligations.

For the Future

In June 2013, HB59 was signed by the Governor of Ohio. The state biennium budget bill covers fiscal years 2014 and 2015. Under the new formula, the State Department of Education will compute and pay to each school district education aid based on the per pupil funding it received for Fiscal Year 2009 (calculated to be \$5,745 in Fiscal Year 2014 and \$5,800 in Fiscal Year 2015) multiplied by each school district's "state share index" which uses a three year average of adjusted property valuation per pupil and median income of that school district to calculate the percentage of the per-pupil amount that is to be paid by the State and the amount assumed to be contributed by the school district through local sources. Additional funds are provided for students with exceptional needs, including those with special needs and the disabled, and limited English proficiency, and for economically disadvantaged and gifted students. Funding is also provided based on the number of K-3 students at each school district to be used to help school districts comply with Ohio's 3rd grade reading guarantee.

**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)**

On November 8, 2011 the District passed a five year 13.95 mill emergency operating levy. This levy will generate annually \$10,638,795 for general operations of the District. All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Terry Gonda, Treasurer at Little Miami Local School District, 7247 Zoar Rd, Maineville Ohio 45039.

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Little Miami Local School District
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$33,346,813
Restricted Cash and Investments	18,000
Equity in Pooled Cash and Investments with Fiscal Agent	50,875
Receivables (Net):	
Taxes	32,713,993
Accounts	5,000
Intergovernmental	575,386
Prepaid	21,430
Inventory	50,927
Nondepreciable Capital Assets	2,538,132
Depreciable Capital Assets, Net	<u>64,109,647</u>
 Total Assets	 <u>133,430,203</u>
 Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	1,263,201
	<u>7,665,211</u>
 Total Deferred Outflows of Resources	 <u>8,928,412</u>
 Liabilities:	
Accounts Payable	140,688
Accrued Wages and Benefits	2,635,739
Accrued Interest Payable	108,974
Long-Term Liabilities:	
Due Within One Year	3,004,367
Due In More Than One Year	
Net Pension Liability	47,885,684
Other Amounts	<u>62,544,653</u>
 Total Liabilities	 <u>116,320,105</u>
 Deferred Inflows of Resources:	
Property Taxes	30,074,267
Revenue in Lieu of Taxes	466,081
Pension	<u>4,186,757</u>
 Total Deferred Inflows of Resources	 <u>34,727,105</u>
 Net Position:	
Net Investment in Capital Assets	11,365,521
Restricted for:	
Debt Service	1,991,452
Capital Projects	54,466
Food Service	755,503
District Managed Student Activities	79,972
Federal Grants	20,123
Smith Trust Nonexpendable	18,000
Smith Trust Expendable	5,329
Other Purposes	32,953
Unrestricted	<u>(23,011,914)</u>
 Total Net Position	 <u>(\$8,688,595)</u>

See accompanying notes to the basic financial statements.

Little Miami Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2016

	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$17,656,595	\$602,508	\$0	(\$17,054,087)
Special	6,076,087	48,072	1,917,366	(4,110,649)
Vocational	0	0	16,832	16,832
Student Intervention Services	8,855	0	0	(8,855)
Other	2,653,184	153,466	0	(2,499,718)
Support Services:				
Pupil	1,492,992	0	0	(1,492,992)
Instructional Staff	1,920,018	0	277,606	(1,642,412)
General Administration	29,014	0	0	(29,014)
School Administration	2,776,185	0	0	(2,776,185)
Fiscal	884,274	0	0	(884,274)
Business	236,003	0	0	(236,003)
Operations and Maintenance	3,601,292	119,921	6,781	(3,474,590)
Pupil Transportation	4,039,448	0	185,225	(3,854,223)
Central	105,170	0	10,800	(94,370)
Operation of Non-Instructional Services	1,542,552	1,060,677	602,942	121,067
Extracurricular Activities	643,946	429,787	0	(214,159)
Interest and Fiscal Charges	3,042,129	0	0	(3,042,129)
Totals	\$46,707,744	\$2,414,431	\$3,017,552	(41,275,761)

General Revenues:

Property Taxes Levied for:	
General Purposes	18,748,608
Debt Service Purposes	3,359,022
Capital Projects Purposes	1,570,345
Grants and Entitlements, Not Restricted	16,112,611
Revenue in Lieu of Taxes	466,081
Unrestricted Contributions	4,600
Investment Earnings	84,776
Other Revenues	89,129
Total General Revenues	40,435,172
Change in Net Position	(840,589)
Net Position - Beginning of Year	(7,848,006)
Net Position - End of Year	(\$8,688,595)

See accompanying notes to the basic financial statements.

Little Miami Local School District
Balance Sheet
Governmental Funds
June 30, 2016

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$29,158,035	\$1,685,419	\$2,503,359	\$33,346,813
Restricted Cash and Investments	0	0	18,000	18,000
Equity in Pooled Cash and Investments with Fiscal Agent	0	0	50,875	50,875
Receivables (Net):				
Taxes	26,162,869	4,322,277	2,228,847	32,713,993
Accounts	5,000	0	0	5,000
Intergovernmental	466,081	0	109,305	575,386
Interfund	113,838	0	0	113,838
Prepaid	20,397	0	1,033	21,430
Inventory	0	0	50,927	50,927
Total Assets	55,926,220	6,007,696	4,962,346	66,896,262
Liabilities:				
Accounts Payable	80,543	0	60,145	140,688
Accrued Wages and Benefits	2,509,062	0	126,677	2,635,739
Compensated Absences	43,956	0	0	43,956
Interfund Payable	0	0	113,838	113,838
Total Liabilities	2,633,561	0	300,660	2,934,221
Deferred Inflows of Resources:				
Property Taxes	24,946,569	4,122,002	2,123,439	31,192,010
Grants and Other Taxes	466,081	0	26,356	492,437
Total Deferred Inflows of Resources	25,412,650	4,122,002	2,149,795	31,684,447
Fund Balances:				
Nonspendable	20,397	0	19,033	39,430
Restricted	0	1,885,694	1,013,884	2,899,578
Committed	0	0	1,613,089	1,613,089
Assigned	1,913,340	0	0	1,913,340
Unassigned	25,946,272	0	(134,115)	25,812,157
Total Fund Balances	27,880,009	1,885,694	2,511,891	32,277,594
Total Liabilities, Deferred Inflows and Fund Balances	\$55,926,220	\$6,007,696	\$4,962,346	\$66,896,262

See accompanying notes to the basic financial statements.

Little Miami Local School District
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2016

Total Governmental Fund Balance		\$32,277,594
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		66,647,779
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	\$1,117,743	
Intergovernmental	<u>26,356</u>	
		1,144,099
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(108,974)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(2,819,462)
Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.		
		1,263,201
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$7,665,211	
Deferred inflows of resources related to pensions	<u>(4,186,757)</u>	
		3,478,454
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(\$47,885,684)	
Other Amounts	<u>(62,685,602)</u>	
		<u>(110,571,286)</u>
Net Position of Governmental Activities		<u><u>(\$8,688,595)</u></u>

See accompanying notes to the basic financial statements.

Little Miami Local School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$18,809,420	\$3,235,905	\$1,537,048	\$23,582,373
Tuition and Fees	804,046	0	0	804,046
Investment Earnings	84,776	0	0	84,776
Intergovernmental	15,862,598	800,368	2,055,696	18,718,662
Extracurricular Activities	309,623	0	120,164	429,787
Charges for Services	0	0	1,072,607	1,072,607
Revenue in Lieu of Taxes	466,081	0	0	466,081
Other Revenues	55,090	0	146,630	201,720
Total Revenues	36,391,634	4,036,273	4,932,145	45,360,052
Expenditures:				
Current:				
Instruction:				
Regular	16,074,990	0	58,912	16,133,902
Special	5,217,839	0	836,042	6,053,881
Student Intervention Services	8,855	0	0	8,855
Other	2,653,184	0	0	2,653,184
Support Services:				
Pupil	1,489,655	0	1,000	1,490,655
Instructional Staff	1,561,552	0	355,710	1,917,262
General Administration	29,014	0	0	29,014
School Administration	2,699,484	7,039	6,249	2,712,772
Fiscal	795,592	62,699	27,192	885,483
Business	234,143	0	0	234,143
Operations and Maintenance	2,714,321	0	912,200	3,626,521
Pupil Transportation	3,572,251	0	544,372	4,116,623
Central	481,116	0	31,932	513,048
Operation of Non-Instructional Services	0	0	1,537,361	1,537,361
Extracurricular Activities	491,189	0	139,980	631,169
Capital Outlay	0	0	54,467	54,467
Debt Service:				
Principal Retirement	0	3,279,122	663,964	3,943,086
Interest and Fiscal Charges	0	3,767,287	75,220	3,842,507
Total Expenditures	38,023,185	7,116,147	5,244,601	50,383,933
Net Change in Fund Balance	(1,631,551)	(3,079,874)	(312,456)	(5,023,881)
Fund Balance - Beginning of Year	29,511,560	4,965,568	2,824,347	37,301,475
Fund Balance - End of Year	\$27,880,009	\$1,885,694	\$2,511,891	\$32,277,594

See accompanying notes to the basic financial statements.

Little Miami Local School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2016

Net Change in Fund Balance - Total Governmental Funds (\$5,023,881)

Amounts reported for governmental activities in the
 statement of activities are different because:

Governmental funds report capital asset additions as expenditures.
 However, in the statement of activities, the cost of those assets is
 allocated over their estimated useful lives as depreciation
 expense. This is the amount of the difference between capital
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$877,984	
Depreciation Expense	<u>(1,876,544)</u>	(998,560)

Governmental funds report district pension contributions as
 expenditures. However in the Statement of Activities, the cost
 of pension benefits earned net of employee contributions is
 reported as pension expense.

District pension contributions	\$2,977,684	
Cost of benefits earned net of employee contributions	<u>(2,509,624)</u>	468,060

Revenues in the statement of activities that do not provide
 current financial resources are not reported as revenues in
 the funds.

Delinquent Property Taxes	\$561,683	
Intergovernmental	<u>(54,580)</u>	507,103

Repayment of bond, accreted interest and capital lease principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net position. 5,483,964

In the statement of activities interest expense is accrued when incurred;
 whereas, in governmental funds an interest expenditure is reported
 when due. 5,038

Some expenses reported in the statement of activities do not require the
 use of current financial resources and, therefore, are not reported as
 expenditures in governmental funds.

Compensated Absences	(\$536,775)	
Amortization of Bond Premium	203,079	
Amortization of Deferred Charge on Refunding	(68,281)	
Bond Accretion	<u>(880,336)</u>	(1,282,313)

Change in Net Position of Governmental Activities (\$840,589)

See accompanying notes to the basic financial statements.

Little Miami Local School District
Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2016

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$128,830</u>
Total Assets	<u>128,830</u>
Liabilities:	
Accounts Payable	5,000
Other Liabilities	<u>123,830</u>
Total Liabilities	<u>\$128,830</u>

See accompanying notes to the basic financial statements.

**Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016**

Note 1 - Description of the District

Little Miami Local School District ("District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by State statute and federal guidelines.

The District serves an area of approximately 98 square miles. It is located in Warren County, including all of the Villages of Morrow, Maineville, and Butlerville, Ohio, and portions of surrounding townships.

Reporting Entity

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, food service, and maintenance of District facilities.

The District is associated with three jointly governed organizations. These organizations include the Southwest Ohio Computer Association, Warren County Career Center and the Jewell Education Foundation.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

Measurement Focus

Government-wide Financial Statements

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. Fiduciary Funds are not included in the entity-wide statements.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fiduciary Funds are reported using the accrual basis of accounting.

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District maintains two fiduciary (agency) funds, known as the Student Managed Activity Fund and District Agency Fund. The Student Managed Activity Fund was established to account for assets and liabilities generated by student managed activities and the District Agency Fund was established to account for assets and liabilities generated by the district agency activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and interest.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources including pension. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows related to the deferred charges on refunding of bonds and related to pensions (see Note 9) are included on the government-wide statements of net positions.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, and grants and other taxes (which includes tax incremental financing 'TIF'). Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance year 2017 operations. Property tax amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. TIF's have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements, as revenues in lieu of taxes. Deferred inflows of resources related to grants are only included on the governmental fund statement of net position. Deferred inflows of resources related to pensions are reported on the government-wide statement of net position, see Note 9.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Equity in Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

During fiscal year 2016, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2016 amounted to \$84,776 in the General Fund.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories are accounted for using the purchase method on the fund level statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance assignment in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure/expense is reported in the year in which services are consumed.

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements that add to the value of an asset or materially extend an asset's life are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated, except land. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is allocated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30 – 50
Equipment	5 – 20

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors,

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

laws of other government or imposed by enabling legislation. Restricted assets include the nonexpendable amount relating to the Smith Trust in the permanent fund.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for all employees after fifteen years of current service with the District.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount due to the employee at year end. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. The Treasurer earns 20 days of vacation per year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 days of sick leave for each year under contract. Sick leave may be accumulated up to a maximum of 220 days for teachers and administrators, and 220 days for classified personnel. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to a maximum of 55 days for teachers and administrators. Classified personnel, upon retirement, are paid for one-fourth of accrued, but unused sick leave credit to a maximum of 55 days.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's restricted net position of \$2,957,798, none was restricted by enabling legislation.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column on the Statement of Net Position.

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that can be used only for the specific purposes imposed by a formal action (board resolution) of the District's Board of Education. The Board of Education is the highest level of decision making authority for the District. Those committed resources cannot be used for any other purpose unless the District's Board of Education removes or changes the

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

specified use by taking the same type of action (board resolution) it employed to previously commit those resources.

Assigned – resources intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts are intended to be used for specific purposes as approved through the District’s formal purchase order procedure by the Superintendent and the Treasurer. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Accrued Liabilities and Long Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment at year end. Long term loans are recognized as a liability on the statement of net position when due.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 - Equity in Pooled Cash and Investments

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but not limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by federal depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2016, \$1,230,042 of the District's bank balance of \$15,100,091 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

As of June 30, 2016, the District had the following investments:

	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Commercial Paper	\$50,875	Level 2	0.00
STAR Ohio	<u>18,905,691</u>	N/A	0.14
Total Investments	<u>\$18,956,566</u>		
Portfolio Weighted Average Maturity			0.14

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2016. STAR Ohio is reported at its share price (net assets value per share).

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments, which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. Commercial Paper was not rated.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested less than 1% of the District’s investments in Commercial Paper and almost 100% in STAR Ohio.

Custodial Credit Risk – The risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District. The District’s policy does not address custodial credit risk for investments.

Note 4 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The District receives property taxes from Warren County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2017 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real and public utility taxes that became measurable as of June 30, 2016. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2016 on the fund statements. The entire amount of delinquent taxes receivable is recognized as revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2016, was \$1,216,300 for the General Fund, \$200,275 for the Debt Service Fund and \$105,408 for Other Governmental Funds.

The assessed values upon which the fiscal year 2016 taxes were collected are:

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Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$823,068,350
Public Utility	<u>24,509,940</u>
Total	<u><u>\$847,578,290</u></u>

Note 5 – Receivables

Receivables at June 30, 2016, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	<u>\$2,538,132</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,538,132</u>
Total Capital Assets, not being depreciated	<u>2,538,132</u>	<u>0</u>	<u>0</u>	<u>2,538,132</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	76,085,714	0	0	76,085,714
Equipment	<u>11,185,661</u>	<u>877,984</u>	<u>0</u>	<u>12,063,645</u>
<i>Total Capital Assets, being depreciated:</i>	<u>87,271,375</u>	<u>877,984</u>	<u>0</u>	<u>88,149,359</u>
Totals at Historical Cost	<u>89,809,507</u>	<u>877,984</u>	<u>0</u>	<u>90,687,491</u>
Less Accumulated Depreciation:				
Buildings and Improvements	14,330,830	1,355,818	0	15,686,648
Equipment	<u>7,832,338</u>	<u>520,726</u>	<u>0</u>	<u>8,353,064</u>
Total Accumulated Depreciation	<u>22,163,168</u>	<u>1,876,544</u>	<u>0</u>	<u>24,039,712</u>
Governmental Activities Capital Assets, Net	<u><u>\$67,646,339</u></u>	<u><u>(\$998,560)</u></u>	<u><u>\$0</u></u>	<u><u>\$66,647,779</u></u>

Depreciation expense was charged to governmental functions as follows:

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Instruction:	
Regular	\$1,461,364
Special	43,438
Support Services:	
Pupil	340
Instructional Staff	1,245
School Administration	41,972
Fiscal	105
Business	1,860
Operations and Maintenance	39,423
Pupil Transportation	227,444
Central	14,265
Operation of Non-Instructional Services	8,410
Extracurricular Activities	36,678
Total Depreciation Expense	<u>\$1,876,544</u>

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Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Note 7 - Long-Term Liabilities

	Rate	Beginning Balance	Issued	Retired	Ending Balance	Due in One Year
Governmental Activities:						
2005 Refunded Bonds:						
Capital Appreciation Bonds						
Principal		1,295,460	0	(1,295,460)	0	0
Accreted Interest		1,209,540	0	(1,209,540)	0	0
Premium on Bonds		79,826	0	(79,826)	0	0
2006 School Improvement:						
Capital Appreciation Bonds						
Principal	5.14%	5,424,275	0	(673,662)	4,750,613	964,050
Accreted Interest		2,853,492	368,830	(331,338)	2,890,984	550,950
2007 Refunding:						
Current Interest Bonds	4.64%	41,460,001	0	(1,305,000)	40,155,001	520,000
Capital Appreciation Bonds						
Principal		2,164,948	0	0	2,164,948	0
Accreted Interest		2,737,653	511,506	0	3,249,159	0
Premium on Bonds		2,403,428	0	(123,253)	2,280,175	0
HB264 Bond	3.50%	1,535,000	0	(485,000)	1,050,000	515,000
2011 GO Bonds	6.88%	5,805,000	0	(5,000)	5,800,000	95,000
Total General Obligation Bonds		66,968,623	880,336	(5,508,079)	62,340,880	2,645,000
Net Pension Liability:						
STRS		31,951,539	6,527,777	(853,281)	37,626,035	0
SERS		8,900,278	1,871,660	(512,289)	10,259,649	0
Total Net Pension Liability		40,851,817	8,399,437	(1,365,570)	47,885,684	0
Capital Leases:						
2009 Welsh Road Lease	4.06%	159,000	0	(51,000)	108,000	53,000
2008 OASBO Field Turf Lease	3.99%	300,000	0	(96,000)	204,000	100,000
2013 OASBO Lease	2.38%	64,686	0	(31,964)	32,722	32,722
Total Long Term Debt		108,344,126	9,279,773	(7,052,613)	110,571,286	2,830,722
Compensated Absences		2,347,583	697,551	(181,716)	2,863,418	173,645
Total Governmental Activities		\$110,691,709	\$9,977,324	(\$7,234,329)	\$113,434,704	\$3,004,367

Compensated absences will be paid from the General and Special Revenue Funds. Capital lease obligations will be paid from Permanent Improvement and Building Fund. General Obligation Bonds will be paid from the Debt Service Fund and the Permanent Improvement Fund.

2011 School Improvement Unlimited Tax General Obligation Bonds

On May 20, 2011, the District issued \$5,980,000 in school improvement general obligation bonds at an interest rate of 6.875% to retire the previously issued \$5,980,000 Bond Anticipation Note.

2007 Advanced Refunding of 2006 School Improvement Bonds

On February 27, 2007, the District issued \$50,826,447 in General Obligation bonds with an average interest rate of 4.64% of which \$47,199,949 was used to partially advance refund \$47,199,949 of outstanding 2006 School Improvement Bonds with an average interest rate of 5.14%. The net proceeds

Little Miami Local School District
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For The Fiscal Year Ended June 30, 2016

of \$50,247,945 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the 2006 School Improvement Bonds. As a result, \$47,199,949 of the 2006 School Improvement Bonds are considered to be defeased and the related liability for those bonds has been removed from the Statement of Net Position.

The District advance refunded a portion of the 2006 School Improvement Bonds to reduce its total debt service payments by \$3,652,951 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,468,056.

The District had \$3,451,078 premium on the issuance of these refunding bonds will be amortized over the remaining life of the debt which has a final maturity date of December 1, 2034. The debt will be retired from the debt service fund. The refunding bonds are not subject to optional redemption prior to maturity. Of the \$47,199,949 issued, \$45,035,001 represents serial bonds and \$2,164,948 is capital appreciation bonds. The serial bonds mature at varying amounts through December 1, 2034. The capital appreciation bonds will mature in fiscal years 2022, 2023, 2024, and 2025. The final maturity amount of the bonds is \$10,810,000.

2005 Refunded Bonds

In June 2005, the District advance refunded \$15,759,968 in school improvement bonds that were originally for the purpose of new construction, improvements, renovations, and additions to school facilities, including the construction of a new high school, and providing equipment, furnishings and site improvements. The \$818,096 premium on the issuance of these refunding bonds will be amortized over the remaining life of the debt which has a final maturity date of December 1, 2015. The debt will be retired from the debt service fund.

The refunding bonds are not subject to optional redemption prior to maturity. Of the \$15,759,968 issued, \$13,035,000 represents serial bonds and \$2,724,968 is capital appreciation bonds. The serial bonds mature at varying amounts through December 1, 2014.

The capital appreciation bonds will mature in fiscal years 2015 and 2016. The final maturity amount of the bonds is \$5,100,000.

2006 School Improvement Bonds

In February 2007, the District partially refunded the 2006 School Improvement bonds, of the remaining \$9,049,989. The debt will be retired from the debt service fund.

The bonds are not subject to optional redemption prior to maturity. Of the \$9,049,989 issued, \$2,425,051 represents serial bonds and \$6,624,938 is capital appreciation bonds. The serial bonds matured on December 1, 2011.

The capital appreciation bonds will mature in fiscal years 2013 through 2020. The final maturity amount of the bonds is \$11,245,000.

Principal and interest requirements for governmental activities to retire bonds and notes outstanding at June 30, 2016, are as follows:

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Fiscal Year Ending June 30	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$1,130,000	\$2,233,281	\$3,363,281	\$964,050	\$550,950	\$1,515,000
2018	1,185,000	2,177,719	3,362,719	983,318	646,682	1,630,000
2019	690,000	2,135,325	2,825,325	954,879	715,121	1,670,000
2020	725,000	2,104,131	2,829,131	1,014,970	660,030	1,675,000
2021	800,000	2,070,963	2,870,963	833,396	1,086,604	1,920,000
2022-2026	4,205,000	3,289,619	7,494,619	2,164,948	8,645,052	10,810,000
2027-2031	20,030,000	7,312,138	27,342,138	0	0	0
2032-2035	18,240,001	2,008,025	20,248,026	0	0	0
Total	<u>\$47,005,001</u>	<u>\$23,331,201</u>	<u>\$70,336,202</u>	<u>\$6,915,561</u>	<u>\$12,304,439</u>	<u>\$19,220,000</u>

Note 8 – Leases

Capital Leases

The District has entered into capitalized leases for the acquisition of land, field turf and busses. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of fiscal year end.

Fiscal Year Ending June 30,	Long-Term Debt
2017	\$199,564
2018	165,654
Total Minimum Lease Payments	365,218
Less: Amount Representing Interest	(19,790)
Less: Additional Program Cost Component	(706)
Present Value of Minimum Lease Payments	<u>\$344,722</u>

Capital assets acquired under capital leases in accordance with Statement of Financial Accounting Standards No. 13 are as follows:

Land	\$1,370,000
Building and Improvements	805,000
Equipment	909,586

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Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

Pensions are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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For The Fiscal Year Ended June 30, 2016**

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service, 2.5 percent for years of service credit over 30 or \$86.00 multiplied by the years of service credit. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$826,072 for fiscal year 2016. Of this amount \$114,420 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2

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For The Fiscal Year Ended June 30, 2016

percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement increased effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,151,612 for fiscal year 2016. Of this amount \$378,628 is reported as accrued wages and benefits.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Net Pension Liability

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,259,648	\$37,626,034	\$47,885,682
Proportion of the Net Pension Liability	0.17980150%	0.13614330%	
Pension Expense	688,569	1,821,055	2,509,624

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$163,502	\$1,704,074	\$1,867,576
Changes in employer proportion and differences between contributions and proportionate share of contributions	1,003,220	1,816,731	2,819,951
District contributions subsequent to the measurement date	<u>826,072</u>	<u>2,151,612</u>	<u>2,977,684</u>
Total Deferred Outflows of Resources	<u>\$1,992,794</u>	<u>\$5,672,417</u>	<u>\$7,665,211</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,075,315	\$4,379,567	\$5,454,882
Changes in employer proportion and differences between contributions and proportionate share of contributions	32,359	215,202	247,561
Changes in employer proportionate share of net pension liability	<u>(206,696)</u>	<u>(1,308,990)</u>	<u>(1,515,686)</u>
Total Deferred Inflows of Resources	<u>\$900,978</u>	<u>\$3,285,779</u>	<u>\$4,186,757</u>

\$2,977,684 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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For The Fiscal Year Ended June 30, 2016

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2017	(\$505,225)	(\$206,070)	(\$711,295)
2018	(505,217)	(206,070)	(711,287)
2019	(511,934)	(206,069)	(718,003)
2020	<u>1,788,121</u>	<u>853,235</u>	<u>2,641,356</u>
Total	<u>\$265,745</u>	<u>\$235,026</u>	<u>\$500,771</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

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The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$14,226,445	\$10,259,649	\$6,919,278

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Notes to the Basic Financial Statements
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Actuarial Assumptions - STRS

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u><u>100.00 %</u></u>	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

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Notes to the Basic Financial Statements
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Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$52,265,400	\$37,626,035	\$25,246,267

Note 10 - Post Employment Benefits

School Employees Retirement System

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, 0.00 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$97,285.

Little Miami Local School District
Notes to the Basic Financial Statements
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The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$150,063, and \$11,346, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

State Teachers Retirement System

Plan Description – The District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$134,529, respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

Note 11 - Contingent Liabilities

Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 or June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

Grants

The District receives financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Litigation

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

Note 12 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2014, the District contracted with Governmental Underwriters of America (GUA) for property insurance. Professional liability was protected by Governmental Underwriters of America (GUA) with a \$3,000,000 aggregate limit under a commercial policy.

The District's vehicles are also covered by Governmental Underwriters of America (GUA) and hold a \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability. Vehicles are also covered under the commercial umbrella policy. The Travelers Casualty and Surety Company of America maintains both a \$50,000 public official bond for the Treasurer and a \$50,000 blanket bond for all employees with Ohio Casualty Group. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the last year.

Note 13 – Required Set-Asides

The District is required by State statute to annually set-aside in the general fund an amount based on a statutory formula 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 following cash basis information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2015	\$0
Current Year Set Aside Requirements	694,547
Qualified Disbursements	(809,738)
Current Year Offsets	0
Set Aside Reserve Balance as of June 30, 2016	<u><u>(\$115,191)</u></u>

Offset credits for capital activity during the year exceeded the amount required for the set-aside, resulting in offset credits of \$72,742,663 available for carryover to offset capital reserve requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the capital acquisition set-aside.

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Note 14 - Jointly Governed Organizations

The District is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public schools and educational service centers within the boundaries of Butler, Preble, and Warren Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member school districts. The Board of SWOCA consists of one representative from each of the participating members. The degree of control exercised by any participating district is limited to its representation on the Board. Financial information can be obtained from Mike Crumley, Executive Director, Butler County JVS, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

The Warren County Career Center, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Warren County Vocational School is not part of the District and its operations are not included as part of the reporting entity. The District did not have any financial obligations to the Warren County Vocational School during the current fiscal year. Financial information can be obtained from Karen Royer, Treasurer, Warren County Career Center, 3525 North State Route 48, Lebanon, Ohio 45036.

The District is a participant in the Jewell Education Foundation (the "Foundation"), which is a jointly governed educational foundation established as a non-profit corporation to benefit the school districts in Warren County. The Foundation was created to promote and assist in funding through soliciting grants and charitable contributions for distribution to member educational institutions of participating school districts. The governing board is made up of the Warren County Career Center superintendent, one member of the 1999 Warren County Career Center Board of Education, not on the current board, and one member selected by each participating school district. The District made no financial contribution to the Foundation during the fiscal year. Financial information can be obtained from the director of planned giving, Rick Wood, at P.O. Box 854, Lebanon, Ohio 45036.

Note 15 - Accountability

The following funds had deficit fund balances at June 30, 2016:

Fund	Deficit
Title VI-B	\$81,960
Title I	5,863
Improving Teacher Quality	17,143

The deficit fund balances were caused by GAAP Accruals.

Note 16 - Interfund Balances

Interfund transactions at June 30, 2016, consisted of the following individual interfund receivable and interfund payable:

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

	Interfund	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$113,838	\$0
Other Governmental Funds	<u>0</u>	<u>113,838</u>
Total All Funds	<u>\$113,838</u>	<u>\$113,838</u>

Interfund balances/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. All interfund payables are expected to be repaid during the next fiscal year.

Note 17 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

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Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

Fund Balances	General	Debt Service	Other Governmental Funds	Total
Nonspendable:				
Smith Trust	\$0	\$0	\$18,000	\$18,000
Prepays	20,397	0	1,033	21,430
Total Nonspendable	20,397	0	19,033	39,430
Restricted for:				
Other Grants	0	0	25,341	25,341
Districted Managed Activities	0	0	79,972	79,972
Race to the Top	0	0	2,800	2,800
IDEA Preschool Grant	0	0	450	450
Food Services	0	0	812,726	812,726
Special Trust	0	0	3,999	3,999
Smith Trust	0	0	5,329	5,329
Debt Service	0	1,885,694	0	1,885,694
Buildings	0	0	55,133	55,133
Title I	0	0	28,134	28,134
Total Restricted	0	1,885,694	1,013,884	2,899,578
Committed to:				
Permanent Improvements	0	0	1,613,089	1,613,089
Total Committed	0	0	1,613,089	1,613,089
Assigned to:				
Public School Support	182,698	0	0	182,698
Encumbrances	1,730,642	0	0	1,730,642
Total Assigned	1,913,340	0	0	1,913,340
Unassigned (Deficit)	25,946,272	0	(134,115)	25,812,157
Total Fund Balance	\$27,880,009	\$1,885,694	\$2,511,891	\$32,277,594

Fund balance classified as assigned for encumbrances in the general fund are assigned for all ordinary day-to-day operations of the District, for the purchase and sale of school supplies, and for specific local revenue sources.

Note 20 – Implementation of New Accounting Principles

For the fiscal year ended June 30, 2016, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and

Little Miami Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2016

enhances disclosures about fair value measurements. These changes were incorporated in the District's fiscal year 2016 note disclosures; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the District.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the District.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the District.

Note 20 –Other Commitments

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
General	\$1,765,799
Other Governmental	376,814

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REQUIRED SUPPLEMENTARY INFORMATION

Little Miami Local School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Three Fiscal Years (1)

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.13614333%	0.13136099%	0.13136099%
District's Proportionate Share of the Net Pension Liability	\$37,626,034	\$31,951,539	\$37,957,965
District's Covered-Employee Payroll	\$13,760,657	\$14,453,885	\$13,239,300
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	273.43%	221.06%	286.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) - Information prior to 2013 is not available

Little Miami Local School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Three Fiscal Years (1)

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.17980150%	0.17586200%	0.17586200%
District's Proportionate Share of the Net Pension Liability	\$10,259,648	\$8,900,276	\$10,461,085
District's Covered-Employee Payroll	\$7,757,026	\$5,161,825	\$4,870,300
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	132.26%	172.42%	214.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) - Information prior to 2013 is not available

Little Miami Local School District
 Required Supplementary Information
 Schedule of District Contributions
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$2,151,612	\$1,926,492	\$1,879,005	\$1,874,820	\$1,873,752
Contributions in Relation to the Contractually Required Contribution	<u>(2,151,612)</u>	<u>(1,926,492)</u>	<u>(1,879,005)</u>	<u>(1,874,820)</u>	<u>(1,873,752)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$15,368,657	\$13,760,657	\$14,453,885	\$14,421,692	\$14,413,477
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%	13.00%

2011	2010	2009	2008	2007
\$1,865,424	\$2,058,756	\$2,138,796	\$1,919,208	\$1,877,220
<u>(1,865,424)</u>	<u>(2,058,756)</u>	<u>(2,138,796)</u>	<u>(1,919,208)</u>	<u>(1,877,220)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,349,415	\$15,836,585	\$16,452,277	\$14,763,138	\$14,440,154
13.00%	13.00%	13.00%	13.00%	13.00%

Little Miami Local School District
 Required Supplementary Information
 Schedule of District Contributions
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

	2016	2015	2014	2013	2012
Contractually Required Contribution	\$826,072	\$1,022,376	\$715,429	\$948,600	\$906,480
Contributions in Relation to the Contractually Required Contribution	<u>(826,072)</u>	<u>(1,022,376)</u>	<u>(715,429)</u>	<u>(948,600)</u>	<u>(906,480)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$5,900,514	\$7,757,026	\$5,161,825	\$6,854,046	\$6,739,628
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%	13.45%

2011	2010	2009	2008	2007
\$870,096	\$797,520	\$822,108	\$741,144	\$631,680
(870,096)	(797,520)	(822,108)	(741,144)	(631,680)
\$0	\$0	\$0	\$0	\$0
\$6,922,005	\$5,890,103	\$8,354,756	\$7,547,291	\$5,914,607
12.57%	13.54%	9.84%	9.82%	10.68%

Little Miami Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$24,031,996	\$25,722,545	\$25,751,799	\$29,254
Revenue in lieu of taxes	434,954	465,552	466,081	529
Tuition and Fees	482,340	516,271	516,858	587
Investment Earnings	79,114	84,680	84,776	96
Intergovernmental	15,238,188	16,310,130	16,328,679	18,549
Extracurricular Activities	204,861	219,273	219,522	249
Other Revenues	44,471	47,600	47,654	54
Total Revenues	40,515,924	43,366,051	43,415,369	49,318
Expenditures:				
Current:				
Instruction:				
Regular	16,532,980	16,404,329	16,394,325	10,004
Special	5,429,610	5,387,359	5,384,074	3,285
Other	2,675,623	2,654,803	2,653,184	1,619
Support Services:				
Pupil	1,615,590	1,603,019	1,602,041	978
Instructional Staff	1,610,337	1,597,806	1,596,832	974
General Administration	31,950	31,701	31,682	19
School Administration	2,875,656	2,853,279	2,851,539	1,740
Fiscal	820,538	814,153	813,657	496
Business	247,056	245,133	244,984	149
Operations and Maintenance	3,133,442	3,109,059	3,107,163	1,896
Pupil Transportation	4,036,673	4,005,262	4,002,819	2,443
Central	602,536	597,848	597,483	365
Extracurricular Activities	441,026	437,594	437,327	267
Total Expenditures	40,053,017	39,741,345	39,717,110	24,235
Excess of Revenues Over (Under) Expenditures	462,907	3,624,706	3,698,259	73,553
Other financing sources (uses):				
Advances (Out)	(24,203)	(24,015)	(24,000)	15
Total Other Financing Sources (Uses)	(24,203)	(24,015)	(24,000)	15
Net Change in Fund Balance	438,704	3,600,691	3,674,259	73,568
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	23,351,955	23,351,955	23,351,955	0
Fund Balance - End of Year	\$23,790,659	\$26,952,646	\$27,026,214	\$73,568

See accompanying notes to the required supplementary information.

Little Miami Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2016

Note 1 - Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2016.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year.

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

Little Miami Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2016

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$1,631,551)
Revenue Accruals	7,023,735
Expenditure Accruals	77,179
Advances Out	(24,000)
Encumbrances	(1,765,799)
Funds Budgeted Elsewhere	<u>(5,305)</u>
Budget Basis	<u>\$3,674,259</u>

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

MAJOR GOVERNMENTAL FUND

Debt Service Fund

The Debt Service Fund is 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 debt service funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$5,330,956	\$5,188,580	(\$142,376)
Intergovernmental	822,330	800,368	(21,962)
Total Revenues	<u>6,153,286</u>	<u>5,988,948</u>	<u>(164,338)</u>
Expenditures:			
Current:			
Support Services:			
School Administration	7,039	7,039	0
Fiscal	62,699	62,699	0
Debt Service:			
Principal Retirement	3,279,122	3,279,122	0
Interest and Fiscal Charges	<u>3,767,287</u>	<u>3,767,287</u>	<u>0</u>
Total Expenditures	<u>7,116,147</u>	<u>7,116,147</u>	<u>0</u>
Net Change in Fund Balance	(962,861)	(1,127,199)	(164,338)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>2,812,619</u>	<u>2,812,619</u>	<u>0</u>
Fund Balance - End of Year	<u>\$1,849,758</u>	<u>\$1,685,420</u>	<u>(\$164,338)</u>

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NONMAJOR GOVERNMENTAL FUNDS

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 expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Funds

The Capital Projects Funds is 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 Fund

The Permanent Fund is used to account for the financial resources that are restricted. Only the income earned can be used for specific purposes.

Little Miami Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$876,897	\$1,621,133	\$5,329	\$2,503,359
Restricted Cash and Investments	0	0	18,000	18,000
Equity in Pooled Cash and Investments with Fiscal Agent	0	50,875	0	50,875
Receivables (Net):				
Taxes	0	2,228,847	0	2,228,847
Intergovernmental	109,305	0	0	109,305
Prepaid	1,033	0	0	1,033
Inventory	50,927	0	0	50,927
Total Assets	1,038,162	3,900,855	23,329	4,962,346
Liabilities:				
Accounts Payable	18,242	41,903	0	60,145
Accrued Wages and Benefits	126,677	0	0	126,677
Interfund Payable	46,547	67,291	0	113,838
Total Liabilities	191,466	109,194	0	300,660
Deferred Inflows of Resources:				
Property Taxes	0	2,123,439	0	2,123,439
Grants and Other Taxes	26,356	0	0	26,356
Total Deferred Inflows of Resources	26,356	2,123,439	0	2,149,795
Fund Balances:				
Nonspendable	1,033	0	18,000	19,033
Restricted	953,422	55,133	5,329	1,013,884
Committed	0	1,613,089	0	1,613,089
Unassigned	(134,115)	0	0	(134,115)
Total Fund Balances	820,340	1,668,222	23,329	2,511,891
Total Liabilities, Deferred Inflows and Fund Balances	\$1,038,162	\$3,900,855	\$23,329	\$4,962,346

Little Miami Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$0	\$1,537,048	\$0	\$1,537,048
Intergovernmental	1,732,956	322,740	0	2,055,696
Extracurricular Activities	120,164	0	0	120,164
Charges for Services	1,072,607	0	0	1,072,607
Other Revenues	38,765	107,865	0	146,630
Total Revenues	2,964,492	1,967,653	0	4,932,145
Expenditures:				
Current:				
Instruction:				
Regular	17,283	41,629	0	58,912
Special	836,042	0	0	836,042
Support Services:				
Instructional Staff	279,527	76,183	0	355,710
School Administration	0	6,249	0	6,249
Fiscal	0	27,192	0	27,192
Operations and Maintenance	16,634	895,566	0	912,200
Pupil Transportation	0	544,372	0	544,372
Central	31,932	0	0	31,932
Operation of Non-Instructional Services	1,537,361	0	0	1,537,361
Extracurricular Activities	118,395	21,585	0	139,980
Capital Outlay	0	54,467	0	54,467
Debt Service:				
Principal Retirement	0	663,964	0	663,964
Interest and Fiscal Charges	0	75,220	0	75,220
Total Expenditures	2,838,174	2,406,427	0	5,244,601
Net Change in Fund Balance	126,318	(438,774)	0	(312,456)
Fund Balance - Beginning of Year	694,022	2,106,996	23,329	2,824,347
Fund Balance - End of Year	\$820,340	\$1,668,222	\$23,329	\$2,511,891

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Other Grants - To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed Activities - To account for those student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs as well as the band, cheerleaders, flag corps and other similar types of activities.

Data Communication - To account for money appropriated for Ohio Educational Computer Network Connections.

Vocational Education Enhancement - To account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, and 3) replace or update equipment essential for the instruction of students in vocational education programs.

Race to the Top – A competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

Title VI-B - To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialist in providing educational services to the handicapped.

Title I - To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement.

IDEA PreSchool Grant - To account for federal funds received to provide programs to handicapped preschool children.

Improving Teacher Quality - To account for state funds provided for staff development programs.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Food Service - To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Special Trust - To account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds.

Little Miami Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Other Grants	District Managed Activities	Data Communication	Vocational Education Enhancement	Race to the Top
Assets:					
Equity in Pooled Cash and Investments	\$25,341	\$80,722	\$0	\$0	\$2,800
Intergovernmental	0	0	0	5,467	0
Prepaid	0	0	0	0	0
Inventory	0	0	0	0	0
Total Assets	25,341	80,722	0	5,467	2,800
Liabilities:					
Accounts Payable	0	750	0	1,500	0
Accrued Wages and Benefits	0	0	0	0	0
Interfund Payable	0	0	0	354	0
Total Liabilities	0	750	0	1,854	0
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	3,613	0
Total Deferred Inflows of Resources	0	0	0	3,613	0
Fund Balances:					
Nonspendable	0	0	0	0	0
Restricted	25,341	79,972	0	0	2,800
Unassigned	0	0	0	0	0
Total Fund Balances	25,341	79,972	0	0	2,800
Total Liabilities, Deferred Inflows and Fund Balances	\$25,341	\$80,722	\$0	\$5,467	\$2,800

Title VI-B	Title I	IDEA PreSchool Grant	Improving Teacher Quality	Food Service	Special Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$450	\$0	\$763,585	\$3,999	\$876,897
27,167	69,889	0	6,782	0	0	109,305
678	197	0	140	18	0	1,033
0	0	0	0	50,927	0	50,927
<u>27,845</u>	<u>70,086</u>	<u>450</u>	<u>6,922</u>	<u>814,530</u>	<u>3,999</u>	<u>1,038,162</u>
0	15,992	0	0	0	0	18,242
83,422	24,186	0	17,283	1,786	0	126,677
26,376	13,035	0	6,782	0	0	46,547
<u>109,798</u>	<u>53,213</u>	<u>0</u>	<u>24,065</u>	<u>1,786</u>	<u>0</u>	<u>191,466</u>
7	22,736	0	0	0	0	26,356
<u>7</u>	<u>22,736</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,356</u>
678	197	0	140	18	0	1,033
0	28,134	450	0	812,726	3,999	953,422
(82,638)	(34,194)	0	(17,283)	0	0	(134,115)
<u>(81,960)</u>	<u>(5,863)</u>	<u>450</u>	<u>(17,143)</u>	<u>812,744</u>	<u>3,999</u>	<u>820,340</u>
<u>\$27,845</u>	<u>\$70,086</u>	<u>\$450</u>	<u>\$6,922</u>	<u>\$814,530</u>	<u>\$3,999</u>	<u>\$1,038,162</u>

Little Miami Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

	Other Grants	District Managed Activities	Data Communication	Vocational Education Enhancement	Race to the Top
Revenues:					
Intergovernmental	\$3,346	\$0	\$10,800	\$6,971	\$0
Extracurricular Activities	0	120,164	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	3,346	120,164	10,800	6,971	0
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	3,204	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	0	0	6,541	0
Operations and Maintenance	0	0	0	0	0
Central	0	0	31,932	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	118,395	0	0	0
Total Expenditures	3,204	118,395	31,932	6,541	0
Net Change in Fund Balance	142	1,769	(21,132)	430	0
Fund Balance - Beginning of Year	25,199	78,203	21,132	(430)	2,800
Fund Balance - End of Year	\$25,341	\$79,972	\$0	\$0	\$2,800

Title VI-B	Title I	IDEA PreSchool Grant	Improving Teacher Quality	Food Service	Special Trust	Total Nonmajor Special Revenue Funds
\$648,651	\$356,534	\$6,792	\$90,139	\$609,723	\$0	\$1,732,956
0	0	0	0	0	0	120,164
0	0	0	0	1,072,607	0	1,072,607
0	0	0	0	34,715	4,050	38,765
<u>648,651</u>	<u>356,534</u>	<u>6,792</u>	<u>90,139</u>	<u>1,717,045</u>	<u>4,050</u>	<u>2,964,492</u>
0	0	0	17,283	0	0	17,283
675,055	81,186	0	76,597	0	0	836,042
0	0	0	0	0	1,000	1,000
0	263,044	6,792	0	0	3,150	279,527
0	0	0	0	16,634	0	16,634
0	0	0	0	0	0	31,932
0	0	0	0	1,537,361	0	1,537,361
0	0	0	0	0	0	118,395
<u>675,055</u>	<u>344,230</u>	<u>6,792</u>	<u>93,880</u>	<u>1,553,995</u>	<u>4,150</u>	<u>2,838,174</u>
(26,404)	12,304	0	(3,741)	163,050	(100)	126,318
(55,556)	(18,167)	450	(13,402)	649,694	4,099	694,022
<u>(\$81,960)</u>	<u>(\$5,863)</u>	<u>\$450</u>	<u>(\$17,143)</u>	<u>\$812,744</u>	<u>\$3,999</u>	<u>\$820,340</u>

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,346	\$3,346	\$0
Total Revenues	3,346	3,346	0
Expenditures:			
Current:			
Instruction:			
Special	3,753	3,753	0
Support Services:			
Total Expenditures	3,753	3,753	0
Net Change in Fund Balance	(407)	(407)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	25,202	25,202	0
Fund Balance - End of Year	\$24,795	\$24,795	\$0

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	District Managed Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$120,164	\$120,164	\$0
Total Revenues	120,164	120,164	0
Expenditures:			
Current:			
Extracurricular Activities	143,515	143,515	0
Total Expenditures	143,515	143,515	(0)
Net Change in Fund Balance	(23,351)	(23,351)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	78,201	78,201	0
Fund Balance - End of Year	\$54,850	\$54,850	\$0

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Data Communication Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,800	\$10,800	\$0
Total Revenues	10,800	10,800	0
Expenditures:			
Current:			
Support Services:			
Central	31,932	31,932	0
Total Expenditures	31,932	31,932	0
Net Change in Fund Balance	(21,132)	(21,132)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	21,132	21,132	0
Fund Balance - End of Year	\$0	\$0	\$0

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Vocational Education Enhancement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,585	\$5,117	(\$5,468)
Total Revenues	10,585	5,117	(5,468)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	10,155	10,155	0
Total Expenditures	10,155	10,155	0
Net Change in Fund Balance	430	(5,038)	(5,468)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(430)	(430)	0
Fund Balance - End of Year	\$0	(\$5,468)	(\$5,468)

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Race to the Top Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,800	2,800	0
Fund Balance - End of Year	<u>\$2,800</u>	<u>\$2,800</u>	<u>\$0</u>

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$881,565	\$851,487	(\$30,078)
Total Revenues	881,565	851,487	(30,078)
Expenditures:			
Current:			
Instruction:			
Special	688,861	688,861	0
Total Expenditures	688,861	688,861	(0)
Net Change in Fund Balance	192,704	162,626	(30,078)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(192,704)	(192,704)	0
Fund Balance - End of Year	\$0	(\$30,078)	(\$30,078)

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$532,155	\$462,266	(\$69,889)
Total Revenues	532,155	462,266	(69,889)
Expenditures:			
Current:			
Instruction:			
Special	90,024	81,186	8,838
Support Services:			
Instructional Staff	299,211	269,838	29,373
Total Expenditures	389,235	351,024	38,211
Net Change in Fund Balance	142,920	111,242	(31,678)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(142,920)	(142,920)	0
Fund Balance - End of Year	\$0	(\$31,678)	(\$31,678)

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	IDEA Preschool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$13,552	\$13,552	\$0
Total Revenues	13,552	13,552	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	6,792	6,792	0
Total Expenditures	6,792	6,792	0
Net Change in Fund Balance	6,760	6,760	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(6,310)	(6,310)	0
Fund Balance - End of Year	\$450	\$450	\$0

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$119,537	\$112,754	(\$6,783)
Total Revenues	119,537	112,754	(6,783)
Expenditures:			
Current:			
Instruction:			
Special	97,489	97,489	0
Total Expenditures	97,489	97,489	(0)
Net Change in Fund Balance	22,048	15,265	(6,783)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(22,048)	(22,048)	0
Fund Balance - End of Year	\$0	(\$6,783)	(\$6,783)

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Food Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$506,727	\$506,745	\$18
Charges for Services	1,072,568	1,072,607	39
Other Revenues	34,714	34,715	1
Total Revenues	1,614,009	1,614,067	58
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	16,634	16,634	0
Operation of Non-Instructional Services	1,546,396	1,546,396	0
Total Expenditures	1,563,030	1,563,030	(0)
Net Change in Fund Balance	50,979	51,037	58
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	645,120	645,120	0
Fund Balance - End of Year	\$696,099	\$696,157	\$58

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$4,050	\$4,050	\$0
Total Revenues	4,050	4,050	0
Expenditures:			
Current:			
Instruction:			
Support Services:			
Pupil	1,000	1,000	0
Instructional Staff	3,150	3,150	0
Total Expenditures	4,150	4,150	(0)
Net Change in Fund Balance	(100)	(100)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	4,099	4,099	0
Fund Balance - End of Year	\$3,999	\$3,999	\$0

NONMAJOR CAPITAL PROJECTS FUNDS

Fund Descriptions

Permanent Improvement - To account for financial resources, to be used to maintain the District's facilities, as well as provide for major equipment and instructional material purchases.

Building - To account for receipts and expenditures related to the construction of school facilities.

Little Miami Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2016

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,603,184	\$17,949	\$1,621,133
Equity in Pooled Cash and Investments with Fiscal Agent	0	50,875	50,875
Receivables (Net):			
Taxes	2,228,847	0	2,228,847
Total Assets	3,832,031	68,824	3,900,855
Liabilities:			
Accounts Payable	41,903	0	41,903
Interfund Payable	53,600	13,691	67,291
Total Liabilities	95,503	13,691	109,194
Deferred Inflows of Resources:			
Property Taxes	2,123,439	0	2,123,439
Total Deferred Inflows of Resources	2,123,439	0	2,123,439
Fund Balances:			
Restricted	0	55,133	55,133
Committed	1,613,089	0	1,613,089
Total Fund Balances	1,613,089	55,133	1,668,222
Total Liabilities, Deferred Inflows and Fund Balances	\$3,832,031	\$68,824	\$3,900,855

Little Miami Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2016

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
Property and Other Taxes	\$1,537,048	\$0	\$1,537,048
Intergovernmental	322,740	0	322,740
Other Revenues	4,600	103,265	107,865
Total Revenues	1,864,388	103,265	1,967,653
Expenditures:			
Current:			
Instruction:			
Regular	41,629	0	41,629
Support Services:			
Instructional Staff	76,183	0	76,183
School Administration	6,249	0	6,249
Fiscal	26,142	1,050	27,192
Operations and Maintenance	895,566	0	895,566
Pupil Transportation	544,372	0	544,372
Central	0	0	0
Extracurricular Activities	21,585	0	21,585
Capital Outlay	54,467	0	54,467
Debt Service:			
Principal Retirement	567,964	96,000	663,964
Interest and Fiscal Charges	63,040	12,180	75,220
Total Expenditures	2,297,197	109,230	2,406,427
Net Change in Fund Balance	(432,809)	(5,965)	(438,774)
Fund Balance - Beginning of Year	2,045,898	61,098	2,106,996
Fund Balance - End of Year	<u>\$1,613,089</u>	<u>\$55,133</u>	<u>\$1,668,222</u>

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,125,400	\$2,125,400	\$0
Intergovernmental	322,740	322,740	0
Other Revenues	4,600	4,600	0
Total Revenues	2,452,740	2,452,740	0
Expenditures:			
Current:			
Instruction:			
Regular	56,427	56,427	0
Special	0	0	0
Support Services:			
Instructional Staff	80,021	80,021	0
School Administration	6,249	6,249	0
Fiscal	26,142	26,142	0
Operations and Maintenance	993,962	993,962	0
Pupil Transportation	670,260	670,260	0
Central	0	0	0
Extracurricular Activities	21,585	21,585	0
Capital Outlay	63,462	63,462	0
Debt Service:			
Principal Retirement	536,000	536,000	0
Interest and Fiscal Charges	61,500	61,500	0
Total Expenditures	2,515,608	2,515,608	0
Net Change in Fund Balance	(62,868)	(62,868)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,460,905	1,460,905	0
Fund Balance - End of Year	\$1,398,037	\$1,398,037	\$0

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$103,151	\$103,151	\$0
Total Revenues	103,151	103,151	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	1,536	1,536	0
Fiscal	1,050	1,050	0
Operations and Maintenance	2,639	2,639	0
Debt Service:			
Principal Retirement	96,000	96,000	0
Interest and Fiscal Charges	12,180	12,180	0
Total Expenditures	113,405	113,405	(0)
Excess of Revenues Over (Under) Expenditures	(10,254)	(10,254)	0
Net Change in Fund Balance	(10,254)	(10,254)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated) Restated	24,027	24,027	0
Fund Balance - End of Year	\$13,773	\$13,773	\$0

NONMAJOR PERMANENT FUND

Fund Description

Smith Trust - To account for the financial resources that are restricted. Only the income earned can be used for specific purposes. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Smith Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	23,330	23,330	0
Fund Balance - End of Year	<u>\$23,330</u>	<u>\$23,330</u>	<u>\$0</u>

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

Fund Descriptions

Uniform School Supplies - To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

Public School - To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Special Enterprises - To account for financial transactions related to miscellaneous enterprise activity.

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Uniform School Supplies Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$287,076	\$287,188	\$112
Total Revenues	287,076	287,188	112
Expenditures:			
Current:			
Instruction:			
Regular	358,356	358,356	0
Total Expenditures	358,356	358,356	0
Excess of Revenues Over (Under) Expenditures	(71,280)	(71,168)	112
Other financing sources (uses):			
Advances In	23,991	24,000	9
Total Other Financing Sources (Uses)	23,991	24,000	9
Net Change in Fund Balance	(47,289)	(47,168)	121
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	260,194	260,194	0
Fund Balance - End of Year	<u>\$212,905</u>	<u>\$213,026</u>	<u>\$121</u>

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Public School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$89,177	\$90,101	\$924
Other Revenues	21	21	0
Total Revenues	<u>89,198</u>	<u>90,122</u>	<u>924</u>
Expenditures:			
Current:			
Instruction:			
Regular	2,728	2,728	0
Support Services:			
Operations and Maintenance	862	862	0
Extracurricular Activities	<u>72,582</u>	<u>72,582</u>	<u>0</u>
Total Expenditures	<u>76,172</u>	<u>76,172</u>	<u>0</u>
Net Change in Fund Balance	13,026	13,950	924
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>137,882</u>	<u>137,882</u>	<u>0</u>
Fund Balance - End of Year	<u>\$150,908</u>	<u>\$151,832</u>	<u>\$924</u>

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

Little Miami Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2016

	Special Enterprises Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$7,415	\$7,415	\$0
Total Revenues	7,415	7,415	0
Expenditures:			
Current:			
Instruction:			
Other	8,855	8,855	0
Total Expenditures	8,855	8,855	0
Net Change in Fund Balance	(1,440)	(1,440)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	10,084	10,084	0
Fund Balance - End of Year	\$8,644	\$8,644	\$0

(1) - This fund is included in General Fund in GAAP Statements but not for Budgetary Statements

NONMAJOR FUNDS

Fiduciary funds

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

Student Activities (Agency Fund) – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

District Agency (Agency Fund) – Fund used to account for assets and liabilities generated by the District agency activities. The fund accounts for sales and other revenue generating activities by the District agency.

Little Miami Local School District
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$93,579	\$127,204	\$98,439	\$122,344
Total Assets	93,579	127,204	98,439	122,344
Liabilities:				
Accounts Payable	5,429	0	5,429	0
Other Liabilities	88,150	127,204	93,010	122,344
Total Liabilities	\$93,579	\$127,204	\$98,439	\$122,344

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$6,407	\$79	\$0	\$6,486
Total Assets	6,407	79	0	6,486
Liabilities:				
Accounts Payable	5,000	5,000	5,000	5,000
Other Liabilities	1,407	5,079	5,000	1,486
Total Liabilities	\$6,407	\$10,079	\$10,000	\$6,486

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$99,986	\$127,283	\$98,439	\$128,830
Total Assets	99,986	127,283	98,439	128,830
Liabilities:				
Accounts Payable	10,429	5,000	10,429	5,000
Other Liabilities	89,557	132,283	98,010	123,830
Total Liabilities	\$99,986	\$137,283	\$108,439	\$128,830

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Statistical Section

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends - These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

Revenue Capacity - These schedules contain information to help the reader understand and assess the District's most significant local revenue source, property tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Little Miami Local School District
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$1,399,522	\$2,293,980	(\$2,597,257)	(\$3,419,470)	\$1,607,085	\$1,832,366	\$3,732,261	\$6,762,076	\$8,286,197	\$11,365,521
Restricted	3,960,747	396,750	2,734,037	1,229,126	6,212,411	4,905,858	4,446,871	3,192,627	5,776,463	2,957,798
Unrestricted	(4,647,575)	(7,303,650)	(5,587,115)	(3,177,949)	(10,297,793)	(4,830,632)	4,425,738	(37,407,890)	(21,910,666)	(23,011,914)
Total Net Position	\$712,694	(\$4,612,920)	(\$5,450,335)	(\$5,368,293)	(\$2,478,297)	\$1,907,592	\$12,604,870	(\$27,453,187)	(\$7,848,006)	(\$8,688,595)

Source: District Records

Little Miami Local School District
Expenses, Program Revenues and Net (Expense)/Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
Schedule 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Instruction	\$17,257,215	\$18,460,280	\$20,662,054	\$20,929,629	\$21,759,191	\$21,999,198	\$23,072,476	\$23,663,594	\$24,622,835	\$26,394,721
Pupil	1,388,588	1,424,068	1,375,146	1,175,589	1,152,566	1,256,420	1,305,453	1,409,529	1,485,240	1,492,992
Instructional Staff	1,408,410	1,650,743	1,530,607	665,945	577,995	531,262	790,919	1,499,213	1,473,829	1,920,018
General Administration	37,589	43,126	38,425	22,205	23,342	21,763	34,792	23,814	34,317	29,014
School Administration	2,366,571	2,711,765	2,643,136	2,359,232	2,170,235	1,912,878	1,932,683	2,349,425	2,491,408	2,776,185
Fiscal	724,189	763,727	788,970	671,169	639,737	568,127	690,694	802,858	828,728	884,274
Business	183,907	221,807	263,518	230,730	153,064	182,344	205,417	219,534	265,722	236,003
Operation and Maintenance	2,766,276	5,363,367	2,947,680	3,075,689	2,833,275	2,995,061	3,350,676	3,580,124	3,484,565	3,601,292
Pupil Transportation	2,931,447	3,519,149	3,112,253	2,838,120	2,805,914	3,103,316	3,705,066	4,056,276	3,662,803	4,039,448
Central	1,401,384	1,192,904	1,098,148	655,295	526,778	593,530	732,610	312,303	584,199	105,170
Operation of Non-Instructional Services	1,482,976	1,544,087	1,472,423	1,267,099	1,305,563	1,327,885	1,417,378	1,454,191	1,462,233	1,542,552
Extracurricular Activities	987,357	1,016,961	1,037,574	816,058	662,732	447,706	552,224	530,237	553,129	643,946
Interest and Fiscal Charges	2,628,957	3,672,905	3,487,297	3,519,574	3,394,744	3,587,979	3,360,312	3,405,591	3,383,321	3,042,129
Total Government Expenses	35,564,866	41,584,889	40,457,231	38,226,334	38,005,136	38,527,469	41,150,700	43,299,689	44,332,329	46,707,744
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction	53,279	36,968	52,985	494,148	567,229	612,397	593,682	755,857	867,020	804,046
Operation and Maintenance	5,863	18,874	22,537	47,461	97,758	128,036	110,294	137,957	130,983	119,921
Operation of Non-Instructional Services	1,114,702	1,209,759	1,353,478	1,106,037	975,231	950,433	904,005	944,261	975,781	1,060,677
Extracurricular Activities	477,385	559,690	498,683	661,129	654,737	466,894	445,042	400,549	428,693	429,787
Operating Grants and Contributions	1,956,685	1,882,104	1,861,606	2,457,931	2,807,540	1,736,497	1,965,116	2,419,460	2,670,178	3,017,552
Capital Grants and Contributions	82,048	87,221	66,281	2,750	0	0	0	0	0	0
Total Government Revenues	3,689,962	3,794,616	3,855,570	4,769,456	5,102,495	3,894,257	4,018,139	4,658,084	5,072,655	5,431,983
Net (Expense)/Revenue	(\$31,874,904)	(\$37,790,273)	(\$36,601,661)	(\$33,456,878)	(\$32,902,641)	(\$34,633,212)	(\$37,132,561)	(\$38,641,605)	(\$39,259,674)	(\$41,275,761)

Source: District Records

Little Miami Local School District
 General Revenues and Total Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue	(\$31,874,904)	(\$37,790,273)	(\$36,601,661)	(\$33,456,878)	(\$32,902,641)	(\$34,633,212)	(\$37,132,561)	(\$38,641,605)	(\$39,259,674)	(\$41,275,761)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes										
Property Taxes Levied for General Purposes	16,839,680	11,856,898	15,101,156	14,090,929	16,606,360	19,828,136	25,872,882	22,760,673	32,504,936	18,748,608
Property Taxes Levied for Debt Service Purposes	2,886,432	4,437,645	4,544,726	3,983,918	4,524,489	3,955,618	4,869,227	4,533,662	7,523,448	3,359,022
Property Taxes Levied for Capital Projects	1,155,361	2,131,128	2,181,385	1,941,394	2,142,772	1,898,649	2,064,695	1,788,971	2,585,156	1,570,345
Grants and Entitlements not Restricted to Specific Programs	10,124,545	10,885,644	13,194,622	13,073,025	12,231,470	13,015,177	13,917,053	14,696,369	15,844,854	16,112,611
Revenue in Lieu of Taxes	19,096	15,276	7,638	0	0	0	922,003	672,206	221,235	466,081
Unrestricted Contributions	5,000	23,000	38,153	60,954	24,198	4,497	14,844	3,500	4,600	4,600
Investment Earnings	2,164,835	3,104,294	647,119	26,794	22,454	34,152	25,943	12,083	38,977	84,776
Other Revenues	143,834	10,774	49,447	361,906	240,894	282,872	143,192	316,067	141,649	89,129
Total Government	33,338,783	32,464,659	35,764,246	33,538,920	35,792,637	39,019,101	47,829,839	44,783,531	58,864,855	40,435,172
Change in Net Position	\$1,463,879	(\$5,325,614)	(\$837,415)	\$82,042	\$2,889,996	\$4,385,889	\$10,697,278	\$6,141,926	\$19,605,181	(\$840,589)

Source: District Records

Little Miami Local School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	Fiscal Year									
	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016
General Fund										
Reserved	\$3,557,738	\$885,316	\$1,596,570	\$1,169,299	\$0	\$0	\$0	\$0	\$0	\$20,397
Unreserved	(2,478,941)	(64,274)	(4,729,409)	(6,270,746)	477,807	915,473	1,245,742	827,725	899,067	1,913,340
Nonspendable					(5,997,505)	(1,406,276)	8,549,240	15,001,571	28,612,493	25,946,272
Assigned					(5,519,698)	(490,803)	9,794,982	15,829,296	29,511,560	27,880,009
Unassigned										
Total General Fund	1,078,797	821,042	(3,132,839)	(5,101,447)						
All Other Governmental Funds										
Reserved	6,336,530	22,781,577	4,936,965	2,849,258						
Unreserved, Reported in:										
Special Revenue Funds	245,040	179,217	451,700	619,858						
Debt Service Funds	2,793,519	(4,139,543)	(3,544,335)	(3,394,624)						
Capital Project Funds	43,173,428	5,823,655	1,161,074	(2,237,829)						
Permanent Fund	3,818	3,477	4,180	4,261						
Nonspendable					18,000	24,627	18,000	18,000	18,000	19,033
Restricted					6,229,992	5,024,644	4,470,791	3,219,797	5,813,572	2,899,578
Committed					0	1,243,505	1,363,819	1,144,188	2,045,898	1,613,089
Unassigned					(103,855)	(173,946)	(57,127)	(83,326)	(87,555)	(134,115)
Total All Other Governmental Funds	\$52,552,335	\$24,648,383	\$3,009,584	(\$2,159,076)	\$6,144,137	\$6,118,830	\$5,795,483	\$4,298,659	\$7,789,915	\$4,397,585

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

Little Miami Local School District
 Governmental Funds Revenues
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$20,607,952	\$17,924,619	\$22,425,666	\$19,953,984	\$22,535,644	\$25,675,994	\$32,779,040	\$29,118,489	\$42,889,932	\$23,582,373
Revenue in Lieu of Taxes	0	0	0	0	0	0	922,003	672,206	221,235	466,081
Tuition and Fees	54,409	221,828	261,048	494,148	567,229	612,398	600,891	756,017	851,290	804,046
Investment Earnings	2,164,835	3,104,294	647,119	26,794	22,454	34,152	25,943	12,083	38,977	84,776
Intergovernmental	12,144,572	12,836,753	15,116,440	15,385,702	15,647,565	14,688,786	16,067,626	17,052,749	18,317,896	18,718,662
Extracurricular Activities	476,255	558,870	497,159	661,129	641,898	466,895	437,543	400,389	444,423	429,787
Charges for Services	1,114,702	1,025,719	1,146,939	1,126,976	1,030,845	980,901	1,014,299	961,062	990,608	1,072,607
Other Revenues	186,318	157,755	123,843	452,132	320,075	384,936	158,327	473,666	262,405	201,720
Total Revenues	\$36,749,043	\$35,829,838	\$40,218,214	\$38,100,865	\$40,765,710	\$42,844,062	\$52,005,672	\$49,446,661	\$64,016,766	\$45,360,052

Source: District Records

Little Miami Local School District
 Governmental Funds Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction:										
Regular	\$13,157,586	\$13,935,470	\$15,508,213	\$14,752,453	\$13,526,730	\$12,300,313	\$13,736,813	\$13,910,565	\$15,198,594	\$16,133,902
Special	2,815,148	3,139,401	3,813,960	4,262,943	4,451,044	4,419,916	4,914,429	5,102,366	5,630,028	6,053,881
Other	815,382	937,990	944,444	1,622,023	2,103,791	2,903,905	2,589,288	2,723,262	2,697,418	2,662,039
Support Services:										
Pupil	1,382,891	1,414,561	1,366,975	1,188,798	1,127,593	1,253,758	1,310,976	1,385,974	1,512,523	1,490,655
Instructional Staff	1,401,895	1,641,364	1,519,276	667,837	606,653	527,860	760,271	1,487,883	1,500,934	1,917,262
General Administration	37,589	43,126	38,425	22,205	23,342	21,763	34,792	23,814	34,317	29,014
School Administration	2,350,443	2,710,327	2,650,965	2,347,282	2,166,966	1,936,199	1,877,565	2,294,178	2,531,262	2,712,772
Fiscal	722,701	770,838	785,252	690,748	628,389	573,800	690,989	789,965	854,668	885,483
Business	177,924	215,824	259,827	223,148	154,153	180,312	203,335	217,565	263,955	234,143
Operations and Maintenance	2,746,461	5,341,334	2,917,789	3,064,661	2,462,110	2,914,918	3,302,095	3,522,381	3,627,734	3,626,521
Pupil Transportation	3,786,978	3,498,520	3,009,144	2,576,471	2,570,146	2,803,687	3,372,524	3,800,243	3,807,687	4,116,623
Central	1,397,072	1,192,014	1,103,576	654,440	511,372	582,952	717,175	294,186	581,649	513,048
Operation of Non-Instructional Services	1,460,834	1,557,860	1,453,829	1,284,886	1,278,701	1,266,665	1,404,309	1,432,165	1,505,331	1,537,361
Extracurricular Activities	943,335	971,917	957,444	716,061	572,045	433,345	506,496	491,404	539,607	631,169
Capital Outlay	4,289,606	25,242,791	24,625,993	4,996,227	495,469	434,523	697,468	1,189,556	53,671	54,467
Debt Service:										
Principal Retirement	1,288,514	3,223,495	2,683,282	3,365,193	3,636,516	2,633,051	3,439,207	3,670,747	2,783,117	3,943,086
Interest and Fiscal Charges	2,174,707	2,849,713	2,784,500	2,802,757	2,545,728	2,653,507	2,645,088	2,578,417	3,720,751	3,842,507
Total Expenditures	\$40,949,066	\$68,686,545	\$66,422,894	\$45,238,133	\$38,860,748	\$37,840,474	\$42,202,820	\$44,914,671	\$46,843,246	\$50,383,933
Debt Service as a Percentage of Noncapital Expenditures	9.77%	14.10%	13.17%	15.50%	15.94%	13.97%	14.62%	14.31%	14.00%	15.57%

Source: District Records

Little Miami Local School District
 Other Financing Sources and Uses and Net Change in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses):										
Refunding Bond Issuance Cost	(\$403,082)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments to Refunded Bond Escrow Agent	(\$50,247,945)	0	0	0	0	0	0	0	0	0
Sale of Refunding Bonds	47,199,949	0	0	0	0	0	0	0	0	0
Issuance of Long-Term Capital-Related Debt	0	3,890,000	0	0	5,980,000	0	0	0	0	0
Bond Premium	3,451,078	0	0	0	0	0	0	0	0	0
Issuance of Capital Leases	0	805,000	612,000	0	0	0	159,586	0	0	0
Proceeds from Sale of Assets	14,139	0	0	0	0	0	0	5,500	0	0
Transfers In	98,315	6,363,668	908,009	67,500	2,683,370	0	0	0	0	0
Transfers (Out)	(98,315)	(6,363,668)	(908,009)	(67,500)	(2,683,370)	0	0	0	0	0
Total Other Financing Sources (Uses)	14,139	4,695,000	612,000	0	5,980,000	0	159,586	5,500	0	0
Net Change in Fund Balances	(\$4,185,884)	(\$28,161,707)	(\$25,592,680)	(\$7,137,268)	\$7,884,962	\$5,003,588	\$9,962,438	\$4,537,490	\$17,173,520	(\$5,023,881)

Source: District Records

Little Miami Local School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years (1)
 Schedule 8

Collection Year	Total Real Property (2) Assessed Value	Tangible Personal Property Assessed Value	Public Utilities Personal Assessed Value	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2006	\$592,076,770	\$15,454,360	\$17,618,400	\$625,149,530	\$1,771,083,754	42.59
2007	728,562,760	12,464,370	17,675,510	758,702,640	2,149,140,876	42.59
2008	772,340,910	6,483,090	16,055,240	794,879,240	2,248,675,914	42.59
2009	738,820,740	1,362,310	18,195,960	758,379,010	2,134,561,600	42.59
2010	750,654,640	0	10,680,990	761,335,630	2,155,408,533	42.59
2011	755,555,300	0	17,189,860	772,745,160	2,175,919,289	56.54
2012	721,886,880	0	20,990,510	742,877,390	2,083,524,453	58.33
2013	726,351,370	0	22,549,160	748,900,530	2,097,838,789	58.33
2014	742,522,960	0	23,965,470	766,488,430	2,145,459,641	59.55
2015	823,068,350	0	24,509,940	847,578,290	2,376,133,797	54.74

Source: Warren County Auditor

- (1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information
- (2) - The split between Residential and Commercial Real Property was not available from the Warren County Auditor

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Little Miami Local School District
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Fiscal Year	District Direct Rate		Emergency	Perm Imp	District Direct Rates	Warren County	Warren/Clinton			Overlapping Rates				Hamilton Township Fire	Salam Public Library
	General	Debt Service					Warren County	Hamilton Township Exc	Warren/Clinton Mental Health	Warren County JVS	Hamilton Township	Warren County Health District			
2006	33.34	6.25	0.00	3.00	42.59	6.71	5.00	1.00	4.50	1.00	0.50	5.00	0.00		
2007	33.34	6.25	0.00	3.00	42.59	6.71	5.30	1.00	4.50	1.00	0.50	5.00	0.00		
2008	33.34	6.25	0.00	3.00	42.59	6.71	5.30	1.00	4.50	1.00	0.50	5.00	0.00		
2009	33.34	6.25	0.00	3.00	42.59	5.78	4.30	1.00	4.50	1.00	0.50	5.00	0.50		
2010	33.34	6.25	0.00	3.00	42.59	5.78	5.30	1.00	4.50	1.00	0.50	5.00	0.50		
2011	33.34	6.25	13.95	3.00	56.54	7.78	5.30	1.00	4.50	1.00	0.50	5.00	0.50		
2012	33.34	7.58	14.41	3.00	58.33	7.78	5.30	1.00	4.50	1.00	0.50	5.00	0.50		
2013	33.34	7.58	14.41	3.00	58.33	7.78	5.30	1.00	4.50	1.00	0.50	5.00	0.50		
2014	33.34	9.31	13.90	3.00	59.55	7.78	5.30	1.00	4.50	1.00	1.00	5.00	0.50		
2015	33.34	5.70	12.70	3.00	54.74	7.78	5.30	1.00	4.50	1.00	1.00	5.00	0.50		

Source: Warren County Auditor

Little Miami Local School District
Principal Property Tax Payers
Current Calendar Year and Nine Years Ago
Schedule 10

Taxpayer	2015	
	Tangible Personal and Real Property	Percentage of Total Assessed Value
Duke Energy Ohio	\$3,854,130	0.45%
Dayton Power & Light	3,689,190	0.44%
Tournament Players Club	3,136,290	0.37%
Ohio Power Co	950,790	0.11%
SSP Hamilton Twp LLC	913,950	0.11%
Christmas Ranch LLC	991,250	0.12%
3085 Investments LLC	640,360	0.08%
Morrow Plaza LLC	621,020	0.07%
Pinecrest Real Estate	611,260	0.07%
Piedmont Limited Ohio	524,710	0.06%
Total Principal Property Tax Payers	15,932,950	1.88%
All Others	831,645,340	98.12%
Total Assessed Value	\$847,578,290	100.00%

Taxpayer	2006	
	Tangible Personal and Real Property	Percentage of Total Taxable Value
Duke Realty Ohio	\$13,006,017	2.27%
Metropolitan Life Ins	661,088	0.12%
Mason Christian Village	6,094,350	1.06%
Cintas Sales Corp	5,547,927	0.97%
Northeast Cincinnati Hotel	5,534,343	0.96%
Cinergy	5,060,443	0.88%
Twin Fountains of Mason	4,549,300	0.79%
Sterling Lakes Apts	4,418,995	0.77%
Kenwood Lincoln Mercury	4,040,085	0.70%
A Mold Corp	3,882,854	0.68%
Total Principal Property Tax Payers	52,795,402	9.20%
All Others	521,416,788	90.81%
Total Assessed Value	\$574,212,190	100.00%

Source: Warren County Auditor

Little Miami Local School District
 Property Tax Levies and Collections
 Last Ten Calendar Years
 Schedule 11

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2006	\$16,899,437	\$16,412,829	97.12%	\$486,608	\$16,899,437	100.00%
2007	21,661,098	20,914,159	96.55%	546,909	21,461,068	99.08%
2008	23,104,411	22,246,531	96.29%	797,816	23,044,347	99.74%
2009	24,257,567	23,506,794	96.90%	750,773	24,257,567	100.00%
2010	23,937,014	23,211,922	96.97%	663,426	23,875,348	99.74%
2011	24,360,108	23,785,268	97.64%	574,840	24,360,108	100.00%
2012	34,926,886	33,854,314	96.93%	710,482	34,564,796	98.96%
2013	36,109,131	35,317,901	97.81%	791,230	36,109,131	100.00%
2014	36,469,004	35,706,641	97.91%	859,328	36,469,004	100.00%
2015	37,170,146	37,159,376	99.97%	845,566	37,170,146	100.00%

Source: Warren County Auditor

(1) - Taxes levied and collected are presented on a cash basis

(2) - State reimbursements of rollback and homestead exemptions are included

Little Miami Local School District
 Outstanding Debt by Type
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	Governmental Activities				Restricted For Debt Service	Net General Obligation Notes & Bonds	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Estimated Value	Total Outstanding Debt	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Energy Conservation Notes	Capital Leases								
2007	\$73,022,273	\$206,250	\$1,735,236		\$2,946,305	\$70,282,218	\$350	3.97%	\$74,963,759	1.00%	\$374
2008	74,945,616	137,500	2,135,491		(3,928,311)	79,011,427	385	3.68%	77,218,607	0.98%	376
2009	73,528,293	68,750	2,227,959		(3,129,775)	76,726,818	368	3.41%	75,825,002	0.91%	363
2010	71,817,922	0	1,376,516		(3,285,903)	75,103,825	356	3.52%	73,194,438	0.88%	347
2011	75,273,847	0	1,060,000		2,371,400	72,902,447	342	3.38%	76,333,847	0.88%	358
2012	73,661,062	0	902,000		2,400,782	71,260,280	331	3.27%	74,563,062	0.79%	346
2013	71,249,551	0	863,404		2,611,267	68,638,284	316	3.29%	72,112,955	0.73%	332
2014	69,981,654	0	696,908		2,392,259	67,589,395	308	3.22%	70,678,562	0.70%	322
2015	66,968,623	0	523,686		4,945,289	62,023,334	280	2.89%	67,492,309	0.61%	304
2016	62,340,880	0	344,722		1,991,452	60,349,428	269	2.54%	62,685,602	0.54%	279

Sources: District Records, Warren County Auditor and Bureau of Economic Analysis

(2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County

Little Miami Local School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2015
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Clermont County	\$0	0.03%	\$0
Warren County	1,300,000	13.69%	177,970
City of Loveland	6,950,000	8.61%	598,395
Village of Maineville	39,504	100.00%	39,504
Goshen Township	2,020,000	0.43%	8,686
Hamilton Township	1,865,000	77.89%	1,452,649
Harlan Township	880,000	75.95%	668,360
Salem Township	1,765,000	98.03%	1,730,230
Turtle Creek Township	720,000	0.02%	144
Union Township	144,357	4.56%	6,583
Warren County Career Center	525,000	20.45%	107,363
Subtotal Overlapping Debt	16,208,861		4,789,884
District Direct Debt	62,685,602	100.00%	62,685,602
Total Direct and Overlapping Debt	\$78,894,463		\$67,475,486

Source: Ohio Municipal Advisory Council

(1) - The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the District's boundaries and dividing it by the county's total taxable assessed value.

Little Miami Local School District
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2016

	\$847,578,290
Assessed value (1)	76,282,046
Debt limit (9% of assessed value)	62,685,602
Debt applicable to limit	\$13,596,444
Legal debt margin (2)	

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$56,263,458	\$68,283,238	\$71,539,132	\$68,254,111	\$68,520,207	\$69,547,064	\$66,858,965	\$67,401,048	\$68,983,959	\$76,282,046
Total Net Debt Applicable to Limit	74,963,759	77,218,607	75,825,002	73,194,438	76,333,847	74,563,062	72,112,955	70,678,562	67,492,309	62,685,602
Legal Debt Margin	(\$18,700,301)	(\$8,935,369)	(\$4,285,870)	(\$4,940,327)	(\$7,813,640)	(\$5,015,998)	(\$5,253,990)	(\$3,277,514)	\$1,491,650	\$13,596,444

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	133.24%	113.09%	105.99%	107.24%	111.40%	107.21%	107.86%	104.86%	97.84%	82.18%
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Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2016 is calendar year 2015)

(2) - The District has obtained consent of the State Tax Commissioner and the Superintendent of Public Instruction to issue debt beyond the nine percent debt limitation and has qualified as a "special needs" district.

Little Miami Local School District
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2006	200,630	\$7,470,280	\$37,234	4.8%
2007	205,258	7,914,338	38,558	4.6%
2008	208,640	8,343,399	39,989	5.5%
2009	211,231	8,329,109	39,431	8.7%
2010	213,252	8,665,583	40,635	8.8%
2011	215,406	9,399,252	43,635	7.6%
2012	217,310	9,942,485	45,753	6.5%
2013	219,169	10,131,284	46,226	6.3%
2014	221,659	10,990,640	49,584	4.8%
2015	224,469	11,572,120	51,553	5.0%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for all of Warren County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Market Information -- Annual Average

Little Miami Local School District
Major Employers (1)
Current Fiscal Year and Fiscal Period Eight Year Ago (2)
Schedule 16

2016			
Major Employers (3)	Type (4)	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Mfg	(4)	(5)
Atrium Medical Center	Serv	(4)	(5)
Cedar Fair/Kings Island	Serv	(4)	(5)
Cengage Learning Inc	Serv	(4)	(5)
Cintas Corp	Mfg	(4)	(5)
Kraft Heinz/Portion Pac, Inc.	Mfg	(4)	(5)
L-3 Cincinnati Electronics	Mfg	(4)	(5)
Luxottica Group SpA	Mfg	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mason Local Schools	Govt	(4)	(5)
Proctor & Gamble Co	R&D	(4)	(5)
State of Ohio	Govt	(4)	(5)
WellPoint Inc/Anthem	Ins	(4)	(5)

2008			
Major Employers (3)	Type (4)	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Manufacturing	(4)	(5)
Blackhawk Automotive Plastics Inc	Manufacturing	(4)	(5)
Cedar Fair/Kings Island	Amusement Service	(4)	(5)
Cintas Corp	Manufacturing	(4)	(5)
HJ Heinz/Portion Pac Inc	Manufacturing	(4)	(5)
Luxottica Group SpA	Manufacturing	(4)	(5)
Macy's Inc	Retail Trade	(4)	(5)
Mason Local Bd of Ed	Government	(4)	(5)
Procter & Gamble Co	Research and Development	(4)	(5)
State of Ohio	Government	(4)	(5)
Sumco Phoenix	Manufacturing	(4)	(5)
WellPoint Inc/Anthem	Insurance	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Warren County

(2) - Only current fiscal year and fiscal period eight year ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

Little Miami Local School District
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Official/Administrative										
Administrative Assistant	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00
Assistant Principal	3.00	4.00	3.00	3.00	2.00	0.00	0.00	2.00	3.00	4.00
Principals	7.00	7.00	6.00	6.00	6.00	7.00	7.00	6.00	8.00	6.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervising/Managing/Directing	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00
Treasurer	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinator	4.30	5.41	5.00	1.78	1.78	1.00	1.00	2.00	2.00	1.00
Education Administrative Specialist	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Director	0.00	0.00	4.00	3.00	2.00	2.00	2.00	2.00	2.00	6.00
Total Official/Administrative	19.30	22.41	21.00	15.78	13.78	12.00	12.00	14.00	19.00	23.00
Professional - Educational										
Curriculum Specialist	0.81	0.40	1.00	1.00	1.50	0.50	1.00	1.00	1.00	5.00
Counseling	5.37	5.00	5.00	5.00	4.33	6.00	6.00	6.00	6.00	8.00
Librarian/Media	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Remedial Specialist	7.60	11.70	9.00	2.10	2.00	3.00	4.00	4.00	3.00	4.00
Regular Teaching	157.50	161.42	166.47	164.15	158.32	151.55	153.66	159.26	153.00	154.00
Special Education Teaching	22.50	13.79	14.74	11.32	10.61	9.29	11.82	14.62	21.00	18.00
Vocational Education Teaching	1.00	1.00	1.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Educ. Service Personnel Teacher	18.03	18.11	19.22	9.13	8.26	11.06	16.05	16.54	14.80	14.80
Supplemental Service Teacher (Special Education)	2.00	13.50	14.00	13.86	17.98	19.18	16.00	18.00	16.00	17.00
Teacher Mentor/Evaluator	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Professional - Education	215.81	225.92	232.43	207.56	204.00	201.58	210.53	222.42	217.80	223.80
Professional - Other										
Accounting	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	2.00	2.00
Dietitian/Nutritionist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Publicity Relations	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Registered Nursing	3.50	3.50	3.50	3.00	2.00	3.00	5.00	6.00	6.53	6.53
Physical Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Speech and Language Therapist	3.00	3.35	2.80	3.00	4.00	3.50	3.50	3.50	3.80	3.80
Occupational Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical Therapy Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning/Research Development	0.00	0.00	0.00	1.00	0.50	0.50	0.00	0.00	0.00	0.00
Total Professional - Other	8.50	8.85	8.30	8.00	8.50	9.00	11.50	12.50	14.33	14.33
Technical										
Computer Operating	0.00	0.00	0.00	5.00	2.00	2.00	2.00	1.00	2.00	2.00
Practical Nursing	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Library Aide	4.50	5.50	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Technical	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Total Technical	6.50	7.50	9.00	7.00	4.00	3.00	3.00	2.00	3.00	3.00

Source: State Department of Education

Little Miami Local School District
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17 (Continued)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Office/Clerical										
Records Managing	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Bookkeeping	3.00	3.00	3.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerical	14.70	17.70	18.70	13.00	13.63	12.58	14.62	14.29	14.62	14.62
Teaching Aide	11.74	16.46	11.71	4.00	4.95	4.95	6.65	7.80	7.73	7.73
Other Office/Clerical	0.50	1.50	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Office/Clerical	<u>29.94</u>	<u>39.66</u>	<u>35.91</u>	<u>20.00</u>	<u>20.58</u>	<u>19.53</u>	<u>23.27</u>	<u>24.09</u>	<u>24.35</u>	<u>24.35</u>
Crafts and Trades										
General Maintenance	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mechanic	3.00	5.00	3.00	3.00	2.00	2.00	2.00	2.00	4.00	4.00
Foreman	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Total Crafts and Trades	<u>6.00</u>	<u>7.00</u>	<u>5.00</u>	<u>5.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>5.00</u>	<u>5.00</u>
Operative										
Dispatching	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Vehicle Operator (Buses)	44.23	53.23	53.43	33.01	31.37	32.18	40.02	45.34	47.07	47.07
Vehicle Operator (Other than Buses)	0.00	2.00	0.00	1.25	1.25	1.21	1.25	1.25	1.92	1.92
Total Operative	<u>46.23</u>	<u>57.23</u>	<u>55.43</u>	<u>35.26</u>	<u>33.62</u>	<u>34.39</u>	<u>42.27</u>	<u>47.59</u>	<u>49.99</u>	<u>49.99</u>
Service Work/Laborer										
Attendance Officer	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Custodian	21.19	22.19	21.19	20.76	18.18	18.18	19.00	22.00	22.00	22.00
Food Service	16.99	20.39	22.58	19.16	19.65	19.90	19.42	22.85	21.96	21.96
Monitoring	0.00	0.00	0.00	3.93	4.28	2.53	2.57	5.70	7.37	7.37
Groundskeeping	2.00	2.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Attendant	18.22	23.72	33.65	28.57	30.11	28.79	29.61	33.53	36.77	36.77
Total Service Work/Laborer	<u>58.40</u>	<u>68.30</u>	<u>79.42</u>	<u>73.42</u>	<u>74.22</u>	<u>71.40</u>	<u>72.60</u>	<u>86.08</u>	<u>90.10</u>	<u>90.10</u>
Total Employees	<u>390.68</u>	<u>436.87</u>	<u>446.49</u>	<u>372.02</u>	<u>362.70</u>	<u>354.90</u>	<u>379.17</u>	<u>412.68</u>	<u>423.57</u>	<u>433.57</u>

Source: State Department of Education

Little Miami Local School District
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2007	3,754	\$31,506,544	\$8,393	10.27%	\$35,564,866	\$9,474	12.47%	202.00	18.6	11.60%
2008	3,978	43,443,754	10,921	30.12%	41,584,889	10,454	10.34%	209.00	19.0	12.00%
2009	4,313	41,796,901	9,691	(11.26%)	40,457,231	9,380	(10.27%)	214.40	20.1	15.30%
2010	4,323	40,241,906	9,309	(3.94%)	38,226,334	8,843	(5.73%)	195.86	22.1	19.40%
2011	4,073	38,365,279	9,419	1.19%	38,005,136	9,331	5.52%	191.74	21.2	19.60%
2012	3,823	37,405,951	9,784	3.88%	38,527,469	10,078	8.00%	184.08	20.8	23.10%
2013	3,976	41,505,352	10,439	6.69%	41,150,700	10,350	2.70%	192.53	20.7	21.80%
2014	4,173	43,725,115	10,478	0.37%	43,299,689	10,376	0.25%	203.42	20.5	20.80%
2015	4,308	40,285,707	9,351	(10.75%)	44,332,329	10,291	(0.82%)	209.80	20.5	20.82%
2016	4,450	50,329,466	11,310	20.94%	46,707,744	10,496	2.00%	210.80	21.1	20.06%

Source: District Records

Little Miami Local School District
 School Building Information
 Last Ten Fiscal Years
 Schedule 19

School	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Little Miami High School (2000)										
Square Feet	140,090	140,090	204,589	214,894	214,894	214,894	214,894	214,894	214,894	214,894
Capacity	905	905	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,023	1,054	1,435	1,102	1,338	1,314	1,037	1,080	938	985
Little Miami Intermediate (1975)/Salem Elementary (2)										
Square Feet	40,560	40,560	40,560	110,442	110,442	110,442	110,442	110,442	110,442	110,442
Capacity	450	450	450	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	563	612	830	886	821	976	1,022	1,011	1,102	1,139
Little Miami Junior High (1956)/New Junior High (2009) (2)										
Square Feet	108,000	108,000	108,000	109,000	109,000	109,000	109,000	109,000	109,000	109,000
Capacity	675	675	675	800	800	800	800	800	800	800
Enrollment	549	584	619	959	610	858	584	622	720	768
Little Miami Intermediate (2009) (2)										
Square Feet	N/A	N/A	N/A	104,000	104,000	104,000	104,000	104,000	104,000	104,000
Capacity	N/A	N/A	N/A	800	800	800	800	800	800	800
Enrollment	N/A	N/A	N/A	850	824	675	653	698	748	754
Harlan-Butterville Elementary School (1979)										
Square Feet	40,140	40,140	40,140	20,002	20,002	20,002	20,002	20,002	20,002	20,002
Capacity	300	300	300	250	250	250	250	250	250	250
Enrollment (1)	1,619	251	219	A	A	A	177	220	271	265
Hamilton-Maineville Elementary School (1975)										
Square Feet	56,385	56,385	56,385	42,100	42,100	42,100	42,100	42,100	42,100	42,100
Capacity	515	515	515	525	525	525	525	525	525	525
Enrollment	N/A	940	625	526	480	A	503	506	529	539
Morrow Elementary School (1975)										
Square Feet	92,664	92,664	92,664	50,291	50,291	50,291	50,291	50,291	50,291	50,291
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	N/A	537	585	A	A	A	A	A	A	A

Source: District Records

(1) - Enrollment number includes all three elementary schools combined

(2) - September 2009 a new Junior High and Intermediate School were opened and Salem Elementary occupied the previous spaces held by the aforementioned buildings

A - Building was not open for the school year

N/A - Information not available

LITTLE MIAMI LOCAL SCHOOL DISTRICT



Single Audit Reports

June 30, 2016

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed Through Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	3L70	10.553	\$80,022	\$0
National School Lunch Program	3L60	10.555	418,299	99,601
Total Nutrition Cluster			498,321	99,601
Total U.S. Department of Agriculture			498,321	99,601
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed Through Ohio Department of Education:				
Special Education Cluster:				
Special Education-Grants to States	3M20	84.027	685,159	0
Special Education-Preschool Grants	3C50	84.173	6,792	0
Total Special Education Cluster			691,951	0
Title I Grants to Local Educational Agencies	3M00	84.010	332,381	0
Improving Teacher Quality	3Y60	84.367	97,488	0
Total Department of Education			1,121,820	0
Total Federal Assistance			\$1,620,141	\$99,601

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared using the cash basis of accounting.

The information in this schedule is presented in accordance with the requirements of 2 CFR 200, Subpart F. The District did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education
Little Miami Local School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Little Miami Local School District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 29, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE**

Board of Education
Little Miami Local School District

Report on Compliance for Each Major Federal Program

We have audited the Little Miami Local School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 29, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 29, 2016

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
June 30, 2016**

Summary of Prior Audit Findings:

None Noted



Dave Yost • Auditor of State

LITTLE MIAMI LOCAL SCHOOL DISTRICT

WARREN 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
MARCH 30, 2017