



*Comprehensive Annual Financial Report*

*Fiscal Year Ending June 30, 2017*



Cincinnati, Ohio

*Serving the Communities of Delhi Township & Green Township*

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# Dave Yost • Auditor of State

Board of Education  
Oak Hills Local School District  
6325 Rapid Run Road  
Cincinnati, Ohio 45233

We have reviewed the *Independent Auditor's Report* of the Oak Hills Local School District, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2016 through June 30, 2017. 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 Oak Hills 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

January 25, 2018

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**OAK HILLS LOCAL SCHOOL DISTRICT**  
**Cincinnati, Ohio**

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**Comprehensive Annual Financial Report**  
**For The Fiscal Year Ended June 30, 2017**

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**Prepared By:**  
**Office Of The Treasurer**  
**Steven R. Bain, Treasurer**

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# INTRODUCTORY SECTION



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December 11, 2017

To the Citizens and Board of Education of the Oak Hills Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Oak Hills Local School District (District) for the fiscal year ended June 30, 2017. This report was prepared by the Treasurer's office in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and includes an unmodified opinion from Plattenburg & Associates, Inc. Responsibility for accurate, complete and fair representation of data, including all disclosures, rests with the District. This report will provide the taxpayers of the Oak Hills 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 District provides a full range of traditional and 21<sup>st</sup> century educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advance placement, gifted, special education and vocational levels; a broad range of co-curricular and extra-curricular activities; and adult and community education offerings and community recreation activities.

In addition to these general activities, the District acts as the fiscal agent for State funds distributed to non-public parochial schools located within the District boundaries. This activity is included in the District's reporting entity as Auxiliary Services, a special revenue fund, because the District has administrative involvement in the programs. The schools served are: Our Lady of Victory, Our Lady of Visitation, St. Aloysius Gonzaga, St. Dominic, St. Jude and the Children's House. While these organizations are similar in operations and services provided, each is distinct and separate entities whose financial statements are not included in this report.

## **ECONOMIC CONDITION AND OUTLOOK**

The District is located in southwestern Ohio, a suburb of Cincinnati, in the southwestern part of Hamilton County. Approximately 88% of the District's tax base consists of residential and agricultural properties with the remainder composed of a wide range of commercial and other business properties. The overall economic outlook for the area remains stable with relatively low unemployment rates and low inflationary pressures.

The Oak Hills school community has high expectations for the District. We strive to provide the best educational opportunities to every student with the resources we are provided. For the 2016-17 school year, Oak Hills earned the following letter grades on the state report card: Achievement: C, Progress: A, Graduation Rate: A, Gap Closing: B and Prepared for Success: C. Oak Hills earned these high ratings while maintaining one of the lowest expenditures per pupil in Hamilton County and maintaining a cost per pupil lower than the state average.

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. Since the 1970s through FY 2009, with the exception of a few years, Ohio's funding formula was foundation based by means of which a per pupil amount determined by the General Assembly as the per-pupil resource for provision of a basic adequate education was multiplied by the number of pupils to determine the base funding of the school districts. From this product, the local share of the basic adequate amount (or the charge off) was subtracted to arrive at the state share of the base funding. Additional funding was also provided for services targeted to categories of pupils such as handicapped, vocational, gifted, and economically disadvantaged as well as some adjustments and funding guarantees. The 2010-11 biennial budget (Am. Sub. H.B. 1 of the 128th General Assembly), established a new funding formula called the Evidence-Based Model (EBM). Am. Sub. H.B. 153 of the 129th General Assembly repealed the EBM and implemented a temporary funding formula for the 2012-13 biennial budget as a new school funding formula is developed. The temporary formula was called the Bridge formula. The Bridge formula provided for a simplified approach to fund distribution based on FY 2011 total calculated amounts on per pupil basis for both FY 2012 and FY 2013. However, the State revised the funding model in June, 2013 and adopted HB 59, the FY 14 and FY 15 biennium budget which again changed our funding formula, but not our funding. Under this new model, the District received minimal increases in our level of State funding. The increase projected for the current biennium budget (H.B. 49) is an increase of 3% for fiscal year 2018 and 2019, respectively. House Bill 49 considers enrollment and valuation when determining allocations to each school district.

Given the uncertainty of the school funding formula and the economic conditions within the State, the level at which the State will fund schools in the future remains uncertain. The District remains concerned about the instability of the state economy and the political ramifications of changing the funding formula every two years. We plan carefully and prudently to provide resources to meet the needs of our students but the uncertainty of state funding challenges our planning.

## **THE DISTRICT AND ITS FACILITIES**

The Oak Hills Local School District represents a prior consolidation of three elementary districts: Bridgetown, Delhi and Springmyer. The consolidation was finalized by the Hamilton County Board of Education on April 23, 1956 in order to equalize educational opportunities throughout the area. Today, the District operates under current standards as prescribed by the State of Ohio Board of Education, as provided in Division (D) of Section 3301.07 and Section 110.01 of the Ohio Revised Code.

The District serves an area of 28 square miles, encompassing Delhi and Green Townships in Hamilton County. The total District population is reported at 87,880 by census data.

During the 2016-2017 school year, the District served 7,936 students enrolled in five elementary schools (3,569 students), three middle schools (1,849 students) and the one of the largest high school's in the State of Ohio (2,518 students). Enrollment has remained stable over the last decade and is projected to vary only slightly over the next five years. See schedule 19 for additional information (age, capacity, etc.) on the District's school buildings.

The District also operates a variety of other facilities, including: a district office administration building, a maintenance building, a bus compound, and several athletic stadiums across the District.

**ORGANIZATION OF THE SCHOOL DISTRICT**

The Board of Education of the Oak Hills Local School District is a five member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board: (1) serves as the taxing authority, contracting body and policy maker, (2) ensures that all the general laws of the State of Ohio are followed in the expenditures of the District's tax dollars, (3) 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, 2017, were as follows:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Mrs. Jan Hunter	01/01/16 – 12/31/19	15.5
Mr. Paul Cooper	01/01/16 – 12/31/19	1.5
Mrs. Jeannie Schoonover	01/01/14 – 12/31/17	7.5
Mrs. Julie Murphy	01/01/14 – 12/31/17	3.5
Mr. Scott Bischoff	01/01/14 – 12/31/17	3.5

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Jeff Brandt was appointed Superintendent effective January 2, 2017. Mr. Brandt's current contract expires on July 31, 2020. Mr. Brandt received a Bachelor of Science Degree from Northern Kentucky University and a Master of Education degree from Xavier University. Prior to being named Superintendent, Mr. Brandt served in several administrative positions in the Oak Hills Local School District.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mr. Steven R. Bain was appointed Treasurer on August 1, 2014 and is currently serving under a 4 year contract expiring July 31, 2018. Mr. Bain received her B.A. degree from the College of Mt. St. Joseph, and has an Ohio Treasurer License. Mr. Bain served as the Assistant Treasurer for Oak Hills Local School District from 2005-2013, as well as the Treasurer of Southwest Local School District for the 2013-14 school year.

**EMPLOYEE RELATIONS**

The District has over 900 full and part-time employees. This number has decreased slightly over the past few years as part of a concentrated effort to reduce expenditures. There are two organizations representing the certificated and classified employees. The District's administrative employees are not currently represented.

The Oak Hills Education Association (OHEA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. The collective bargaining agreement between the OHEA

and the District included a term of 3 years for fiscal years 2018, 2019, & 2020. OHEA was provided a 2.25% increase (plus steps) for each year of the current contract.

Classified employees are represented by Chapter 200 of the Ohio Association of Public School Employees (OAPSE), an affiliate of the American Federation of State, County and Municipal Employees (AFSCME). OAPSE Chapter 200 represents food service employees, custodians, maintenance employees, building secretaries, mechanics, bus drivers, educational assistants and system support technicians. The collective bargaining agreement between OAPSE Chapter 200 and the District includes a 5 year agreement, ending on June 30, 2019. Wages for fiscal year 2018 and 2019 included increases of 2.25% plus steps.

## **SERVICES PROVIDED**

The District offers regular instructional programs daily to students in grades Pre-K – 12. Just over 200 students participate in specific trades offered through the vocation education program at Great Oaks Institute of Technology and Career Development. Approximately 1,200 students receive special services due to physical or mental disabilities. In grades K-12, we service over 500 students have been identified as gifted.

The District provides a wide variety of education and support services, as mandated by the Ohio Revised Code and as directed by the Board to meet the needs of all students. Student services include guidance, psychological, speech therapy, physical and occupational therapy, transportation, and school lunch. Limited health services are also provided under the guidance of registered nurses throughout the District.

During the 2016-17 school year, the accounting department processed over 4,400 purchase orders and issued over 4,400 checks for good and/or services for the District. Those goods and services include utilities, instructional supplies, computers, software, textbooks, building maintenance, and tuition.

The payroll department issued 24,346 payroll checks to employees entitled to remuneration for services rendered, while 1,117 agency deduction checks were also issued for payroll-associated costs such as taxes, retirement, and insurance.

## **MAJOR CURRENT AND FUTURE INITIATIVES**

### Curriculum Initiatives

“All students attending the Oak Hills Local School District achieve success by graduating with individual skills for career and college readiness and global competence” is the mission statement for the District. As such, we offer rigorous academics and relevant educational experiences. Relationships formed with the larger community help prepare our students for a 21<sup>st</sup> century global marketplace.

Educational opportunities abound for students with Advanced Placement, dual enrollment, gifted programs, special education services, vocational options, and community education. These successful programs are guided by caring, highly qualified teachers and supported by staff that understand and are committed to meeting the needs of each and every child. Among the best, we continue to strive for better.

The District has adopted the Ohio Learning Standards and increased the rigor of curriculum, instruction and assessment. The District revised its curriculum maps and provided professional learning for staff to meet these more rigorous standards. There has also been a significant increase of technology being used to improve teaching and learning.



Due to a competitive global economy and the growing need for a highly skilled workforce, Oak Hills is dedicated to ensuring that all students graduate career and college ready. In grades 6 – 12, the District continued the process of aligning curriculum, instruction, and assessment to Ohio’s learning standards. Our high school is proud to offer a variety of College Board Advanced Placement courses where students can earn both high school and college credit in all available academic disciplines. We have also partnered with Cincinnati State and the University of Cincinnati to offer courses taught by adjunct faculty in the District. Students can earn college and high school credit in these College Credit Plus courses. In addition to course offerings, we offer a variety of Educational Pathways that provide students with an opportunity to focus in a concentrated academic field that could lead to potential college majors or careers.

The expansion of eLearning continues to be a key initiative for Oak Hills. The district offers eLearning opportunities for students, including online and blended courses. As the district continues to develop eLearning opportunities, gaming and coding will become pathways for student pursuit. The District has also implemented a 1:1 student to device ratio.

## **RELEVANT FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING**

The District placed a 4.82 mill emergency general fund operating levy (*5 year term*) in November 2013. The community supported the 4.82 mill levy in November 2013, and as a result the levy passed. This 4.82 mill levy was the first tax increase since the millage transfer in 2007 which established a permanent improvement fund to set aside funds for facility, transportation, curriculum, technology and maintenance needs. Collection for the November 2013 4.82 mill levy began in January 2014. The increases in the general property tax line item on the forecast from Fiscal Year 2013 to Fiscal Year 2015 are a direct reflection of the passage of the 4.82 mill levy in November 2013.

In May 2017, the District requested a 4.82 mill substitute levy from the community. The results of this vote indicated that 48 of 50 precincts supported the substitute levy & the levy passed by a wide margin. Assuming the property valuation of the taxpayer remains stable; *the substitute levy will not increase taxes*. The emergency levy supported in 2013 will expire in 2018 & the substitute levy will begin collection in 2019 (meaning there will be a seamless transition to the property tax line item). The substitute levy will be a continuous levy.

The District is grateful for the community’s support of the 4.82 mill substitute levy in May 2017. The support of our community will allow the District to continue to move forward providing the excellent education our students deserve. The current forecast projects deficit spending beginning in Fiscal Year 2020, and continuing in Fiscal Year 2021 and 2022. The district will begin strategic planning to address the operating budget, curriculum and facilities in the next 12-24 months.

## **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. The Budgetary basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROL**

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. 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 the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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 either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. Appropriations are monitored, changed and amended/adopted on a monthly basis.

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 fund level. 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 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 required supplementary information.

## **INDEPENDENT AUDIT**

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Plattenburg & Associates, Inc. performed the audit for the fiscal year ended June 30, 2017. The auditor's unmodified opinion rendered on the District's basic financial statements is included in the financial section of this Comprehensive Annual Financial Report.

## **AWARDS**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports 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 our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

### **ASBO Certificate of Excellence**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2016, to the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This 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. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, will again conform to ASBO's principles and standards as well, and will be submitted to ASBO for review.

### **ACKNOWLEDGEMENTS**

The preparation of the fiscal year 2017 Comprehensive Annual Financial Report of the Oak Hills Local School District was made possible by the combined efforts of the District Treasurer's Office staff and Plattenburg & Associates, Inc. Sincere appreciation is extended for the time and effort they contributed to prepare this report. Appreciation is also extended to the Board of Education, the District Administrative Team and the Oak Hills school community for their continued support.

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,



Steven R. Bain  
Treasurer



Jeffrey T. Brandt  
Superintendent

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**Oak Hills Local School District, Ohio  
List Of Principal Officials  
June 30, 2017**

**Board Of Education**

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<b>President</b>	<b>Scott Bischoff</b>
<b>Vice President</b>	<b>Janice Hunter</b>
<b>Board Member</b>	<b>Jeannie Schoonover</b>
<b>Board Member</b>	<b>Julie Murphy</b>
<b>Board Member</b>	<b>Paul Cooper</b>

**Administrative Officials**

---

<b>Superintendent</b>	<b>Jeffrey T. Brandt</b>
<b>Treasurer</b>	<b>Steven R. Bain</b>



### Board of Education

Scott Bischoff - President  
Jan Hunter - Vice-President  
Paul Cooper - Board Member  
Julie Murphy - Board Member  
Jeannie Schoonover - Board Member

**Superintendent**  
Jeff Brandt

**Treasurer**  
Steve Bain

**Assistant Superintendent**  
Tim Cybulski

**Assistant Treasurer**  
Jamie Behrle

**Accounts Payable**  
Student Activity  
Payroll  
Insurance/Benefits

**Director of HR**  
Dan Beckenhaupt

**Director of CIA**  
Amy Brennan  
(9-12)

**Student Services Administrator**  
Lis Klotz

**Digital Innovation Administrator**  
Christian Long

**Director of Operations**  
John Beckemeyer

**Food Service Coordinator**  
Linda Eichenberger

**Director of CIA**  
Corey Kessler (K-8)

**Director of Learning Innovation**  
Bridgette Ridley

**Student Services Administrator**  
Rachel Searcy

**Communications & Development Coordinator**  
Emily Buckley

**Transportation Supervisor**  
Jason Nash

**EMIS Coordinator**  
Karen Zahneis

### Oak Hills High School

Principal - Travis Hunt  
AP - Kristin Grote  
AP - Kristi Bashara  
AP - Grant Anderson  
AP - Brooks Klosterman  
AP - Dan Boles

AD - Tony Hemmelgarn

### Bridgetown Middle School

Principal - Adam Taylor  
AP - Jill Wolfe

### Delhi Middle School

Principal - Scott Toon  
AP - Jen Campbell

### Rapid Run Middle School

Principal - Geoff Harold  
AP - Will Beinkemper

### Delshire Elementary School

Principal - Tara Willig

### CO Harrison Elementary School

Principal - Brian Conners  
AP - Amy Marquette

### JF Dulles Elementary School

Principal - Beth Riesenberger  
AP - Candice Lessing

### Oakdale Elementary School

Principal - Emily Winkle  
AP - Matt Page

### Springmyer Elementary School

Principal - Mark Winters



Government Finance Officers Association

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

Presented to

**Oak Hills Local School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Oak Hills Local School District, Ohio**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

**John D. Musso, CAE**  
Executive Director



# FINANCIAL SECTION



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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Oak Hills 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 Oak Hills Local School District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**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 previously 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, 2017, and the respective changes in financial position and, where applicable, cash flows, thereof 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, budgetary comparison information, and schedules of pension liabilities and pension contributions listed in the table of contents 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 11, 2017, 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 11, 2017

**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited)**

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The discussion and analysis of Oak Hills Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. 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 2017 are as follows:

- Net position of governmental activities increased \$4,133,010 which represents a 8% increase from 2016.
- General revenues accounted for \$78,271,743 in revenue or 84% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$14,966,396 or 16% of total revenues of \$93,238,139.
- The District had \$89,105,129 in expenses related to governmental activities; \$14,966,396 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$78,271,743 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 *Government-wide Financial Statements* 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 Fund is the major fund 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 2017?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows of resources, and 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.

**Oak Hills Local School District, Ohio**  
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These two statements report the District's net position and changes in net position. 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, the overall financial position of the District is presented as Governmental Activities – All of the District's programs and services are reported as Governmental Activities including instruction, support services, operation of noninstructional services, extracurricular activities, and interest and fiscal charges.

**Fund Financial Statements**

The analysis of the District's major funds are presented in the Fund Financial Statements. 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**

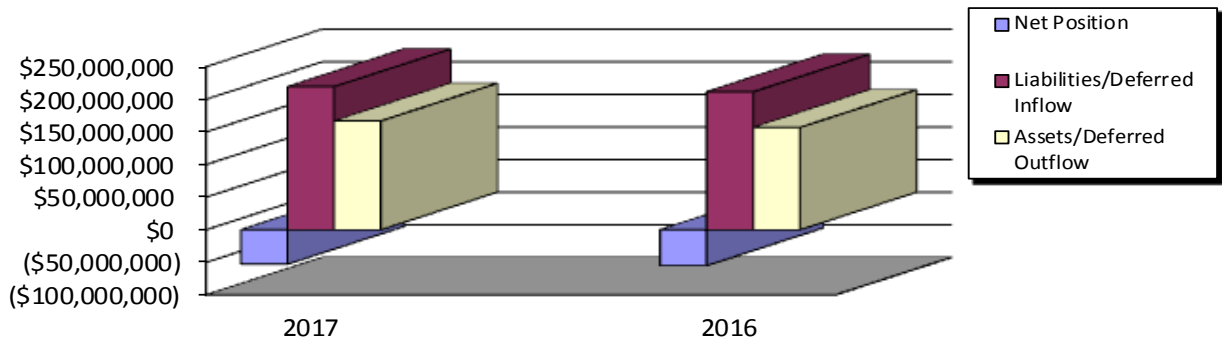
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2017 compared to 2016:

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**Oak Hills Local School District, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited)**

**Table 1  
Net Position**

	Governmental Activities	
	2017	2016
Assets:		
Current and Other Assets	\$87,054,295	\$85,397,423
Capital Assets	54,210,212	53,875,913
Total Assets	141,264,507	139,273,336
Deferred Outflows of Resources	25,584,543	17,593,542
Liabilities:		
Other Liabilities	8,443,382	8,392,017
Long-Term Liabilities	174,836,408	152,861,122
Total Liabilities	183,279,790	161,253,139
Deferred Inflows of Resources	34,117,193	50,294,682
Net Position:		
Net Investment in Capital Assets	20,053,468	17,720,253
Restricted	4,147,982	5,339,785
Unrestricted	(74,749,383)	(77,740,981)
Total Net Position	(\$50,547,933)	(\$54,680,943)



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2017, the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$50,547,933.

At year-end, capital assets represented 38% of total assets. Capital assets include land, buildings and improvements, furniture and equipment. Net investment in capital assets at June 30, 2017, was \$20,053,468. 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

**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
(Unaudited)

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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, \$4,147,982 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.

Total assets increased from the prior year mainly due to an increase in cash and intergovernmental receivable. Long-term liabilities increased due to an increase in the net pension liability.

Table 2 shows the changes in net position for fiscal years 2017 and 2016.

**Table 2**  
**Changes in Net Position**

---

	Governmental Activities	
	2017	2016
Revenues:		
Program Revenues		
Charges for Services	\$4,830,726	\$4,388,187
Operating Grants, Contributions	10,135,670	10,487,244
General Revenues:		
Property Taxes	37,664,495	30,243,099
Grants and Entitlements	28,301,873	27,893,138
Investment Earnings	126,172	114,401
Revenue in Lieu of Taxes	11,525,085	10,965,704
Other	654,118	669,844
Total Revenues	<u>93,238,139</u>	<u>84,761,617</u>
Program Expenses:		
Instruction	50,189,130	45,802,259
Support Services:		
Pupil and Instructional Staff	11,296,531	10,469,958
School Administrative, General		
Administration, Fiscal and Business	7,372,239	7,153,423
Operations and Maintenance	8,206,231	7,417,029
Pupil Transportation	3,590,423	3,383,465
Central	387,815	371,715
Operation of Non-Instructional Services	5,035,000	4,253,444
Extracurricular Activities	2,177,472	2,140,984
Interest and Fiscal Charges	850,288	1,667,316
Total Program Expenses	<u>89,105,129</u>	<u>82,659,593</u>
Change in Net Position	4,133,010	2,102,024
Net Position - Beginning of Year	<u>(54,680,943)</u>	<u>(56,782,967)</u>
Net Position - End of Year	<u><u>(\$50,547,933)</u></u>	<u><u>(\$54,680,943)</u></u>



**Oak Hills Local School District, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited)**

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The District revenues are mainly from two sources. Property taxes levied for general, debt service and capital projects purposes and grants and entitlements comprised 70% of the District's revenues for governmental activities.

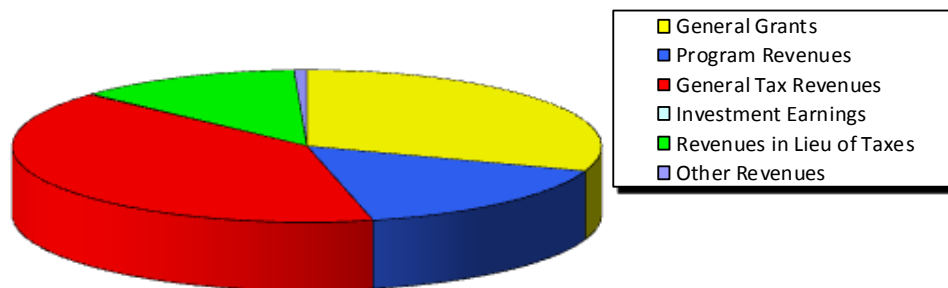
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner 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.

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 40% of revenue for governmental activities for the District in fiscal year 2017.

**Governmental Activities  
Revenue Sources**

---

	2017	Percentage
General Grants	\$28,301,873	30.35%
Program Revenues	14,966,396	16.05%
General Tax Revenues	37,664,495	40.40%
Investment Earnings	126,172	0.14%
Revenues in Lieu of Taxes	11,525,085	12.36%
Other Revenues	654,118	0.70%
<b>Total Revenue Sources</b>	<b>\$93,238,139</b>	<b>100.00%</b>



Instruction comprises 56% of governmental program expenses. Support services expenses were 35% of governmental program expenses. All other expenses including interest and fiscal charges were 9%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Total revenues increased from the prior year due to an increase in property tax revenue. Total expenses increased primarily due to an increase in instruction expenses.

**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
(Unaudited)

**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 government activities, the total cost of services and the net cost of services. These services are mainly supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction	\$50,189,130	\$45,802,259	(\$43,782,855)	(\$40,014,277)
Support Services:				
Pupil and Instructional Staff	11,296,531	10,469,958	(9,664,156)	(8,324,511)
School Administrative, General				
Administration, Fiscal and Business	7,372,239	7,153,423	(7,107,692)	(6,795,367)
Operations and Maintenance	8,206,231	7,417,029	(7,766,390)	(6,986,663)
Pupil Transportation	3,590,423	3,383,465	(3,240,023)	(3,030,423)
Central	387,815	371,715	(387,815)	(371,715)
Operation of Non-Instructional Services	5,035,000	4,253,444	(446,233)	345,814
Extracurricular Activities	2,177,472	2,140,984	(893,281)	(939,704)
Interest and Fiscal Charges	850,288	1,667,316	(850,288)	(1,667,316)
Total Expenses	<u>\$89,105,129</u>	<u>\$82,659,593</u>	<u>(\$74,138,733)</u>	<u>(\$67,784,162)</u>

**The District's Funds**

The District has one major governmental fund: the General Fund. Assets of the General Fund comprised \$72,183,270 (83%), of the total \$87,072,295 governmental funds assets.

**General Fund:** Fund balance at June 30, 2017 was \$35,201,323 including \$33,240,773 of unassigned balance. The District had an increase in fund balance of \$5,855,078. The primary reason for the increase in fund balance was due to an increase in property tax revenue.

**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.

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.

**Oak Hills Local School District, Ohio  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited)**

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For the General Fund, final budget basis revenue was \$72,310,936, compared to original budget estimates of \$71,912,873, while the actual revenue had a variance of \$44,871 from the final budget basis revenues due to the underestimating of taxes, and intergovernmental revenue.

The District’s unobligated cash balance for the General Fund was \$31,781,659.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2017, the District had \$54,210,212 invested in land, buildings and improvements, and equipment. Table 4 shows fiscal year 2017 balances compared to fiscal year 2016:

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

---

	Governmental Activities	
	2017	2016
Land	\$2,565,969	\$2,435,469
Construction in Progress	0	5,515,444
Buildings and Improvements	46,041,067	39,359,145
Furniture and Equipment	5,603,176	6,565,855
Total Net Capital Assets	<u>\$54,210,212</u>	<u>\$53,875,913</u>

Total Net Capital Assets increased in 2017 as compared to 2016 because depreciation expense and disposals were less than current year additions. See Note 6 to the Basic Financial Statements for further details on the District’s capital assets.

**Debt**

At June 30, 2017, the District had \$35,086,136 in debt outstanding, \$2,645,000 due within one year. Table 5 summarizes total debt outstanding.

**Table 5  
Outstanding Debt at Year End**

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**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
(Unaudited)

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	<u>2017</u>	<u>2016</u>
General Obligation Bonds Payable:		
HGB264 Debt	\$3,575,000	\$3,810,000
Premium on HB264 Debt	130,105	140,113
Refunding Bonds:		
Current Interest Bonds –		
School Improvement 2016	26,255,000	28,540,000
Premium on Bonds 2016	2,656,031	2,951,146
Capital Lease	<u>2,470,000</u>	<u>2,520,000</u>
Total Outstanding Debt at Year End	<u>\$35,086,136</u>	<u>\$37,961,259</u>

See Note 7 to the Basic Financial Statements for further details on the District's obligations.

**Economic Outlook**

The Ohio Department of Education explains the school funding model in Ohio as follows:

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. Since the 1970s through FY 2009, with the exception of a few years, Ohio's funding formula was foundation based by means of which a per pupil amount determined by the General Assembly as the per-pupil resource for provision of a basic adequate education was multiplied by the number of pupils to determine the base funding of the school districts. From this product, the local share of the basic adequate amount or the charge off was subtracted to arrive at the state share of the base funding. Additional funding was also provided for services targeted to categories of pupils such as handicapped, vocational, gifted, and economically disadvantaged as well as some adjustments and funding guarantees.

The 2010-11 biennial budget (Am. Sub. HBI of the 128th General Assembly) established another new funding formula called the Evidence-Based Model (EBM). Am. Sub. HB 153 of the 129th General Assembly repealed the EBM and implemented a temporary funding formula, the Bridge Formula, for the 12-13 school year as a new funding formula was developed. The State revised the funding model in June, 2013 and adopted HB 59, the FY 14 and FY 15 biennium budget which again changed our funding formula, but not our funding. Under this new model, the District received minimal increases in State Funding.

Oak Hills LSD has a residential tax base that represents 88% of the constituency. In June, 2016 Governor Kasich signed House Bill 64 (FY 2016-17). Having a large residential tax base was critical in the most the House Bill 64 budget as many districts with larger commercial tax bases experienced reductions in State Funding. House Bill 64 provided Oak Hills LSD increases of 2.3% and 3% in Fiscal Year 2016 and 2017, respectively. House Bill 49, the current Fiscal Year 2018 budget (and Fiscal Year 2019 budget) continued several of the standards included in the House Bill 64 budget (including reductions to Tangible Personal Property, and incentives/bonuses for Third Grade Reading proficiency, as well as graduation bonuses. Oak Hills LSD is projecting an increase of 3% in each year of the biennium budget.

Given the uncertainty of the school funding formula and the economic conditions within the State, the level at which the State will fund schools in the future remains uncertain. Oak Hills remains concerned about the instability of the state economy and the political ramifications of changing the funding

**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited)**

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formula every several years. We plan carefully and prudently to provide resources to meet the needs of our students but the uncertainty of state funding challenges our planning.

**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 the Treasurer at Oak Hills Local School District, 6325 Rapid Run Road, Cincinnati, Ohio 45233.

Oak Hills Local School District, Ohio  
Statement of Net Position  
June 30, 2017

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$38,130,230
Restricted Cash and Investments	380,716
Receivables (Net):	
Taxes	35,298,646
Accounts	37,455
Interest	12,727
Intergovernmental	13,139,221
Inventory	55,300
Nondepreciable Capital Assets	2,565,969
Depreciable Capital Assets, Net	<u>51,644,243</u>
 Total Assets	 <u>141,264,507</u>
 Deferred Outflows of Resources:	
Pension	<u>25,584,543</u>
 Total Deferred Outflows of Resources	 <u>25,584,543</u>
 Liabilities:	
Accounts Payable	45,029
Accrued Wages and Benefits	8,281,259
Accrued Interest Payable	103,883
Claims Payable	13,211
Long-Term Liabilities:	
Due Within One Year	3,196,304
Due In More Than One Year:	
Net Pension Liability	135,799,465
Other Amounts	<u>35,840,639</u>
 Total Liabilities	 <u>183,279,790</u>
 Deferred Inflows of Resources:	
Property Taxes	20,935,403
Deferred Gain on Refunding	929,393
Revenue in Lieu of Taxes	11,740,984
Pension	<u>511,413</u>
 Total Deferred Inflows of Resources	 <u>34,117,193</u>
 Net Position:	
Net Investment in Capital Assets	20,053,468
Restricted for:	
Debt Service	2,755,964
Extracurricular	455,708
Federal Grants	908,277
Food Service	28,033
Unrestricted	<u>(74,749,383)</u>
 Total Net Position	 <u><u>(\$50,547,933)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$36,729,433	\$1,167,465	\$16,200	(\$35,545,768)
Special	13,275,337	200,187	5,016,162	(8,058,988)
Vocational	1,161	0	6,261	5,100
Other	183,199	0	0	(183,199)
<b>Support Services:</b>				
Pupil	6,724,307	0	628,845	(6,095,462)
Instructional Staff	4,572,224	0	1,003,530	(3,568,694)
General Administration	150,762	0	0	(150,762)
School Administration	5,686,259	0	264,547	(5,421,712)
Fiscal	1,414,164	0	0	(1,414,164)
Business	121,054	0	0	(121,054)
Operations and Maintenance	8,206,231	439,841	0	(7,766,390)
Pupil Transportation	3,590,423	53,561	296,839	(3,240,023)
Central	387,815	0	0	(387,815)
Operation of Non-Instructional Services	5,035,000	1,685,481	2,903,286	(446,233)
Extracurricular Activities	2,177,472	1,284,191	0	(893,281)
Interest and Fiscal Charges	850,288	0	0	(850,288)
<b>Totals</b>	<b>\$89,105,129</b>	<b>\$4,830,726</b>	<b>\$10,135,670</b>	<b>(74,138,733)</b>

<b>General Revenues:</b>	
Property Taxes Levied for:	
General Purposes	30,179,334
Debt Service Purposes	2,937,057
Capital Projects Purposes	4,548,104
Grants and Entitlements, Not Restricted	28,301,873
Revenue in Lieu of Taxes	11,525,085
Unrestricted Contributions	180,218
Investment Earnings	126,172
Other Revenues	473,900
<b>Total General Revenues</b>	<b>78,271,743</b>
<b>Change in Net Position</b>	<b>4,133,010</b>
<b>Net Position - Beginning of Year</b>	<b>(54,680,943)</b>
<b>Net Position - End of Year</b>	<b>(\$50,547,933)</b>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2017

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$31,844,546	\$6,285,684	\$38,130,230
Restricted Cash and Investments	380,716	0	380,716
<b>Receivables (Net):</b>			
Taxes	28,153,561	7,145,085	35,298,646
Accounts	32,736	4,719	37,455
Interest	12,727	0	12,727
Intergovernmental	11,740,984	1,398,237	13,139,221
Interfund	18,000	0	18,000
Inventory	0	55,300	55,300
<b>Total Assets</b>	<b>72,183,270</b>	<b>14,889,025</b>	<b>87,072,295</b>
<b>Liabilities:</b>			
Accounts Payable	14,507	30,522	45,029
Accrued Wages and Benefits	7,711,615	569,644	8,281,259
Compensated Absences	178,195	0	178,195
Interfund Payable	0	18,000	18,000
<b>Total Liabilities</b>	<b>7,904,317</b>	<b>618,166</b>	<b>8,522,483</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	17,333,061	4,435,085	21,768,146
Grants and Other Taxes	0	1,119,322	1,119,322
Revenue in Lieu of Taxes	11,740,984	0	11,740,984
Investment Earnings	3,585	0	3,585
<b>Total Deferred Inflows of Resources</b>	<b>29,077,630</b>	<b>5,554,407</b>	<b>34,632,037</b>
<b>Fund Balances:</b>			
Restricted	0	3,447,786	3,447,786
Committed	0	5,324,951	5,324,951
Assigned	1,960,550	0	1,960,550
Unassigned	33,240,773	(56,285)	33,184,488
<b>Total Fund Balances</b>	<b>35,201,323</b>	<b>8,716,452</b>	<b>43,917,775</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$72,183,270</b>	<b>\$14,889,025</b>	<b>\$87,072,295</b>

See accompanying notes to the basic financial statements.



Oak Hills Local School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2017

Total Governmental Fund Balance		\$43,917,775
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		54,210,212
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property Taxes	832,743	
Interest	3,585	
Intergovernmental	<u>1,119,322</u>	
		1,955,650
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Internal Service Net Position		(13,211)
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.		
		(103,883)
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		(3,772,612)
Deferred gain on refunding associated with long-term liabilities that are not reported in the funds.		
		(929,393)
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	25,584,543	
Deferred inflows of resources related to pensions	<u>(511,413)</u>	
		25,073,130
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(135,799,465)	
Other Amounts	<u>(35,086,136)</u>	
		<u>(170,885,601)</u>
Net Position of Governmental Activities		<u><u>(\$50,547,933)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2017

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	\$30,313,698	\$7,520,824	\$37,834,522
Tuition and Fees	1,439,046	0	1,439,046
Investment Earnings	115,473	9,484	124,957
Intergovernmental	31,439,855	6,737,016	38,176,871
Extracurricular Activities	654,629	1,009,612	1,664,241
Charges for Services	0	1,685,481	1,685,481
Revenue in Lieu of Taxes	11,525,085	0	11,525,085
Other Revenues	467,941	217,072	685,013
<b>Total Revenues</b>	<b>75,955,727</b>	<b>17,179,489</b>	<b>93,135,216</b>
Expenditures:			
Current:			
Instruction:			
Regular	34,006,397	222,242	34,228,639
Special	11,748,642	933,220	12,681,862
Vocational	1,161	0	1,161
Other	145,447	159	145,606
Support Services:			
Pupil	5,903,828	636,019	6,539,847
Instructional Staff	1,904,449	1,829,037	3,733,486
General Administration	149,656	0	149,656
School Administration	5,085,484	253,958	5,339,442
Fiscal	1,294,286	96,546	1,390,832
Business	115,978	1,242	117,220
Operations and Maintenance	5,382,482	981,442	6,363,924
Pupil Transportation	2,890,460	228,524	3,118,984
Central	368,739	0	368,739
Operation of Non-Instructional Services	60,355	4,837,079	4,897,434
Extracurricular Activities	970,272	1,131,991	2,102,263
Capital Outlay	84,072	3,898,610	3,982,682
Debt Service:			
Principal Retirement	0	2,570,000	2,570,000
Interest and Fiscal Charges	0	1,282,544	1,282,544
<b>Total Expenditures</b>	<b>70,111,708</b>	<b>18,902,613</b>	<b>89,014,321</b>
Excess of Revenues Over (Under) Expenditures	5,844,019	(1,723,124)	4,120,895
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	11,059	0	11,059
<b>Total Other Financing Sources (Uses)</b>	<b>11,059</b>	<b>0</b>	<b>11,059</b>
Net Change in Fund Balance	5,855,078	(1,723,124)	4,131,954
Fund Balance - Beginning of Year	29,346,245	10,439,576	39,785,821
Fund Balance - End of Year	<u>\$35,201,323</u>	<u>\$8,716,452</u>	<u>\$43,917,775</u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
 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, 2017

Net Change in Fund Balance - Total Governmental Funds \$4,131,954

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	5,818,286	
Depreciation Expense	<u>(4,027,758)</u>	
		1,790,528

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.

(1,456,229)

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

District pension contributions	6,592,269	
Cost of benefits earned net of employee contributions	<u>(9,871,708)</u>	
		(3,279,439)

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

Delinquent Property Taxes	(170,028)	
Interest	1,215	
Intergovernmental	<u>260,677</u>	
		91,864

Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

2,570,000

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

23,868

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	(158,709)	
Amortization of Bond Premium	305,123	
Amortization of Deferred Gain on Refunding	<u>103,265</u>	
		249,679

The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

Change in Net Position - Internal Service Funds		<u>10,785</u>
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Change in Net Position of Governmental Activities

\$4,133,010

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Net Position  
Proprietary Fund  
June 30, 2017

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	<u>Governmental Activities- Internal Service Fund</u>
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$0</u>
Total Assets	<u>0</u>
Liabilities:	
Current Liabilities:	
Claims Payable	<u>13,211</u>
Total Liabilities	<u>13,211</u>
Net Position:	
Unrestricted	<u>(13,211)</u>
Total Net Position	<u><u>(\$13,211)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2017

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	<u>Governmental Activities- Internal Service Fund</u>
Operating Revenues:	
Charges for Services	<u>\$100,437</u>
Total Operating Revenues	<u>100,437</u>
Operating Expenses:	
Personal Services	<u>89,652</u>
Total Operating Expenses	<u>89,652</u>
Change in Net Position	10,785
Net Position - Beginning of Year	<u>(23,996)</u>
Net Position - End of Year	<u><u>(\$13,211)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2017

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	<u>Governmental Activities- Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$100,437
Cash Payments to Suppliers	<u>(100,437)</u>
Net Cash Provided (Used) by Operating Activities	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalent:	0
Cash and Cash Equivalents - Beginning of Year	<u>0</u>
Cash and Cash Equivalents - End of Year	<u><u>0</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	10,785
Adjustments:	
Increase (Decrease) in Claims Payables	<u>(10,785)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2017

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	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$885,994	\$98,442
Receivables (Net):		
Accounts	<u>0</u>	<u>11</u>
Total Assets	<u>885,994</u>	<u>98,453</u>
Liabilities:		
Accounts Payable	0	1,117
Other Liabilities	<u>0</u>	<u>97,336</u>
Total Liabilities	<u>0</u>	<u>\$98,453</u>
Net Position:		
Held in Trust	<u>885,994</u>	
Total Net Position	<u>\$885,994</u>	

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2017

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	Private Purpose Trust
Additions:	
Investment Earnings	\$4,734
Other	61,902
Total Additions	<u>66,636</u>
Deductions:	
Scholarships	<u>80,010</u>
Total Deductions	<u>80,010</u>
Change in Net Position	(13,374)
Net Position - Beginning of Year	<u>899,368</u>
Net Position - End of Year	<u><u>\$885,994</u></u>

See accompanying notes to the basic financial statements.



**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**Note 1 - Description of the District**

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The Oak Hills Local School District (“the District”) represents a prior consolidation of three elementary districts: Bridgetown, Delhi and Springmyer. The consolidation was finalized by the Hamilton County Board of Education on April 23, 1956, in order to equalize educational opportunities throughout the area. Today, the District operates under current standards as prescribed by the Ohio State Board of Education, as provided in Division (D) of Section 3301.07 and Section 110.01 of the Ohio Revised Code.

The District operates under a locally elected five-member board form of government and provides educational services. The Board controls the District’s instructional programs and support facilities, staffed by approximately 513 certificated teaching, 54 administrative personnel and approximately 333 non-certificated personnel. To provide services to the adult population in the community, Oak Hills has developed one of the largest community education programs in Hamilton County, Ohio.

The District is the third largest in Hamilton County with 7,832 students for the 2016-17 school year. The District currently operates five (5) elementary schools (grades K-5), three (3) middle schools (grades 6-8), and one (1) comprehensive high school (grades 9-12).

**Note 2 - Summary of Significant Accounting Policies**

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**Reporting Entity**

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, pupil transportation, food service, and maintenance of District facilities.

The District is associated with two organizations that are defined as jointly governed organizations. These organizations include

Jointly Governed Organizations:  
Hamilton Clermont Cooperative Information Technology Center  
Great Oaks Career Campuses

These organizations are presented in Note 12.

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.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**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 and liabilities associated with the operation of the District are included on the statement of net position. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison 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 and current liabilities 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.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Private Purpose Trust Funds are reported using the economic resources measurement focus.

**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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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governmental, proprietary, and fiduciary. The focus of government 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 and deferred outflows, and liabilities and deferred inflows is reported as fund balance. The following is the District's major governmental fund:

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.

Proprietary Funds

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The internal service fund of the District accounts for a self-insurance program which provides workers' compensation benefits to employees.

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's only fiduciary funds are a private purpose trust which accounts for scholarship programs for students, and a student managed activity, and athletic tournament which are agency funds which accounts for assets and liabilities generated by student managed activities and athletic tournaments.

**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. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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the accrual basis of accounting. Proprietary funds also use the 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 revenue, 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.

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 other taxes.

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. 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 of resources related to pension are reported on the government-wide statement of net position. For more pension related information, see Note 9.

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, revenue in lieu of taxes (tax incremental financing), deferred gain on refunding, investment earnings, grants and other taxes, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance year 2018 operations. These property tax amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements, and are deferred and recognized as inflows of resources in the period the amounts

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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become available. Revenue in lieu of taxes ('TIF') has been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Deferred gain on refunding has been recorded as deferred inflow on the government-wide statement of net position. Grants and investment earnings are recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. For more pension related information, 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. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. 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.

Investments are reported at fair value which is based on quoted market prices.

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 an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The 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 an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2017 amounted to \$115,473 and \$9,484 in Other Governmental Funds.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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For purposes of the statement of cash flows, the internal service portion of pooled cash and investments is considered a cash equivalent because the District is able to withdraw resources from the internal service funds without prior notice or penalty.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/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 nonspendable fund balance 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, donated food and purchased food.

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, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements 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. Interest incurred during the construction of capital assets is also capitalized.

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>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	45-50 years
Furniture and Equipment	5-20 years

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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The compensated absences liability is 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 District’s policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	Hired before 8/1/12 25 days at the start of each contract year	5-20 days for each service year, depending on length of service
Maximum Accumulation	Not Applicable	37.5 days; can be paid for 5 days at year end	30 days
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	252 days	300 days	255 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per contract	Per contract	Per contract

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.

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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acquisition, construction or improvement of those assets. Net position is 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 \$4,147,982 in restricted net position, 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 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



**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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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.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the governmental-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 funds. However, compensated absences that will be paid from the governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for the payment the current year. Bonds are recognized as a liability on the fund financial statements when due.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are for the self-insurance program (internal service fund) which provides workers' compensation benefits to employees. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

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.

Restricted Assets

Restricted assets in the general fund represent Equity in Pooled Cash and Investments set aside to establish a budget stabilization reserve.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**Note 3 - Equity in Pooled Cash and Investments**

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The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined 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.

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 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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
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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. 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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

**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 depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2017, \$14,888,868 of the District's bank balance of \$17,388,408 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 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, 2017, the District had the following investments:

Investment Type	Fair Value	Fair Value Hierachy	Weighted Average Maturity (Years)
Negotiable CDs	\$1,959,150	Level 2	1.18
Federal Home Loan Bank	659,482	Level 2	0.36
Federal Home Loan Mortgage Corporation	1,570,584	Level 2	1.69
Federal Farm Credit Bank	441,037	Level 2	0.75
Federal National Mortgage Association	1,561,786	Level 2	2.18
STAR Ohio	13,972,251	N/A	0.12
Money Market Fund	3,291,568	N/A	0.00
Total Investments	\$23,455,858		
Portfolio Weighted Average Maturity			0.47

**Oak Hills Local School District, Ohio**  
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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. Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources, as provided by the investment managers. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2017. STAR Ohio is reported at its share price (Net Asset 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. The District's investments in Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and in Federal National Mortgage Association were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAAm by Standard & Poor's. Negotiable CDs and Money Market Funds are not rated.

Concentration of Credit Risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 14% of the District's investments in Money Market Funds, 59% in STAR Ohio, 8% in Negotiable CDs, 3% in Federal Home Loan Bank, 7% in Federal National Mortgage Association, 7% in Federal Home Loan Mortgage Corporation, and 2% in Federal Farm Credit Bank.

Custodial Credit Risk is 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.

**Note 4 - Property Taxes**

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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, public utility, and tangible personal (used in business) 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 tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2017 (other than public utility property tax) represents the collection of 2017 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from the 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, 2017, are available to finance fiscal year 2018 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 property, personal property and public utility taxes which became measurable at June 30, 2017. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2017 on the fund financial statements. The entire amount of delinquent taxes receivable is recognized as revenue in 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 available to finance current 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, 2017, was \$10,820,500 for General Fund, \$1,650,000 for Permanent Improvement Fund, and \$1,060,000 for Debt Service Fund, and is recognized as revenue.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

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

	Amount
Real Property	\$1,016,833,270
Public Utility Personal	45,326,000
Total	<u>\$1,062,159,270</u>

**Note 5 – Receivables**

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Receivables at June 30, 2017, consisted of taxes, accounts, interest, intergovernmental 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.

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**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
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**Note 6 - Capital Assets**

Capital asset activity for the fiscal year ended was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$2,435,469	\$130,500	\$0	\$2,565,969
Construction in Progress	5,515,444	1,089,430	6,604,874	0
<b><i>Capital Assets, being depreciated:</i></b>				
Buildings and Improvements	72,524,462	9,659,599	1,445,888	80,738,173
Furniture and Equipment	12,258,611	1,543,631	1,898,988	11,903,254
Totals at Historical Cost	<u>92,733,986</u>	<u>12,423,160</u>	<u>9,949,750</u>	<u>95,207,396</u>
Less Accumulated Depreciation:				
Buildings and Improvements	33,165,318	2,199,821	668,033	34,697,106
Furniture and Equipment	5,692,755	1,827,937	1,220,614	6,300,078
Total Accumulated Depreciation	<u>38,858,073</u>	<u>4,027,758</u>	<u>1,888,647</u>	<u>40,997,184</u>
Governmental Activities Capital Assets, Net	<u>\$53,875,913</u>	<u>\$8,395,402</u>	<u>\$8,061,103</u>	<u>\$54,210,212</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$845,829
Special	12,084
Support Services:	
Instructional Staff	765,274
School Administration	4,028
Fiscal	4,028
Operations and Maintenance	1,973,601
Pupil Transportation	362,498
Operation of Non-Instructional Services	40,278
Extracurricular Activities	20,138
Total Depreciation Expense	<u>\$4,027,758</u>

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**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**Note 7 - Long-Term Liabilities**

Long-Term Liabilities

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
HB 264 Debt - Series 2015	12/1/29	1.0-3.5%	\$3,810,000	\$0	\$235,000	\$3,575,000	\$240,000
Premium on HB264 Debt			140,113	0	10,008	130,105	0
Refunding Bonds - Series 2016			28,540,000	0	2,285,000	26,255,000	2,355,000
Premium Refunding Bonds			2,951,146	0	295,115	2,656,031	0
Total General Obligation Bonds			35,441,259	0	2,825,123	32,616,136	2,595,000
Net Pension Liability							
STRS			93,761,323	19,553,966	0	113,315,289	0
SERS			17,439,042	5,045,134	0	22,484,176	0
Total Net Pension Liability			111,200,365	24,599,100	0	135,799,465	0
Capital Lease			2,520,000	0	50,000	2,470,000	50,000
Compensated Absences			3,699,498	1,041,479	790,170	3,950,807	551,304
Total Long-Term Obligations			\$152,861,122	\$25,640,579	\$3,665,293	\$174,836,408	\$3,196,304

General obligation bonds will be paid from the debt service and permanent improvement funds. Compensated absences will be paid from the fund from which the person is paid (usually general and special revenue funds). Net pension liability represents the long-term portion of the accrued liability associated with STRS and SERS pension liability. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2018	\$2,595,000	\$1,110,900
2019	2,770,000	1,020,225
2020	2,890,000	925,175
2021	2,975,000	838,325
2022	3,155,000	762,025
2023-2027	14,500,000	1,645,262
2028-2030	945,000	50,314
Total	\$29,830,000	\$6,352,226

**Note 8 - Capital Lease Commitments**

The District is obligated under five leases accounted for as capital leases. The cost of the leased assets (copiers, computers, administration building and high school project) are accounted for in the Governmental Activities Capital Assets and the related liability in the Governmental Activities Long-Term Liabilities. The original cost of the assets under capital lease was \$2,520,000.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
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The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2017:

Fiscal Year Ending June 30	Capital Leases
2018	\$147,469
2019	146,469
2020	145,469
2021	149,419
2022	148,284
2023-2027	734,300
2028-2032	733,000
2033-2037	723,250
2038-2042	728,900
2043-2046	573,400
Total Minimum Lease Payments	<u>\$4,229,960</u>
Amount Representing Interest and Additional program cost component	(1,759,960)
Present Value of Minimum Lease Payments	<u><u>\$2,470,000</u></u>

**Note 9 - Defined Benefit Pension Plans**

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**Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. 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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the employer’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 obligation for this liability to annually required payments. The employer cannot control benefit terms or the manner in which pensions are financed; however, the employer 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



**Oak Hills Local School District, Ohio**  
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could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued wages and benefits on both the accrual and modified accrual bases of accounting.

**Plan Description - School Employees Retirement System (SERS)**

Plan Description – 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	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 and 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 employer 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, 2017, the allocation to pension, death benefits, and Medicare B was 14.00 percent. None of the 14 percent contribution rate was allocated to the Health Care Fund.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
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The contractually required contribution to SERS was \$1,422,765 for fiscal year 2017. Of this amount \$246,803 is reported as accrued wages and benefits.

**Plan Description - State Teachers Retirement System (STRS)**

Plan Description – 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](http://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 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.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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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, 2017, plan members were required to contribute 14 percent of their annual covered salary. The employer was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The contractually required contribution to STRS was \$5,169,504 for fiscal year 2017. Of this amount \$870,696 is reported as accrued wages and benefits.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on the share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$22,484,176	\$113,315,289	\$135,799,465
Proportion of the Net Pension Liability			
Prior Measurement Date	0.30562120%	0.33925921%	
Proportion of the Net Pension Liability			
Current Year Measurement Date	0.30719960%	0.33852729%	
	-0.00157840%	0.00073192%	
Pension Expense	\$1,947,504	\$7,924,204	\$9,871,708

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**Oak Hills Local School District, Ohio**  
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**For the Fiscal Year Ended June 30, 2017**

At June 30, 2017, 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	\$303,260	\$4,578,483	\$4,881,743
Changes of assumptions	1,500,942	0	1,500,942
Net difference between projected and actual earnings on pension plan investments	1,854,618	9,408,213	11,262,831
Changes in employer proportionate share of net pension liability	66,976	1,279,782	1,346,758
Contributions subsequent to the measurement date	<u>1,422,765</u>	<u>5,169,504</u>	<u>6,592,269</u>
Total Deferred Outflows of Resources	<u>5,148,561</u>	<u>20,435,982</u>	<u>25,584,543</u>
Deferred Inflows of Resources			
Changes in employer proportionate share of net pension liability	<u>345,327</u>	<u>166,086</u>	<u>511,413</u>
Total Deferred Inflows of Resources	<u>\$345,327</u>	<u>\$166,086</u>	<u>\$511,413</u>

\$6,592,269 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year			
Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2018	\$778,069	\$2,599,588	\$3,377,657
2019	776,731	2,599,588	3,376,319
2020	1,292,543	6,209,784	7,502,327
2021	<u>533,126</u>	<u>3,691,432</u>	<u>4,224,558</u>
Total	<u>\$3,380,469</u>	<u>\$15,100,392</u>	<u>\$18,480,861</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.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50-18.20 percent
COLA or Ad Hoc COLA	3.00 percent
Investment Rate of Return	7.50 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 RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

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**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

**Discount Rate**

The total pension liability was calculated using the discount rate of 7.50 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 (7.50 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 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$29,767,648	\$22,484,176	\$16,387,607

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**Actuarial Assumptions - STRS**

The total pension liability in the July 1, 2016, 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, 2016, 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>100.00 %</u>	7.61%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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, 2016. Therefore, the long-term expected rate of return on pension plan

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the 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%)
Proportionate share of the net pension liability	\$150,586,810	\$113,315,289	\$81,874,562

**Changes Between Measurement Date and Report Date**

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the net pension liability is expected to be significant.

**Note 10 - Post Employment Benefits**

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***School Employees Retirement System***

Health Care Plan Description – Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS’ Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS’ postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plan.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.00%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute no employer shall pay a health care surcharge greater than 2.0% of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the minimum compensation level was established at \$23,500. The surcharge, added to the unallocated portion of the



**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care for the years ended June 30, 2017, 2016, and 2015 were \$0, \$0, and \$95,857, respectively.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. That report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

***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](http://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 2017, 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, 2017, 2016, and 2015 were \$0, \$0, and \$0, respectively.

**Note 11 - Contingent Liabilities**

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Foundation Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure 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. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2017, if applicable, cannot be determined at this time.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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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 - Jointly Governed Organizations**

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Great Oaks Career Campuses, a jointly governed organization, is a distinct political subdivision of the State of Ohio which operates under the direction of a Board consisting of one representative from each participating school district's elected board. The Board possesses its own budgeting and taxing authority. Great Oaks Career Campuses provides academic preparation and job training which leads to employment and/or further education upon graduation from high school. The District has no ongoing financial interest in or responsibility for the Institute. To obtain financial information, write to Great Oaks Career Campuses at 3254 East Kemper Road, Cincinnati, Ohio 45241.

The District is a participant in the Hamilton Clermont Cooperative Information Technology Center (HCC). HCC is an association of public districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The Board of the School 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. To obtain financial information, write to HCC, at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

**Note 13 - Risk Management**

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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. The District carries insurance coverage with the following companies.

<u>Coverage</u>	<u>Company</u>
Automobile	Liberty Mutual
Property	Liberty Mutual
General Liability	Liberty Mutual

Limits and deductible amounts for the above policies vary accordingly.

<u>Coverage</u>	<u>Limits</u>	<u>Deductible</u>
Automobile	\$1,000,000 each occurrence	\$1,000 collision & Comprehensive
Property	\$138,835,409 blanket coverage	\$10,000 each loss
General Liability	\$2,000,000 general aggregate	
Employee Benefit Liability	\$1,000,000	\$1,000 each loss
Umbrella	\$10,000,000	
Sexual Misconduct	\$1,000,000 general aggregate	\$5,000 each loss
Law Enforcement	\$1,000,000 general aggregate	\$7,500 each loss
School Leaders E&O	\$1,000,000 general aggregate	\$10,000 each loss

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

The District is self-insured for its workers' compensation costs. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The District accounts for the activities of this program in an internal service fund in accordance with GASB Statement No. 10. A summary of the changes in self-insurance workers' compensation claims liability is as follows:

	<u>2017</u>	<u>2016</u>
Claims Liability at Beginning of Year	\$23,996	\$32,702
Claims Incurred	89,652	112,289
Claims Paid	<u>(100,437)</u>	<u>(120,995)</u>
Claims Liability at End of Year	<u><u>\$13,211</u></u>	<u><u>\$23,996</u></u>

**Note 14 – Accountability**

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The following individual funds had a deficit in fund balance at year end:

<u>Fund</u>	<u>Deficit</u>	<u>Proprietary Fund:</u>	<u>Deficit</u>
Other Governmental Funds:		Internal Service	\$13,211
Auxiliary Services	\$1,343		
Title I	45,077		
Special Education	9,865		

The deficit fund balances were caused by GAAP Accruals.

**Note 15 – Set Asides**

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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 textbooks and capital acquisition. Disclosure of this information is required by State statute.

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**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set Aside Reserve Balance as of June 30, 2016	\$0	\$380,716
Current Year Set Aside Requirement	1,322,686	0
Qualified Disbursements	(805,858)	0
Current Year Offsets	(516,828)	0
Set Aside Reserve Balance as of June 30, 2017	<u>\$0</u>	<u>\$380,716</u>
Restricted Cash as of June 30, 2017	<u>\$0</u>	<u>\$380,716</u>

The District had offsets credits of \$44,322,903 and qualifying disbursements during the year that reduced the set-aside amounts for capital maintenance reserve to below zero, extra qualified disbursement amounts may not be used to reduce the set-aside requirements of future years.

**Note 16 - Interfund Balances**

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At fiscal year end, interfund receivables and payables were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$18,000	\$0
Other Governmental Funds	0	18,000
Total all funds	<u>\$18,000</u>	<u>\$18,000</u>

Interfund balance 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 balances are expected to be repaid within one year.

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**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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**Note 17 – Fund Balances**

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Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School 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:

<u>Fund Balances</u>	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for:			
Improving Teacher Quality	\$0	\$1,015	\$1,015
Student Activity	0	455,708	455,708
Food Service	0	198,027	198,027
Debt Service	0	2,793,036	2,793,036
Total Restricted	0	3,447,786	3,447,786
Committed to:			
Capital Improvements	0	5,324,951	5,324,951
Total Committed	0	5,324,951	5,324,951
Assigned to:			
Encumbrances	84,788	0	84,788
Budgetary Resources	1,875,762	0	1,875,762
Total Assigned	1,960,550	0	1,960,550
Unassigned (Deficit)	33,240,773	(56,285)	33,184,488
Total Fund Balance	\$35,201,323	\$8,716,452	\$43,917,775

**Note 18 – Construction and Other Commitments**

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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 Districts' commitments for encumbrances in the governmental funds were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
General	\$99,295
Other Governmental	207,806

**Note 19 – Tax Abatements entered Into By Other Governments**

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Other governments entered into property tax abatement agreements with property owners under the solar abatement programs with the taxing districts of the District. The program is a directive incentive tax exemption program benefiting property owners who renovated or constructed solar power improvements. Under this program, the other governments designated areas to encourage these solar power improvements that are 100% abated with no expiration, unless physically removed or the owner does not comply with provisions. Within the taxing districts of the District, other municipalities have

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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entered into solar agreements. Under these agreements the District's property taxes were abated by \$2,159. The district is not receiving any amounts from this government in association with the forgone property tax revenue.

**Note 20 – Implementation of New Accounting Principles**

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For the fiscal year ended June 30, 2017, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *"Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans"*, GASB Statement No. 80, *"Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14"* and GASB Statement No. 82, *"Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73"*.

GASB Statement No. 77 establishes improved financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The implementation of GASB Statement No 77 did not have an effect on the financial statements of the District.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

# **REQUIRED SUPPLEMENTARY INFORMATION**

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Oak Hills Local School District, Ohio  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share  
 of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Four Fiscal Years (1)

	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.33852729%	0.33925921%	0.33179846%	0.33179846%
District's Proportionate Share of the Net Pension Liability	\$113,315,289	\$93,761,322	\$80,704,868	\$95,923,981
District's Covered-Employee Payroll	\$36,325,714	\$34,615,200	\$36,508,377	\$37,781,631
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	311.94%	270.87%	221.06%	253.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) - Information prior to 2014 is not available and amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the Required Supplementary Information.



Oak Hills Local School District, Ohio  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share  
 of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Four Fiscal Years (1)

	2017	2016	2015	2014
District's Proportionate Share of the Net Pension Liability	0.30719960%	0.30562120%	0.31708800%	0.31708800%
District's Proportionate Share of the Net Pension Liability	\$22,484,176	\$17,439,042	\$16,047,643	\$19,240,769
District's Covered-Employee Payroll	\$11,968,457	\$12,417,178	\$9,307,006	\$12,293,931
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	187.86%	140.44%	172.43%	156.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) - Information prior to 2014 is not available and amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the Required Supplementary Information.

Oak Hills Local School District, Ohio  
 Required Supplementary Information  
 Schedule of District Contributions  
 State Teachers Retirement System of Ohio  
 Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contribution	\$5,169,504	\$5,085,600	\$4,846,128	\$4,746,089	\$4,911,612	\$5,087,280	\$5,273,952	\$5,195,808	\$4,840,596	\$4,631,316
Contributions in Relation to the Contractually Required Contribution	(5,169,504)	(5,085,600)	(4,846,128)	(4,746,089)	(4,911,612)	(5,087,280)	(5,273,952)	(5,195,808)	(4,840,596)	(4,631,316)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered-Employee Payroll	\$36,925,029	\$36,325,714	\$34,615,200	\$36,508,377	\$37,781,631	\$39,132,923	\$40,568,862	\$39,967,754	\$37,235,354	\$35,625,508
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the Required Supplementary Information.

Oak Hills Local School District, Ohio  
 Required Supplementary Information  
 Schedule of District Contributions  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contribution	\$1,422,765	\$1,675,584	\$1,636,584	\$1,289,951	\$1,701,480	\$1,649,352	\$1,796,352	\$1,544,748	\$1,473,648	\$1,374,576
Contributions in Relation to the Contractually Required Contribution	(1,422,765)	(1,675,584)	(1,636,584)	(1,289,951)	(1,701,480)	(1,649,352)	(1,796,352)	(1,544,748)	(1,473,648)	(1,374,576)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered-Employee Payroll	\$10,162,607	\$11,968,457	\$12,417,178	\$9,307,006	\$12,293,931	\$12,262,840	\$14,290,788	\$11,408,774	\$14,976,098	\$13,997,719
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

See accompanying notes to the Required Supplementary Information.

Oak Hills Local School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$27,205,630	\$27,356,223	\$27,373,198	\$16,975
Revenue in lieu of taxes	11,454,533	11,517,938	11,525,085	7,147
Tuition and Fees	1,374,926	1,382,537	1,383,395	858
Investment Earnings	150,292	151,124	151,218	94
Intergovernmental	31,247,393	31,420,358	31,439,855	19,497
Extracurricular Activities	209,589	210,749	210,880	131
Other Revenues	270,510	272,007	272,176	169
<b>Total Revenues</b>	<b>71,912,873</b>	<b>72,310,936</b>	<b>72,355,807</b>	<b>44,871</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	33,963,586	33,826,300	33,826,300	0
Special	11,642,082	11,595,023	11,595,023	0
Vocational	1,166	1,161	1,161	0
Other	157,496	156,859	156,859	0
<b>Support Services:</b>				
Pupil	5,336,686	5,315,114	5,315,114	0
Instructional Staff	1,965,901	1,957,955	1,957,955	0
General Administration	154,144	153,521	153,521	0
School Administration	5,098,984	5,078,373	5,078,373	0
Fiscal	1,300,892	1,295,634	1,295,634	0
Business	117,737	117,261	117,261	0
Operations and Maintenance	5,382,908	5,361,150	5,361,150	0
Pupil Transportation	2,893,971	2,882,273	2,882,273	0
Central	351,033	349,614	349,614	0
Operation of Non-Instructional Services	18,525	18,450	18,450	0
Extracurricular Activities	974,427	970,488	970,488	0
Capital Outlay	94,574	94,192	94,192	0
<b>Total Expenditures</b>	<b>69,454,112</b>	<b>69,173,368</b>	<b>69,173,368</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,458,761</b>	<b>3,137,568</b>	<b>3,182,439</b>	<b>44,871</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	10,991	11,052	11,059	7
Transfers (Out)	(10,041)	(10,000)	(10,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>950</b>	<b>1,052</b>	<b>1,059</b>	<b>7</b>
<b>Net Change in Fund Balance</b>	<b>2,459,711</b>	<b>3,138,620</b>	<b>3,183,498</b>	<b>44,878</b>
<b>Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>28,598,161</b>	<b>28,598,161</b>	<b>28,598,161</b>	<b>0</b>
<b>Fund Balance - End of Year</b>	<b>\$31,057,872</b>	<b>\$31,736,781</b>	<b>\$31,781,659</b>	<b>\$44,878</b>

See accompanying notes to the required supplementary information.

**Oak Hills Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2017**

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**Note 1 – Budgetary Process**

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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 the Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board.

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 2017.

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 the 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 Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) 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. Encumbrances are treated as expenditures for all funds (budget basis) rather than as assigned to a fund balance for governmental fund types and expendable trust funds (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).

**Oak Hills Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2017**

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

Net Change in Fund Balance	
	General
GAAP Basis	\$5,855,078
Revenue Accruals	(3,605,390)
Expenditure Accruals	1,032,881
Transfers (Out)	(10,000)
Encumbrances	(96,925)
Funds Budgeted Elsewhere	7,854
Budget Basis	\$3,183,498

**Note 2 – SERS Changes in Benefits Terms and Assumptions**

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**Changes in Benefit Terms**

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

**Changes in Assumptions**

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (1) discount rate was reduced from 7.75% to 7.50%, (2) the assumed rate of inflation was reduced from 3.25% to 3.00%, (3) payroll growth assumption was reduced from 4.00% to 3.50%, (4) assumed real wage growth was reduced from 0.75% to 0.50%, (5) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (6) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (7) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (8) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**Note 3 – STRS Changes in Benefits Terms and Assumptions**

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**Changes in Benefit Terms**

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

**Changes in Assumptions**

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2017. See the notes to the basic financials for the methods and assumptions in this calculation.

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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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 Project Funds**

The Building Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets. Capital project 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.

### **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 District has only one Debt Service fund for fiscal year 2017.



Oak Hills Local School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$846,328	\$1,733,036	\$3,706,320	\$6,285,684
<b>Receivables (Net):</b>				
Taxes	0	2,816,811	4,328,274	7,145,085
Accounts	4,719	0	0	4,719
Intergovernmental	1,398,237	0	0	1,398,237
Inventory	55,300	0	0	55,300
<b>Total Assets</b>	<b>2,304,584</b>	<b>4,549,847</b>	<b>8,034,594</b>	<b>14,889,025</b>
<b>Liabilities:</b>				
Accounts Payable	1,722	0	28,800	30,522
Accrued Wages and Benefits	567,075	0	2,569	569,644
Interfund Payable	18,000	0	0	18,000
<b>Total Liabilities</b>	<b>586,797</b>	<b>0</b>	<b>31,369</b>	<b>618,166</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	1,756,811	2,678,274	4,435,085
Grants and Other Taxes	1,119,322	0	0	1,119,322
<b>Total Deferred Inflows of Resources</b>	<b>1,119,322</b>	<b>1,756,811</b>	<b>2,678,274</b>	<b>5,554,407</b>
<b>Fund Balances:</b>				
Restricted	654,750	2,793,036	0	3,447,786
Committed	0	0	5,324,951	5,324,951
Unassigned	(56,285)	0	0	(56,285)
<b>Total Fund Balances</b>	<b>598,465</b>	<b>2,793,036</b>	<b>5,324,951</b>	<b>8,716,452</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,304,584</b>	<b>\$4,549,847</b>	<b>\$8,034,594</b>	<b>\$14,889,025</b>

Oak Hills Local School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$0	\$2,951,069	\$4,569,755	\$7,520,824
Investment Earnings	9,484	0	0	9,484
Intergovernmental	5,618,845	439,228	678,943	6,737,016
Extracurricular Activities	1,009,612	0	0	1,009,612
Charges for Services	1,685,481	0	0	1,685,481
Other Revenues	134,743	0	82,329	217,072
<b>Total Revenues</b>	<b>8,458,165</b>	<b>3,390,297</b>	<b>5,331,027</b>	<b>17,179,489</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	16,200	0	206,042	222,242
Special	921,175	0	12,045	933,220
Other	159	0	0	159
<b>Support Services:</b>				
Pupil	630,061	0	5,958	636,019
Instructional Staff	980,500	0	848,537	1,829,037
School Administration	253,958	0	0	253,958
Fiscal	0	37,924	58,622	96,546
Business	0	0	1,242	1,242
Operations and Maintenance	0	0	981,442	981,442
Pupil Transportation	0	0	228,524	228,524
Operation of Non-Instructional Services	4,837,079	0	0	4,837,079
Extracurricular Activities	1,131,991	0	0	1,131,991
Capital Outlay	0	0	3,898,610	3,898,610
<b>Debt Service:</b>				
Principal Retirement	0	2,285,000	285,000	2,570,000
Interest and Fiscal Charges	0	1,083,125	199,419	1,282,544
<b>Total Expenditures</b>	<b>8,771,123</b>	<b>3,406,049</b>	<b>6,725,441</b>	<b>18,902,613</b>
<b>Net Change in Fund Balance</b>	<b>(312,958)</b>	<b>(15,752)</b>	<b>(1,394,414)</b>	<b>(1,723,124)</b>
<b>Fund Balance - Beginning of Year</b>	<b>911,423</b>	<b>2,808,788</b>	<b>6,719,365</b>	<b>10,439,576</b>
<b>Fund Balance - End of Year</b>	<b>\$598,465</b>	<b>\$2,793,036</b>	<b>\$5,324,951</b>	<b>\$8,716,452</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Student Activity** – Fund used to account for student activity programs that do not have student management of the program, i.e. athletics, band, etc.

**Auxiliary Services** – Fund used to account for state funds used to provide services and materials to students attending non-public schools within the boundaries of the District.

**Data Communications** – State grant used to support technology used for non-instructional purposes, i.e. networking.

**Miscellaneous State Grants** – Fund used to account for state funds that are legally restricted to expenditures for specified purposes.

**Special Education** – Fund used to account for federal monies provided to support programs for students with disabilities.

**Vocational Education** – Funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational educational programs.

**Title I** – Fund used to account for federal monies provided to support programs for educationally deprived students.

**IDEA Preschool Grant** – Fund used to account for federal monies provided to support programs for pre-school aged students with disabilities.

**Improving Teacher Quality** – Fund used to account for funds provided for staff development programs.

**Food Service** – Fund used to record financial transactions related to the food service operation.

**Title III** – Funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Oak Hills Local School District, Ohio  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2017

	Student Activity	Auxiliary Services	Data Communications	Miscellaneous State Grants	Special Education
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$452,714	\$45,648	\$0	\$0	\$0
<b>Receivables (Net):</b>					
Accounts	4,716	0	0	0	0
Intergovernmental	0	0	0	0	907,688
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>457,430</b>	<b>45,648</b>	<b>0</b>	<b>0</b>	<b>907,688</b>
<b>Liabilities:</b>					
Accounts Payable	1,722	0	0	0	0
Accrued Wages and Benefits	0	46,991	0	0	151,513
Interfund Payable	0	0	0	0	18,000
<b>Total Liabilities</b>	<b>1,722</b>	<b>46,991</b>	<b>0</b>	<b>0</b>	<b>169,513</b>
<b>Deferred Inflows of Resources:</b>					
Grants and Other Taxes	0	0	0	0	748,040
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>748,040</b>
<b>Fund Balances:</b>					
Restricted	455,708	0	0	0	0
Unassigned	0	(1,343)	0	0	(9,865)
<b>Total Fund Balances</b>	<b>455,708</b>	<b>(1,343)</b>	<b>0</b>	<b>0</b>	<b>(9,865)</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$457,430</b>	<b>\$45,648</b>	<b>\$0</b>	<b>\$0</b>	<b>\$907,688</b>

Vocational Education	Title I	IDEA Preschool Grant	Improving Teacher Quality	Food Service	Title III	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$1	\$347,965	\$0	\$846,328
0	0	0	0	3	0	4,719
0	456,537	0	31,948	0	2,064	1,398,237
0	0	0	0	55,300	0	55,300
0	456,537	0	31,949	403,268	2,064	2,304,584
0	0	0	0	0	0	1,722
0	163,330	0	0	205,241	0	567,075
0	0	0	0	0	0	18,000
0	163,330	0	0	205,241	0	586,797
0	338,284	0	30,934	0	2,064	1,119,322
0	338,284	0	30,934	0	2,064	1,119,322
0	0	0	1,015	198,027	0	654,750
0	(45,077)	0	0	0	0	(56,285)
0	(45,077)	0	1,015	198,027	0	598,465
\$0	\$456,537	\$0	\$31,949	\$403,268	\$2,064	\$2,304,584

Oak Hills Local School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2017

	Student Activity	Auxiliary Services	Data Communications	Miscellaneous State Grants	Special Education
<b>Revenues:</b>					
Investment Earnings	\$0	\$7,168	\$0	\$0	\$0
Intergovernmental	0	1,955,072	16,200	106,865	1,630,995
Extracurricular Activities	1,009,612	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	134,743	0	0	0	0
<b>Total Revenues</b>	<b>1,144,355</b>	<b>1,962,240</b>	<b>16,200</b>	<b>106,865</b>	<b>1,630,995</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	0	0	16,200	0	0
Special	0	0	0	0	34,867
Other	159	0	0	0	0
<b>Support Services:</b>					
Pupil	0	0	0	81,862	534,199
Instructional Staff	0	0	0	26,088	711,403
School Administration	0	0	0	0	253,958
Operation of Non-Instructional Services	0	2,286,971	0	0	150,842
Extracurricular Activities	1,131,991	0	0	0	0
<b>Total Expenditures</b>	<b>1,132,150</b>	<b>2,286,971</b>	<b>16,200</b>	<b>107,950</b>	<b>1,685,269</b>
<b>Net Change in Fund Balance</b>	<b>12,205</b>	<b>(324,731)</b>	<b>0</b>	<b>(1,085)</b>	<b>(54,274)</b>
<b>Fund Balance - Beginning of Year</b>	<b>443,503</b>	<b>323,388</b>	<b>0</b>	<b>1,085</b>	<b>44,409</b>
<b>Fund Balance - End of Year</b>	<b>\$455,708</b>	<b>(\$1,343)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$9,865)</b>

Vocational Education	Title I	IDEA Preschool Grant	Improving Teacher Quality	Food Service	Title III	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$2,316	\$0	\$9,484
14,000	952,228	24,425	175,783	728,249	15,028	5,618,845
0	0	0	0	0	0	1,009,612
0	0	0	0	1,685,481	0	1,685,481
0	0	0	0	0	0	134,743
14,000	952,228	24,425	175,783	2,416,046	15,028	8,458,165
0	0	0	0	0	0	16,200
0	875,405	0	0	0	10,903	921,175
0	0	0	0	0	0	159
14,000	0	0	0	0	0	630,061
0	82,450	24,425	132,009	0	4,125	980,500
0	0	0	0	0	0	253,958
0	28,370	0	40,920	2,329,976	0	4,837,079
0	0	0	0	0	0	1,131,991
14,000	986,225	24,425	172,929	2,329,976	15,028	8,771,123
0	(33,997)	0	2,854	86,070	0	(312,958)
0	(11,080)	0	(1,839)	111,957	0	911,423
\$0	(\$45,077)	\$0	\$1,015	\$198,027	\$0	\$598,465

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$1,008,197	\$1,009,625	\$1,428
Other Revenues	130,983	131,168	185
Total Revenues	<u>1,139,180</u>	<u>1,140,793</u>	<u>1,613</u>
Expenditures:			
Current:			
Extracurricular Activities	1,188,246	1,162,394	25,852
Total Expenditures	<u>1,188,246</u>	<u>1,162,394</u>	<u>25,852</u>
Net Change in Fund Balance	(49,066)	(21,601)	27,465
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>454,589</u>	<u>454,589</u>	<u>0</u>
Fund Balance - End of Year	<u>\$405,523</u>	<u>\$432,988</u>	<u>\$27,465</u>



Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$7,168	\$7,168	\$0
Intergovernmental	1,955,072	1,955,072	0
Total Revenues	1,962,240	1,962,240	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,292,311	2,292,308	3
Total Expenditures	2,292,311	2,292,308	3
Net Change in Fund Balance	(330,071)	(330,068)	3
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	375,722	375,722	0
Fund Balance - End of Year	\$45,651	\$45,654	\$3

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Data Communications Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,200	\$16,200	\$0
Total Revenues	16,200	16,200	0
Expenditures:			
Current:			
Instruction:			
Regular	16,200	16,200	0
Total Expenditures	16,200	16,200	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$106,865	\$106,865	\$0
Total Revenues	106,865	106,865	0
Expenditures:			
Current:			
Support Services:			
Pupil	81,865	81,865	0
Instructional Staff	26,088	26,088	0
Total Expenditures	107,953	107,953	0
Net Change in Fund Balance	(1,088)	(1,088)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,088	1,088	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,660,714	\$1,660,714	\$0
Total Revenues	1,660,714	1,660,714	0
Expenditures:			
Current:			
Instruction:			
Special	34,870	34,870	0
Support Services:			
Pupil	513,191	513,191	0
Instructional Staff	707,671	707,671	0
School Administration	254,197	254,197	0
Operation of Non-Instructional Services	150,785	150,785	0
Total Expenditures	1,660,714	1,660,714	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$14,000	\$14,000	\$0
Total Revenues	14,000	14,000	0
Expenditures:			
Current:			
Support Services:			
Pupil	14,000	14,000	0
Total Expenditures	14,000	14,000	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$990,697	\$990,697	\$0
Total Revenues	990,697	990,697	0
Expenditures:			
Current:			
Instruction:			
Special	872,708	872,708	0
Support Services:			
Instructional Staff	82,294	82,294	0
Operation of Non-Instructional Services	35,695	35,695	0
Total Expenditures	990,697	990,697	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	IDEA Preschool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$24,425	\$24,425	\$0
Total Revenues	24,425	24,425	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	24,425	24,425	0
Total Expenditures	24,425	24,425	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$174,769	\$174,769	\$0
Total Revenues	174,769	174,769	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	132,009	132,009	0
Operation of Non-Instructional Services	42,760	42,760	0
Total Expenditures	174,769	174,769	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0



Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,316	\$2,316	\$0
Intergovernmental	643,231	643,369	138
Charges for Services	1,680,518	1,680,878	360
Other Revenues	4,599	4,600	1
Total Revenues	<u>2,330,664</u>	<u>2,331,163</u>	<u>499</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>2,289,782</u>	<u>2,287,160</u>	<u>2,622</u>
Total Expenditures	<u>2,289,782</u>	<u>2,287,160</u>	<u>2,622</u>
Net Change in Fund Balance	40,882	44,003	3,121
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>303,953</u>	<u>303,953</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$344,835</u></u>	<u><u>\$347,956</u></u>	<u><u>\$3,121</u></u>

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$15,028	\$15,028	\$0
Total Revenues	15,028	15,028	0
Expenditures:			
Current:			
Instruction:			
Special	10,903	10,903	0
Support Services:			
Instructional Staff	4,125	4,125	0
Total Expenditures	15,028	15,028	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

## **NONMAJOR DEBT SERVICE FUND**

### **Fund Description**

**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 for the Debt Service Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,691,069	\$2,691,069	\$0
Intergovernmental	439,228	439,228	0
<b>Total Revenues</b>	<b>3,130,297</b>	<b>3,130,297</b>	<b>0</b>
Expenditures:			
Current:			
Support Services:			
Fiscal	37,924	37,924	0
Debt Service:			
Principal Retirement	2,285,000	2,285,000	0
Interest and Fiscal Charges	1,083,125	1,083,125	0
<b>Total Expenditures</b>	<b>3,406,049</b>	<b>3,406,049</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(275,752)</b>	<b>(275,752)</b>	<b>0</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,008,790	2,008,790	0
<b>Fund Balance - End of Year</b>	<b>\$1,733,038</b>	<b>\$1,733,038</b>	<b>\$0</b>

## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **Fund Description**

**Permanent Improvement Fund** – The Permanent Improvement Fund is used to account for financial resources, to maintain the District's facilities, as well as provide for major equipment and instructional material purchases

**Building Fund** – The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property.

Oak Hills Local School District, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2017

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$3,706,320	\$0	\$3,706,320
Receivables (Net):			
Taxes	4,328,274	0	4,328,274
<b>Total Assets</b>	<b>8,034,594</b>	<b>0</b>	<b>8,034,594</b>
<b>Liabilities:</b>			
Accounts Payable	28,800	0	28,800
Accrued Wages and Benefits	2,569	0	2,569
<b>Total Liabilities</b>	<b>31,369</b>	<b>0</b>	<b>31,369</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	2,678,274	0	2,678,274
<b>Total Deferred Inflows of Resources</b>	<b>2,678,274</b>	<b>0</b>	<b>2,678,274</b>
<b>Fund Balances:</b>			
Committed	5,324,951	0	5,324,951
<b>Total Fund Balances</b>	<b>5,324,951</b>	<b>0</b>	<b>5,324,951</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$8,034,594</b>	<b>\$0</b>	<b>\$8,034,594</b>

Oak Hills Local School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2017

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
Property and Other Taxes	\$4,569,755	\$0	\$4,569,755
Intergovernmental	678,943	0	678,943
Other Revenues	82,329	0	82,329
<b>Total Revenues</b>	<b>5,331,027</b>	<b>0</b>	<b>5,331,027</b>
Expenditures:			
Current:			
Instruction:			
Regular	206,042	0	206,042
Special	12,045	0	12,045
Support Services:			
Pupil	5,958	0	5,958
Instructional Staff	848,537	0	848,537
Fiscal	58,622	0	58,622
Business	1,242	0	1,242
Operations and Maintenance	981,442	0	981,442
Pupil Transportation	228,524	0	228,524
Capital Outlay	2,824,869	1,073,741	3,898,610
Debt Service:			
Principal Retirement	285,000	0	285,000
Interest and Fiscal Charges	199,419	0	199,419
<b>Total Expenditures</b>	<b>5,651,700</b>	<b>1,073,741</b>	<b>6,725,441</b>
<b>Net Change in Fund Balance</b>	<b>(320,673)</b>	<b>(1,073,741)</b>	<b>(1,394,414)</b>
<b>Fund Balance - Beginning of Year</b>	<b>5,645,624</b>	<b>1,073,741</b>	<b>6,719,365</b>
<b>Fund Balance - End of Year</b>	<b>\$5,324,951</b>	<b>\$0</b>	<b>\$5,324,951</b>

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,157,556	\$4,159,755	\$2,199
Intergovernmental	678,584	678,943	359
Other Revenues	82,285	82,329	44
<b>Total Revenues</b>	<b>4,918,425</b>	<b>4,921,027</b>	<b>2,602</b>
Expenditures:			
Current:			
Instruction:			
Regular	216,687	216,687	0
Special	12,045	12,045	0
Support Services:			
Pupil	5,958	5,958	0
Instructional Staff	850,112	850,112	0
Fiscal	58,622	58,622	0
Business	1,242	1,242	0
Operations and Maintenance	1,001,985	1,001,985	0
Pupil Transportation	229,373	229,373	0
Capital Outlay	2,966,741	2,966,741	0
Debt Service:			
Principal Retirement	285,000	285,000	0
Interest and Fiscal Charges	199,419	199,419	0
<b>Total Expenditures</b>	<b>5,827,184</b>	<b>5,827,184</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(908,759)</b>	<b>(906,157)</b>	<b>2,602</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	4,424,422	4,424,422	0
<b>Fund Balance - End of Year</b>	<b>\$3,515,663</b>	<b>\$3,518,265</b>	<b>\$2,602</b>



Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

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	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Capital Outlay	1,275,040	1,275,040	0
Total Expenditures	1,275,040	1,275,040	0
Net Change in Fund Balance	(1,275,040)	(1,275,040)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,275,040	1,275,040	0
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</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**

**Public School** – Fund used to account for specific local revenue sources generated by individual school buildings. Expenditures include field trips, items to support co-curricular and extra-curricular programs, and recognition programs.

**State Subdivision** – Fund used to account for state monies provided for the state subdivision programs.

**Uniform School Supply** – Fund 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.

**Adult Education** – Fund used to account for expenses related to the adult education program provided to the general public.

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Public School Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$434,995	\$434,996	\$1
Other Revenues	193,832	193,833	1
Total Revenues	<u>628,827</u>	<u>628,829</u>	<u>2</u>
Expenditures:			
Current:			
Support Services:			
Pupil	572,132	570,895	1,237
Central	20,817	20,772	45
Total Expenditures	<u>592,949</u>	<u>591,667</u>	<u>1,282</u>
Net Change in Fund Balance	35,878	37,162	1,284
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>277,625</u>	<u>277,625</u>	<u>0</u>
Fund Balance - End of Year	<u>\$313,503</u>	<u>\$314,787</u>	<u>\$1,284</u>

(1) - This fund is included in General Fund in GAAP Statements

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	State Subdivision Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$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)	11,000	11,000	0
Fund Balance - End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

(1) - This fund is included in General Fund in GAAP Statements

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$25,830	\$25,829	(\$1)
Total Revenues	25,830	25,829	(1)
Expenditures:			
Current:			
Instruction:			
Regular	33,850	33,850	0
Total Expenditures	33,850	33,850	0
Net Change in Fund Balance	(8,020)	(8,021)	(1)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	25,428	25,428	0
Fund Balance - End of Year	\$17,408	\$17,407	(\$1)

(1) - This fund is included in General Fund in GAAP Statements

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2017

	Adult Education Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$29,748	\$26,140	(\$3,608)
Other Revenues	85	75	(10)
Total Revenues	<u>29,833</u>	<u>26,215</u>	<u>(3,618)</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>36,961</u>	<u>36,782</u>	<u>179</u>
Total Expenditures	<u>36,961</u>	<u>36,782</u>	<u>179</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,128)</u>	<u>(10,567)</u>	<u>(3,439)</u>
Other Financing Sources (Uses):			
Transfers In	<u>11,380</u>	<u>10,000</u>	<u>(1,380)</u>
Total Other Financing Sources (Uses)	<u>11,380</u>	<u>10,000</u>	<u>(1,380)</u>
Net Change in Fund Balance	4,252	(567)	(4,819)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>4,069</u>	<u>4,069</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$8,321</u></u>	<u><u>\$3,502</u></u>	<u><u>(\$4,819)</u></u>

(1) - This fund is included in General Fund in GAAP 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 Activity (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.

**Athletic Tournament S-Agency Fund** - Fund used to account for resources to be used for athletic tournaments.

Oak Hills Local School District, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2017

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$95,077	\$193,001	\$189,636	\$98,442
Receivables (Net):				
Accounts	1,900	11	1,900	11
<b>Total Assets</b>	<b>96,977</b>	<b>193,012</b>	<b>191,536</b>	<b>98,453</b>
<b>Liabilities:</b>				
Accounts Payable	0	1,117	0	1,117
Other Liabilities	96,977	191,895	191,536	97,336
<b>Total Liabilities</b>	<b>\$96,977</b>	<b>\$193,012</b>	<b>\$191,536</b>	<b>\$98,453</b>

	Athletic Tournament S-Agency Fund			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$285	\$330	\$615	\$0
<b>Total Assets</b>	<b>285</b>	<b>330</b>	<b>615</b>	<b>0</b>
<b>Liabilities:</b>				
Other Liabilities	285	330	615	0
<b>Total Liabilities</b>	<b>\$285</b>	<b>\$330</b>	<b>\$615</b>	<b>\$0</b>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$95,362	\$193,331	\$190,251	\$98,442
Receivables (Net):				
Accounts	1,900	11	1,900	11
<b>Total Assets</b>	<b>97,262</b>	<b>193,342</b>	<b>192,151</b>	<b>98,453</b>
<b>Liabilities:</b>				
Accounts Payable	0	1,117	0	1,117
Other Liabilities	97,262	192,225	192,151	97,336
<b>Total Liabilities</b>	<b>\$97,262</b>	<b>\$193,342</b>	<b>\$192,151</b>	<b>\$98,453</b>



# STATISTICAL SECTION



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## **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 factors affecting the District's ability to generate its most significant local revenue source(s), the property tax (and the income 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.

**Operation 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.

Oak Hills Local School District, Ohio  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 1

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015 (1)	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$3,223,283	\$5,852,153	\$7,686,787	\$8,896,621	\$9,492,221	\$9,782,816	\$10,281,225	\$14,112,024	\$17,720,253	\$20,053,468
Restricted	6,154,650	6,386,520	8,150,504	4,153,714	4,378,079	4,048,421	4,760,786	5,546,195	5,339,785	4,147,982
Unrestricted	25,537,855	23,696,125	21,724,164	21,570,363	20,653,086	20,870,979	29,158,085	(76,441,186)	(77,740,981)	(74,749,383)
Total Net Position	\$34,915,788	\$35,934,798	\$37,561,455	\$34,620,698	\$34,523,386	\$34,702,216	\$44,200,096	(\$56,782,967)	(\$54,680,943)	(\$50,547,933)

Source: District Records

(1) - GASB 68 was implemented

Oak Hills Local School District, Ohio  
Expenses, Program Revenues and Net (Expense)/Revenue  
Last Ten Fiscal Years  
(accural basis of accounting)  
Schedule 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$41,700,556	\$42,044,797	\$43,400,150	\$44,447,001	\$42,082,843	\$41,099,941	\$43,441,355	\$45,588,622	\$45,802,259	\$50,189,130
Pupil	4,577,223	4,372,678	4,999,928	4,968,916	5,337,790	5,035,797	5,534,470	5,941,913	6,037,513	6,724,307
Instructional staff	5,400,250	7,246,802	7,100,492	7,291,063	5,312,361	5,685,892	4,117,596	3,400,455	4,432,445	4,572,224
General Administration	133,180	176,351	163,458	128,139	730,144	126,079	160,001	134,554	136,227	150,762
School Administration	4,819,529	5,075,386	5,328,461	5,419,652	5,009,998	5,455,185	5,361,576	5,000,652	5,332,399	5,686,259
Fiscal	1,124,823	1,208,804	1,281,511	1,313,411	1,245,878	1,259,348	1,169,771	1,469,355	1,563,102	1,414,164
Business	395,701	106,493	284,383	277,321	299,053	113,062	107,136	106,694	121,695	121,054
Operation and Maintenance	6,880,648	6,649,473	6,988,413	6,846,285	6,047,467	6,233,071	6,235,743	6,032,693	7,417,029	8,206,231
Pupil Transportation	2,553,989	2,721,131	2,894,554	3,004,197	3,045,054	3,016,409	3,259,887	2,905,561	3,383,465	3,590,423
Central	534,923	501,881	541,132	580,400	483,088	554,851	333,268	299,724	371,715	387,815
Operation of Non-Instructional Services	4,715,758	4,891,470	4,428,200	4,827,525	4,075,877	4,498,202	4,125,883	4,078,086	4,253,444	5,035,000
Extracurricular Activities	1,774,568	1,829,779	2,099,337	2,025,274	2,058,361	2,185,473	2,074,027	2,164,501	2,140,984	2,177,472
Interest and Fiscal Charges	1,106,046	2,054,725	1,956,139	1,867,715	1,799,761	1,711,279	1,601,184	1,600,480	1,667,316	850,288
<b>Total Government Expenses</b>	<b>75,717,194</b>	<b>78,879,770</b>	<b>81,466,158</b>	<b>82,996,899</b>	<b>77,527,675</b>	<b>76,974,589</b>	<b>77,521,897</b>	<b>78,723,290</b>	<b>82,659,593</b>	<b>89,105,129</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services	1,440,889	1,887,712	1,213,258	1,297,724	1,329,534	1,277,929	1,110,772	1,244,038	1,057,447	1,367,652
Instruction	520,211	0	278,644	0	0	0	0	0	0	0
Pupil	465	0	0	0	0	0	0	0	0	0
Instructional Staff	33,234	27,421	21,291	22,950	23,330	34,830	375,903	414,529	430,366	439,841
Operation and Maintenance	51,838	59,839	68,025	68,099	61,423	15,510	104,969	53,122	51,178	53,561
Pupil Transportation	14,399	16,835	12,677	0	0	0	0	0	0	0
Central	2,341,106	2,292,337	2,112,094	1,976,544	2,019,973	1,889,472	1,710,383	1,651,891	1,647,916	1,685,481
Operation of Non-Instructional	931,073	888,863	1,195,044	1,421,483	1,390,466	1,642,081	1,209,731	1,251,303	1,201,280	1,284,191
Extracurricular Activities	6,856,642	6,788,833	9,817,213	8,656,757	8,032,996	6,542,478	9,682,006	8,091,953	10,487,244	10,135,670
Operating Grants and Contributions	21,882	43,210	0	0	0	0	0	0	0	0
Capital Grants and Contributions	12,211,739	12,005,050	14,718,246	13,443,557	12,857,722	11,402,300	14,193,764	12,706,836	14,875,431	14,966,396
<b>Total Government Revenues</b>	<b>(\$63,505,455)</b>	<b>(\$66,874,720)</b>	<b>(\$66,747,912)</b>	<b>(\$69,553,342)</b>	<b>(\$64,669,953)</b>	<b>(\$65,572,289)</b>	<b>(\$63,328,133)</b>	<b>(\$66,016,454)</b>	<b>(\$67,784,162)</b>	<b>(\$74,138,733)</b>
<b>Net (Expense)/Revenue</b>										
<b>Total Government Net Expense</b>										

Source: District Records

Oak Hills Local School District, Ohio  
 General Revenues and Total Change in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 3

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Total Government Net Expense	(\$63,505,455)	(\$66,874,720)	(\$66,747,912)	(\$69,553,342)	(\$64,669,953)	(\$65,572,289)	(\$63,328,133)	(\$66,016,454)	(\$67,784,162)	(\$74,138,733)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes										
Property Taxes Levied for General Purposes	23,040,762	21,859,664	22,469,396	22,185,957	21,255,588	20,671,331	27,042,320	27,312,721	24,096,973	30,179,334
Property Taxes Levied for Debt Service Purposes	3,421,172	2,885,046	2,793,781	2,749,573	2,574,878	2,767,198	2,806,705	2,654,719	2,413,153	2,937,057
Property Taxes Levied for Capital Projects Purposes	4,441,391	4,802,644	4,823,270	4,820,177	4,174,592	4,158,680	4,481,251	4,089,264	3,732,973	4,548,104
Grants and Entitlements Not Restricted	24,903,123	28,454,221	27,516,062	26,449,129	26,470,882	27,809,237	27,350,047	27,875,377	27,893,138	28,301,873
Payment in Lieu of Taxes	7,884,327	8,451,191	9,861,510	9,577,067	9,619,710	9,694,573	10,492,639	11,110,870	10,965,704	11,525,085
Unrestricted Contributions	308,447	202,094	126,969	174,606	155,153	123,009	151,374	176,668	273,028	180,218
Investment Earnings	1,543,598	807,139	373,400	352,248	28,397	8,590	59,083	63,991	114,401	126,172
Other Revenues	486,993	431,731	410,181	303,828	293,441	752,693	442,594	451,811	396,816	473,900
Total Governmental Activities	66,029,813	67,893,730	68,374,569	66,612,585	64,572,641	65,985,311	72,826,013	73,735,421	69,886,186	78,271,743
Change in Net Position - Total Government	2,524,358	1,019,010	1,626,657	(2,940,757)	(97,312)	413,022	9,497,880	7,718,967	2,102,024	4,133,010

Source: District Records

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

	Fiscal Year									
	2008	2009	2010	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)
General Fund										
Reserved	\$8,742,646	\$8,477,245	\$8,795,914							
Unreserved	19,893,145	18,690,772	16,642,603							
Assigned				\$99,794	\$5,456,159	\$3,988,644	\$359,310	\$246,955	\$270,832	\$1,960,550
Unassigned				20,683,669	13,308,707	12,401,600	22,365,608	28,132,894	29,075,413	33,240,773
<b>Total General Fund</b>	<b>28,635,791</b>	<b>27,168,017</b>	<b>25,438,517</b>	<b>20,783,463</b>	<b>18,764,866</b>	<b>16,390,244</b>	<b>22,724,918</b>	<b>28,379,849</b>	<b>29,346,245</b>	<b>35,201,323</b>
All Other Governmental Funds										
Reserved	3,251,804	3,083,542	3,847,042							
Unreserved, Reported in:										
Capital Project Funds	(123,922)	806,385	1,206,089							
Debt Service Funds	2,404,439	2,043,439	2,326,797							
Special Revenue Funds	275,493	57,736	(263,181)							
Restricted				3,841,895	4,001,717	3,791,678	4,075,973	5,735,254	4,806,871	3,447,786
Committed				4,598,621	6,038,603	8,476,565	9,574,886	6,903,364	5,645,624	5,324,951
Unassigned				(348,019)	(573,841)	(160,738)	(125,114)	(5,864)	(12,919)	(56,285)
<b>Total all Other Governmental Funds</b>	<b>\$5,807,814</b>	<b>\$5,991,102</b>	<b>\$7,116,747</b>	<b>\$8,092,497</b>	<b>\$9,466,479</b>	<b>\$12,107,505</b>	<b>\$13,525,745</b>	<b>\$12,632,754</b>	<b>\$10,439,576</b>	<b>\$8,716,452</b>

Source: District Records

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

Oak Hills Local School District, Ohio  
 Governmental Funds Revenues  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 5

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$30,772,915	\$29,543,990	\$29,897,760	\$29,696,733	\$28,235,311	\$27,802,403	\$34,237,484	\$34,118,374	\$30,243,099	\$37,834,522
Tuition and Fees	1,593,704	1,524,276	1,362,830	1,303,814	1,241,469	1,216,417	1,267,018	1,317,500	1,129,709	1,439,046
Investment Earnings	1,543,598	807,139	360,629	352,248	51,480	8,215	63,958	62,127	114,270	124,957
Intergovernmental	31,672,670	35,170,424	36,952,325	35,433,886	34,562,003	34,511,674	35,994,293	37,004,677	37,521,736	38,176,871
Extracurricular Activities	1,466,148	1,442,080	1,486,365	1,465,931	1,527,380	1,641,466	1,561,553	1,610,592	1,563,537	1,664,241
Charges for Services	2,221,189	2,158,314	2,016,752	1,976,544	2,019,973	1,924,918	1,784,372	1,651,891	1,647,916	1,685,481
Revenue in Lieu of Taxes	7,884,327	8,451,191	9,861,510	9,577,067	9,619,710	9,694,573	10,492,639	11,110,870	10,965,704	11,525,085
Other Revenues	847,614	674,364	572,236	518,947	484,497	952,394	570,115	619,034	700,167	685,013
Total Revenues	\$78,002,165	\$79,771,778	\$82,510,407	\$80,325,170	\$77,741,823	\$77,752,060	\$85,971,432	\$87,495,065	\$83,886,138	\$93,135,216

Source: District Records



Oak Hills Local School District, Ohio  
 Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Schedule 6

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Regular Instruction	\$33,038,753	\$33,274,310	\$34,100,823	\$34,711,759	\$32,494,697	\$31,136,770	\$31,605,906	\$34,057,824	\$32,982,876	\$34,228,639
Special Instruction	6,787,517	7,305,501	8,301,525	8,551,494	8,303,352	8,622,566	10,377,927	11,196,871	11,478,828	12,681,862
Vocational Instruction	244	0	101	189	149	447	370	293	1,069	1,161
Other Instruction	235,794	304,023	319,185	264,077	232,155	239,570	253,570	231,013	229,551	145,606
Pupil	4,560,607	4,393,210	5,004,577	5,018,056	5,310,530	5,070,589	5,530,670	6,001,930	5,905,770	6,539,847
Instructional Staff	5,390,162	7,392,702	7,167,145	7,274,389	5,482,111	5,651,256	4,116,220	4,989,420	5,294,202	3,733,486
General Administration	133,180	176,351	163,458	128,139	730,144	126,079	160,001	135,845	135,667	149,656
School Administration	4,926,982	5,082,226	5,294,124	5,253,965	4,967,698	5,456,558	5,258,504	5,171,762	5,304,121	5,339,442
Fiscal	1,138,397	1,217,174	1,284,025	1,324,012	1,230,560	1,258,301	1,175,339	1,513,497	1,536,056	1,390,832
Business	436,098	103,424	283,795	280,145	353,546	116,976	102,600	110,871	118,331	117,220
Operations and Maintenance	6,476,119	6,610,399	6,941,682	6,820,243	5,972,480	6,167,959	5,995,767	6,201,669	6,229,696	6,363,924
Pupil Transportation	2,534,099	2,878,513	2,807,110	2,855,087	2,891,707	2,882,636	3,002,995	3,258,813	3,236,990	3,118,984
Central	536,819	509,403	524,294	570,008	489,965	548,724	331,538	329,214	358,717	368,739
Operation of Non-Instructional Services	4,665,790	4,849,607	4,367,128	4,797,893	4,006,914	4,548,106	4,005,365	4,453,621	4,156,817	4,897,434
Extracurricular Activities	1,759,453	1,852,947	2,089,668	2,004,249	2,037,662	2,161,777	2,064,649	2,172,822	2,115,874	2,102,263
Capital Outlay	2,070,850	839,383	1,169,126	791,450	436,704	343,496	991,007	3,643,038	5,092,867	3,982,682
Debt Service:										
Principal Retirement	2,032,000	2,245,000	1,375,000	1,526,000	1,689,000	1,490,000	1,539,137	1,306,984	33,073,865	2,570,000
Interest and Fiscal Charges	2,152,140	2,029,889	1,921,496	1,843,706	1,757,064	1,664,175	1,706,963	2,055,646	2,284,641	1,282,544
Bond Issuance Costs	0	0	0	0	0	0	0	61,459	364,946	0
<b>Total Expenditures</b>	<b>\$78,875,004</b>	<b>\$81,064,062</b>	<b>\$83,114,262</b>	<b>\$84,014,861</b>	<b>\$78,386,438</b>	<b>\$77,485,985</b>	<b>\$78,218,528</b>	<b>\$86,892,592</b>	<b>\$119,900,884</b>	<b>\$89,014,321</b>

Debt Service as a Percentage of Noncapital Expenditures 5.42% 5.37% 4.07% 4.08% 4.43% 4.10% 4.19% 4.26% 32.11% (1) 4.63%

Source: District Records

(1) - Principal retirement includes a current refunding.

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses):										
Proceeds from Sale of Capital Assets	\$0	\$7,798	\$0	\$10,387	\$0	\$329	\$0	\$44,346	\$16,703	\$11,059
Issuance of Capital Leases	0	0	0	0	0	0	0	0	2,520,000	0
Issuance of Long Term Debt	0	0	0	0	0	0	0	3,965,000	0	0
Issuance of Refunding Bonds	0	0	0	0	0	0	0	0	29,005,000	0
Premium on Issuance of Debt	0	0	0	0	0	0	0	150,121	3,246,261	0
Transfers In	381,212	411,794	374,879	671,663	371,484	246,270	40,000	0	130,000	0
Transfers (Out)	(381,212)	(411,794)	(374,879)	(671,663)	(371,484)	(246,270)	(40,000)	0	(130,000)	0
Total Other Financing Sources (Uses)	0	7,798	0	10,387	0	329	0	4,159,467	34,787,964	11,059
Net Change in Fund Balances	(\$872,839)	(\$1,284,486)	(\$603,855)	(\$3,679,304)	(\$644,615)	\$266,404	\$7,752,904	\$4,761,940	(\$1,226,782)	\$4,131,954

Source: District Records

Oak Hills Local School District, Ohio  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Collection (Calendar) Years (1)  
 Schedule 8

Collection Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total		Total Direct Rate
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	
2007	\$1,192,432,440	\$9,608,170	\$31,258,920	\$1,233,299,530	\$3,476,641,429	46.35
2008	1,179,229,060	1,966,067	31,364,410	1,212,559,537	3,408,454,564	45.90
2009	1,177,873,300	1,819,270	33,369,740	1,213,062,310	3,405,999,106	45.83
2010	1,176,118,440	911,750	33,888,810	1,210,919,000	3,397,874,210	45.83
2011	1,061,520,280	0	35,117,890	1,096,638,170	3,068,032,976	46.02
2012	1,058,878,380	0	36,658,060	1,095,536,440	3,062,024,860	46.15
2013	1,056,409,240	0	40,156,600	1,096,565,840	3,058,468,714	50.97
2014	1,017,952,600	0	42,717,560	1,060,670,160	2,951,153,560	51.15
2015	1,017,997,280	0	44,599,470	1,062,596,750	2,953,163,127	51.15
2016	1,016,833,270	0	45,326,000	1,062,159,270	2,950,563,914	51.15

Source: 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

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. House Bill 66 phased out tangible personal property with the last collection during 2010. Telephone personal property was assessed at 10% for 2009, 5% for 2010, and eliminated in 2011.

Oak Hills Local School District, Ohio  
 Direct and Overlapping Property Tax Rates  
 Last Ten Calendar Years  
 Schedule 9

Calendar Year	District Direct Rates				Overlapping Rates				
	General	Debt Service	Permanent Improvement	Total	City of Cincinnati	Hamilton County	Delhi Township	Green Township	Great Oaks Joint Vocational School
2007	38.64	3.15	4.56	46.35	7.56	20.18	26.34	9.81	2.70
2008	38.64	2.70	4.56	45.90	7.52	20.56	26.34	9.81	2.70
2009	38.64	2.63	4.56	45.83	7.45	20.48	26.34	11.71	2.70
2010	38.64	2.63	4.56	45.83	7.45	20.48	26.34	11.71	2.70
2011	38.83	2.63	4.56	46.02	8.13	19.03	26.34	11.71	2.70
2012	38.96	2.63	4.56	46.15	8.48	19.03	26.34	11.71	2.70
2013	43.03	2.90	5.04	50.97	9.83	19.03	28.09	11.71	2.70
2014	43.21	2.90	5.04	51.15	9.73	18.85	30.58	14.66	2.70
2015	43.21	2.90	5.04	51.15	9.73	18.85	30.58	14.66	2.70
2016	43.21	2.90	5.04	51.15	9.67	18.85	31.12	14.66	2.70

Source: County Auditor

Oak Hills Local School District, Ohio  
Principal Property Tax Payers  
Current Calendar Year and Eight Years Ago (1)  
Schedule 10

Taxpayer	2016	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy	\$44,942,620	4.23%
CSG Enterprises LLC	3,393,410	0.32%
Bre Retail Residual Owner	2,789,060	0.26%
Sisters of Charity of Cincinnati	2,716,630	0.26%
Dillard's	2,397,500	0.23%
Delhi Property LLC	2,319,130	0.22%
Western Woods Mall Inc.	1,885,100	0.18%
DFG Delhi LLC	1,639,120	0.15%
EDA Rae Corp	1,613,220	0.15%
West Hills Apt Ltd	1,610,310	0.15%
<b>Total Principal Taxpayers</b>	<b>65,306,100</b>	<b>6.15%</b>
<b>All Other Taxpayers</b>	<b>996,853,170</b>	<b>93.85%</b>
<b>Total Taxpayers</b>	<b>\$1,062,159,270</b>	<b>100.00%</b>

Taxpayer	2008	
	Tangible Personal & Real Property	Percentage of Total Taxable Value
Duke Energy	\$31,542,120	2.60%
Centro NP Residual Pool	3,020,550	0.25%
Sisters of Charity of Cincinnati	2,875,520	0.24%
BKS Investors	2,458,750	0.20%
Dillard's	2,397,510	0.20%
Western Hills Country Club	2,337,400	0.19%
Cincinnati Marketplace	2,310,000	0.19%
CSG Enterprises LLC	2,276,350	0.19%
Barrett Capital LLC	2,074,170	0.17%
Del-Fair, LLC	1,994,850	0.16%
<b>Total Principal Taxpayers</b>	<b>53,287,220</b>	<b>4.39%</b>
<b>All Other Taxpayers</b>	<b>1,159,272,317</b>	<b>95.61%</b>
<b>Total Taxpayers</b>	<b>\$1,212,559,537</b>	<b>100.00%</b>

Source: County Auditor

(1) - Information prior to 2008 is unavailable

Oak Hills Local School District, Ohio  
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	Refunds	Total Collections to Date	
		Amount (2)	Percentage of Levy			Amount	Percentage of Levy
2007	\$32,704,664	\$30,754,656	94.04%	\$697,418	\$67,448	\$31,384,626	95.96%
2008	36,090,215	34,256,171	94.92%	733,043	19,420	34,969,794	96.90%
2009	35,360,288	33,237,531	94.00%	850,111	40,264	34,047,378	96.29%
2010	35,473,030	33,080,634	93.26%	981,610	63,545	33,998,699	95.84%
2011	34,243,763	32,149,132	93.88%	908,785	477,119	32,580,798	95.14%
2012	33,513,479	32,857,677	98.04%	782,352	127,804	33,512,225	100.00%
2013	38,785,744	38,072,480	98.16%	771,163	62,979	38,780,664	99.99%
2014	38,798,917	38,040,000	98.04%	685,918	75,122	38,650,796	99.62%
2015	38,837,954	38,235,939	98.45%	749,951	147,936	38,837,954	100.00%
2016	38,874,673	38,306,872	98.54%	655,742	87,941	38,874,673	100.00%

Source: County Auditor

- (1) - Taxes levied and collected are presented on a cash basis
- (2) - State reimbursements of rollback and homestead exemptions are included

Oak Hills Local School District, Ohio  
 Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Schedule 12

Fiscal Year	General Bonded Debt Outstanding		General Bonded Debt Outstanding		Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
	Total General Obligation Bonds	Debt Service Balance (1)	Net General Obligation Bonds				
2008	\$45,815,976	\$3,578,751	\$42,237,225		1.34%	0.13%	\$534
2009	43,588,409	3,035,900	40,552,509		1.28%	0.12%	508
2010	42,235,353	3,629,835	38,605,518		1.24%	0.12%	492
2011	40,735,978	3,772,998	36,962,980		1.33%	0.11%	464
2012	39,078,460	3,660,545	35,417,915		1.27%	0.10%	445
2013	37,624,983	3,708,128	33,916,855		1.11%	0.09%	428
2014	35,987,312	3,461,721	32,525,591		1.06%	0.08%	410
2015	38,267,256	3,144,679	35,122,577		1.19%	0.08%	435
2016	35,441,259	2,761,861	32,679,398		1.11%	0.08%	403
2017	32,616,136	2,755,964	29,860,172		1.01%	0.07%	371

Source: District Records

(1) Restricted Balance on Statement of Net Position

Oak Hills Local School District, Ohio  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2017  
 Schedule 13

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Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Hamilton County	\$71,750,000	5.75%	\$4,125,625
City of Cincinnati	516,125,000	0.00%	0
Delhi Township	2,785,000	98.46%	2,742,111
Great Oaks Joint Vocational School	<u>8,630,000</u>	5.65%	<u>487,595</u>
Subtotal, Overlapping Debt	<u>599,290,000</u>		<u>7,355,331</u>
District Direct Debt	<u>35,086,136</u>	100.00%	<u>35,086,136</u>
Total Direct and Overlapping Debt	<u>\$634,376,136</u>		<u>\$42,441,467</u>

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.



Oak Hills Local School District, Ohio  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value (1)	\$1,062,159,270
Debt limit (9% of assessed value)	95,594,334
Debt applicable to limit	35,086,136
Legal debt margin	<u>\$60,508,198</u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$110,996,958	\$109,130,358	\$109,175,608	\$108,982,710	\$98,697,435	\$98,598,280	\$98,690,926	\$95,460,314	\$95,633,708	\$95,594,334
Total Net Debt Applicable to Limit	44,430,976	40,324,986	39,289,986	38,114,986	39,078,460	37,624,983	35,987,312	35,064,114	32,632,471	35,086,136
Legal Debt Margin	<u>\$65,845,380</u>	<u>\$66,565,982</u>	<u>\$68,805,372</u>	<u>\$69,885,622</u>	<u>\$70,867,724</u>	<u>\$59,618,975</u>	<u>\$62,703,614</u>	<u>\$60,396,200</u>	<u>\$63,001,237</u>	<u>\$60,508,198</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	41.20%	40.03%	36.95%	35.99%	34.97%	39.59%	36.46%	36.73%	34.12%	36.70%
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Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2017 is calendar year 2016)

Oak Hills Local School District, Ohio  
 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)
2007	85,764	\$36,488,577	\$42,730	5.0%
2008	85,764	37,484,285	43,918	5.6%
2009	85,764	36,248,694	42,393	8.9%
2010	87,880	35,888,024	44,751	9.4%
2011	87,880	37,522,065	46,881	8.0%
2012	87,880	39,631,501	49,413	7.0%
2013	87,880	40,415,100	50,235	7.1%
2014	87,880	41,382,133	51,312	5.3%
2015	87,880	42,669,035	52,825	4.4%
2016	87,880	43,251,503	53,456	4.9%

- Sources:
- (1) - Population estimates provided by Ohio Department of Development for Green and Delhi Townships
  - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
  - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
  - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

Oak Hills Local School District, Ohio  
Major Employers (1)  
Current Fiscal Year and Fiscal Period Eight Years Ago (2)  
Schedule 16

2017			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Cincinnati Children's Hospital	Serv	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

2009			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Convergys Corp	Serv	(4)	(5)
Duke Energy Corp	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Hamilton County

(2) - Only current fiscal year and fiscal period eight years 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

Oak Hills Local School District, Ohio  
 Full-Time Equivalent District Employees by Type  
 Last Ten Fiscal Years  
 Schedule 17

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Instruction</b>										
Classroom Teachers	393.0	389.3	394.0	388.5	381.0	375.0	377.0	381.0	381.0	394.0
Special Education Teachers and Tutors	90.7	89.0	76.0	75.0	77.0	73.0	81.5	81.0	81.0	82.0
Educational Aides	49.0	45.0	47.0	45.0	34.0	31.0	36.0	35.0	35.0	36.0
Special Education Aides and Attendants	72.0	70.0	77.0	75.0	77.0	74.0	78.0	79.0	79.0	88.0
<b>Total Instruction</b>	<b>604.7</b>	<b>593.3</b>	<b>594.0</b>	<b>583.5</b>	<b>569.0</b>	<b>553.0</b>	<b>572.5</b>	<b>576.0</b>	<b>576.0</b>	<b>600.0</b>
<b>Support and Administration</b>										
<b>Support Personnel</b>										
Librarians, Nurses, Counselors	32.0	32.0	26.0	25.0	24.0	24.0	23.0	22.0	22.0	10.8
Principals	20.0	20.0	20.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0
Administration	24.0	24.0	29.0	19.0	19.0	19.0	17.0	21.0	21.0	19.0
Secretaries and Clerical	41.0	41.0	40.0	37.0	36.0	35.0	45.0	38.0	38.0	40.0
Technology Support	4.0	5.0	5.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Auxiliary Services	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Transportation	59.0	58.0	55.0	47.0	52.0	51.0	64.0	63.0	63.0	62.0
Food Service	66.0	63.0	62.0	54.0	54.0	52.0	55.0	52.0	52.0	44.0
Custodial	65.0	65.0	62.0	58.0	52.0	50.0	53.0	53.0	53.0	52.0
Maintenance and Mechanics	11.0	13.0	13.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0
<b>Total Support and Administration</b>	<b>327.0</b>	<b>326.0</b>	<b>315.0</b>	<b>274.0</b>	<b>271.0</b>	<b>265.0</b>	<b>290.0</b>	<b>281.0</b>	<b>281.0</b>	<b>261.8</b>
<b>Total Employees</b>	<b>931.7</b>	<b>919.3</b>	<b>909.0</b>	<b>857.5</b>	<b>840.0</b>	<b>818.0</b>	<b>862.5</b>	<b>857.0</b>	<b>857.0</b>	<b>861.8</b>

Source: District Records

Oak Hills Local School District, Ohio  
 Operating Statistics  
 Last Ten Fiscal Years  
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil	Percentage Change	Expenses (2)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2008	8,200	\$72,620,014	\$8,856	4.12%	\$75,717,194	\$9,234	2.44%	483.7	17.0	0.03%
2009	8,187	75,949,790	9,277	4.75%	78,879,770	9,635	4.35%	478.3	17.1	0.04%
2010	8,096	78,648,640	9,715	4.72%	81,466,158	10,063	4.45%	485.7	16.7	0.04%
2011	8,156	79,853,705	9,791	0.79%	82,996,899	10,176	1.14%	480.0	17.0	0.05%
2012	8,085	74,503,670	9,215	(5.88%)	77,527,675	9,589	(5.76%)	473.0	17.1	0.07%
2013	8,179	73,988,314	9,046	(1.83%)	76,974,589	9,411	(1.84%)	485.0	16.9	10.60%
2014	7,889	73,981,421	9,378	3.67%	77,521,897	9,827	4.42%	458.5	17.2	17.00%
2015	7,767	79,825,465	10,278	9.59%	78,723,290	10,136	3.15%	462.0	16.8	18.00%
2016	7,834	79,084,565	10,095	(1.78%)	82,659,593	10,551	4.11%	450.0	17.4	21.00%
2017	7,936	81,179,095	10,229	1.33%	89,105,129	11,228	6.42%	479.0	16.6	20.09%

Source: District Records

(1) - Operating Expenditure is Total Expenditures minus Capital Outlay and Debt Service from Schedule 6

(2) - Expenses is Total Expenses from Schedule 2

Oak Hills Local School District, Ohio  
 School Building Information  
 Last Ten Fiscal Years  
 Schedule 19

School	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Oak Hills High School - 1959</b>										
Square Feet	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074
Capacity	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Enrollment, Incl. JVS students	2,931	2,821	2,743	2,705	2,610	2,687	2,617	2,466	2,424	2,424
<b>Bridgetown Middle School - 1939</b>										
Square Feet	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	583	628	607	601	604	614	602	602	577	577
<b>Delhi Middle School - 1926</b>										
Square Feet	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	601	607	580	593	610	592	570	570	589	589
<b>Rapid Run Middle School - 1999</b>										
Square Feet	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733
Capacity	950	950	950	950	950	950	950	950	950	950
Enrollment	612	639	635	615	626	647	665	621	642	642
<b>C.O. Harrison Elementary - 1961</b>										
Square Feet	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	976	970	981	1,005	1,018	1,012	918	991	960	960
<b>Deishire Elementary - 1970</b>										
Square Feet	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	551	539	527	562	592	589	536	536	562	562
<b>John Foster Dulles Elementary - 1961</b>										
Square Feet	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	770	826	847	849	823	825	796	796	830	830

Oak Hills Local School District, Ohio  
 School Building Information  
 Last Ten Fiscal Years  
 Schedule 19 (Continued)

School	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Oakdale Elementary - 1969</b>										
Square Feet	63,273	63,273	63,273	63,273	63,273	63,273	63,273	63,273	63,273	65,273
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	683	671	682	697	681	713	679	679	725	725
<b>Springmyer Elementary - 1939</b>										
Square Feet	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366
Capacity	480	480	480	480	480	480	480	480	480	480
Enrollment	493	486	494	529	521	500	506	506	525	525

Source: District Records

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**OAK HILLS LOCAL SCHOOL DISTRICT**



**Single Audit Reports**

**June 30, 2017**

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OAK HILLS LOCAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through Ohio Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	3L70	10.553	\$104,090	\$0
National School Lunch Program	3L60	10.555	520,635	84,889
Special Milk Program for Children	3L60	10.556	6,674	0
Total Child Nutrition Cluster			631,399	84,889
Total U.S. Department of Agriculture			631,399	84,889
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Passed Through Ohio Department of Education:				
Special Education Cluster:				
Special Education-Grants to States	3M20	84.027	1,660,714	0
Special Education-Preschool Grants	3C50	84.173	24,425	0
Total Special Education Cluster			1,685,139	0
Title I Grants to Local Educational Agencies	3M00	84.010	990,697	0
English Language Acquisition State Grants	3Y70	84.365	15,028	0
Improving Teacher Quality State Grants	3Y60	84.367	174,769	0
Passed Through Great Oaks Career Campuses				
Career & Technical Education Basic Grants to States	N/A	84.048	14,000	0
Total Department of Education			2,879,633	0
Total Federal Assistance			\$3,511,032	\$84,889

See accompanying notes to the schedule of expenditures of federal awards.

**OAK HILLS LOCAL SCHOOL DISTRICT**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the 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). The District did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 2: NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE 3: FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**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***

To the Board of Education  
Oak Hills 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 the Oak Hills Local School District (the District), as of and for the year ended June 30, 2017, 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 11, 2017.

**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 11, 2017

**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**

To the Board of Education  
Oak Hills Local School District

**Report on Compliance for Each Major Federal Program**

We have audited the Oak Hills Local School District (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, 2017. 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, 2017.

**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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 11, 2017, 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 11, 2017



**OAK HILLS LOCAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2017**

**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

**OAK HILLS LOCAL SCHOOL DISTRICT**  
**June 30, 2017**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

The Oak Hills Local School District had no prior audit findings or questioned costs.



# Dave Yost • Auditor of State

OAK HILLS LOCAL SCHOOL DISTRICT

HAMILTON 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  
FEBRUARY 6, 2018