



# **Comprehensive Annual Financial Report**

For the fiscal year ending June 30, 2018  
Little Miami Local Schools • Maineville, Ohio



# OHIO AUDITOR OF STATE KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of Little Miami Local School District, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2017 through June 30, 2018. 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. Little Miami Local School District is responsible for compliance with these laws and regulations.

Ohio Auditor of State

A handwritten signature in cursive script that reads "Keith Faber".

January 14, 2019

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# ***LITTLE MIAMI LOCAL SCHOOL DISTRICT, OHIO***

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*Maineville, Ohio*

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2018**

*Prepared by:  
Office of the Treasurer  
Terry Gonda  
Treasurer*

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## Introductory Section



# Little Miami Local Schools

December 26, 2018

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

The Comprehensive Annual Financial Report [CAFR] of the Little Miami Local School District [District] for the fiscal year ended June 30, 2018, is hereby submitted. This report, prepared by the Treasurer's office, includes an unmodified opinion from Plattenburg and Associates, Inc., Certified Public Accountants and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for an accurate, complete and fair presentation of the data, including all disclosures, belongs to the District. This report will provide the taxpayers of the Little Miami Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs.

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.

Copies of this report will be widely available through the District's and the Auditor of State of Ohio website. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties as needed. It is located at [www.littlemiamischools.com](http://www.littlemiamischools.com), in the Treasurer's Department section of the website and at [www.ohioauditor.gov](http://www.ohioauditor.gov), in the Audit Search section of the website.

## **THE REPORTING ENTITY AND SERVICES PROVIDED**

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

## **ECONOMIC CONDITION AND OUTLOOK**

The District is located north of Cincinnati, in the southeastern part of Warren County. Approximately 93% of the District's tax base is agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains stable with low unemployment rates, growth in the local tax base and low inflationary pressures.

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

## **THE DISTRICT AND ITS FACILITIES**

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

The District now houses 4,830 students (PK-12) in one high school, one junior high school, one intermediate school and three elementary schools. This was an increase of 203 students over the prior year. The District is projecting continued growth per year in enrollment for future years due to residential developments which have begun construction again as the economy has stabilized. Student growth and enrollment has been a priority for the Board and Administration and will continue to be as the District's needs change.

<u>Constructed</u>	<u>School</u>	<u>Enrollment</u>
2000	Little Miami High School	1,323
2009	Little Miami Junior High School	745
2009	Little Miami Intermediate School	735
1956	Salem Elementary School	1,289
1934	Hamilton-Maineville Primary School	492
1937	Harlan-Butlerville Primary School	246

## **ORGANIZATION OF THE SCHOOL DISTRICT**

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

The Board members represent a cross section of professions in the community. The board members on June 30, 2018, were as follows:

<u>Board Member</u>	<u>Began Service</u>	<u>Term Expires</u>	<u>Profession</u>
Bobbie Grice	June 30, 1997	December, 2021	Education
Michael Cremeans	January 1, 2000	December, 2019	Steel/Retired
Nancy Journeay	January 1, 2012	December, 2019	Education
Randy Haas	January 1, 2012	December, 2019	Manufacturing
Wayne Siebert	January 1, 2018	December, 2021	Manufacturing

The Superintendent is the Chief Executive Officer of the District, responsible directly to the Board for all educational and support operations. The Board named Greg Power as Interim Superintendent for the 2011-2012 school year at their special meeting on July 7, 2011. Mr. Power was then named the Superintendent for the 2013 and 2014 school years and is under contract as Superintendent of the District for 2016 through 2020 school years. Mr. Power joined the District in 2004 as the Little Miami High School Assistant Principal. In 2008, he was appointed as the Director of Administrative Services, overseeing the completion of construction and renovation projects and managing all facility operations. For the 2010-2011 school year, he served as the Director of Curriculum and Instruction. Mr. Power, who has 43 years of experience in education, has an undergraduate and Master's degrees from the University of Cincinnati and holds his superintendent licensure from Xavier University. He is a member of ASCD, Buckeye Association of School Administrators, Valley Area School Administrators, the Greater Cincinnati Public School Advocacy Network, the Ohio Public School Advocacy Network, The Little Miami Area Chamber of Commerce, Project AWARE Mental Health Board, and the AASA.

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

## **EMPLOYEE RELATIONS**

The Little Miami Teacher's Association (LMTA), an affiliate of the Ohio Education Association (OEA), represents certificated employees of the District. The District and LMTA entered into a two year collective bargaining agreement that expires June 30, 2019.

Classified employees are represented by the Ohio Association of Public School Employees (OAPSE). The School District and OAPSE entered into a two year collective bargaining agreement that expires June 30, 2019.

## **SERVICES PROVIDED**

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

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

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

In addition to transportation and school lunch support services, students in the District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education and gifted programs. Health services are provided by licensed nurses at each of the six school sites and supported by a school based health clinic staff fulltime by medical health provider Mercy Health Network. The District participates in providing additional mental health supports through a federal grant with the Regional Project AWARE Board and a partnership with Solutions Mental Health Services. The District also partners with Joshua's Place to support tutoring and family support needs of its students. The District is also a part of a state regional truancy pilot which promotes increased student attendance. The superintendent is a member of the Project AWARE Governing Board. Additional student behavioral supports are acquired through the Warren County Educational Service Center.

The District offers regular instructional programs daily to students in grades PK-12. The District provides special services for physical and/or mental handicapping conditions. Gifted services are provided in grades three through eight in the identified gifted areas of Superior Cognitive, Math and Reading. Instructor led advanced placement and honors classes are provided as a gifted service at the high school in the areas of English, Math, Science, and Social Studies. Other high school online AP electives are also available as student options. The District presented 283 high school diplomas in May of 2018.

## **CURRENT AND FUTURE INITIATIVES**

The Little Miami Local School District is committed to providing a quality education for all students. Over the last few years, the District has worked to upgrade instructional resources focusing its efforts at the PK-5 and the 9-12 grade levels. Currently the District is in the midst of working to revise and upgrade content and instructional resources at grades 7-8. At grades 9-12, the Board of Education approved the adoption of digital learning resources in all core subjects and the implementation of a blended learning, one-to-one student device instructional

framework for the fiscal year 2018 school year. The District is focused on providing professional development to staff which provides high quality learning experiences for all students. An example of this is the District's commitment to implementation of the Ohio Writing Project (OWP). Continuing through the next fiscal year staff at all levels will receive professional development that focuses on the writing process with the goal of full implementation and integration of the writing process across all content areas. Thereafter OWP professional development will be ongoing.

The District has been working to increase student access to technology and is creating a plan which supports integrating technology into the learning environments across the District. Purchases of Chromebooks, iPads, along with portable carts increased student access to digital resources.

At the elementary level a conscious effort has been made to make sure that each child is reading on grade level through the implementation of a formal literacy program. Data is used from regular assessments such as Fountas and Pinnell Benchmark Assessments, NWEA Measures of Academic Progress and state mandated assessments to determine interventions/enrichments that are provided during the school day. Intervention is provided during school to support students who are not meeting their learning grade level benchmarks. Summer school supports are in place to further support students in grades K-3.

College Credit Plus options are available to all qualified students grades 7-12. French and Spanish World Language offerings have been increased at the Junior High level. Engineering offerings have been added at the Junior High and the High School level. The District is also collaborating with the University of Cincinnati to create a technology career pathway that enables students to complete freshman year technology coursework, gain acceptance into the University of Cincinnati as Technology majors, and acquire guaranteed internships each of their remaining years.

All schools in the District have implemented a character education program, CORE Essentials, which focuses character education with an end goal of eliminating bullying. There has been an increased emphasis at providing intervention supports to students utilizing Sandy Hook support programming resources. Counselors also provide specific small group and individual student supports in this area. This school year there has been a renewed emphasis on implementation of Problem Based Intervention Supports (PBIS) as a part of creating a supportive framework for students. PAX Good Behavior programming has been implemented at the K-4 grade levels to support student learning. At grade 5-12, the District has implemented an extra time extra help period to support all students in receiving guided help in all content areas.

## **RELEVANT FINANCIAL POLICIES**

In June 2017, the Ohio Governor John Kasich signed Am. Sub. H.B. 49 ("HB 49"), which is the budget for the 2017-2018 and 2018-2019 biennium and provides the funding formula to Ohio schools.



Under HB 49, similar to the prior formula, the State Department of Education will compute and pay to each school District education aid based on per pupil funding (calculated to be \$6,010 in Fiscal Year 2018 and \$6,020 in Fiscal Year 2019) multiplied by each school District's "state share index" which uses a three year average of property valuation per pupil and median income of that school District to calculate the percentage of the per-pupil amount that is to be paid by the State and the amount assumed to be contributed by the school District through local sources. Additional funds are provided for students with exceptional needs, including those with special needs and the disabled, and limited English proficiency, and for economically disadvantaged and gifted students. Funding is also provided based on the number of K-3 students at each school District to be *used* to help school Districts comply with Ohio's 3rd grade reading guarantee. HB 49 also provides for the payment to certain Districts of capacity aid funds, graduation bonuses and third-grade reading bonuses. HB 49 also continues the payment of tangible personal property "replacement payments" to Districts.

As funding formulas change in each biennium budget the District will continue to monitor closely the funds received from the state as they incorporate approximately 29% of total general fund revenue.

During fiscal year 2018, the District implemented GASBs, see Note 19 for more information.

## **FINANCIAL INFORMATION**

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

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROL**

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

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

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

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

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

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

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

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

## **INDEPENDENT AUDIT**

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

## **AWARDS**

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

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement for Excellence in Financial Reporting to the Little Miami Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO Certificate of Excellence in Financial Reporting

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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2017. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2018, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

**ACKNOWLEDGEMENTS**

The preparation of the 2018 Comprehensive Annual Financial Report of the Little Miami Local School District was made possible by the dedicated service of Ms. Susan Murray, Mrs. Katrina Hillard and Ms. Kathryn Jones. Special recognition is given to Plattenburg and Associates, Inc., Certified Public Accountants for their assistance in the preparation of the CAFR in addition to their work for their audit of the CAFR. Finally, this report would not have been possible without the leadership and support of the District's Board of Education and the Little Miami Local Schools community.

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

Respectfully submitted,



Terry Gonda,  
Treasurer/CFO



Greg Power,  
Superintendent/CEO

**LITTLE MIAMI LOCAL SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS**

**As of June 30, 2018**

**BOARD OF EDUCATION**

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Randy Haas	President
Michael Cremeans	Vice President
Nancy Journeay	Member
Bobbie Grice	Member
Wayne Siebert	Member

**TREASURER**

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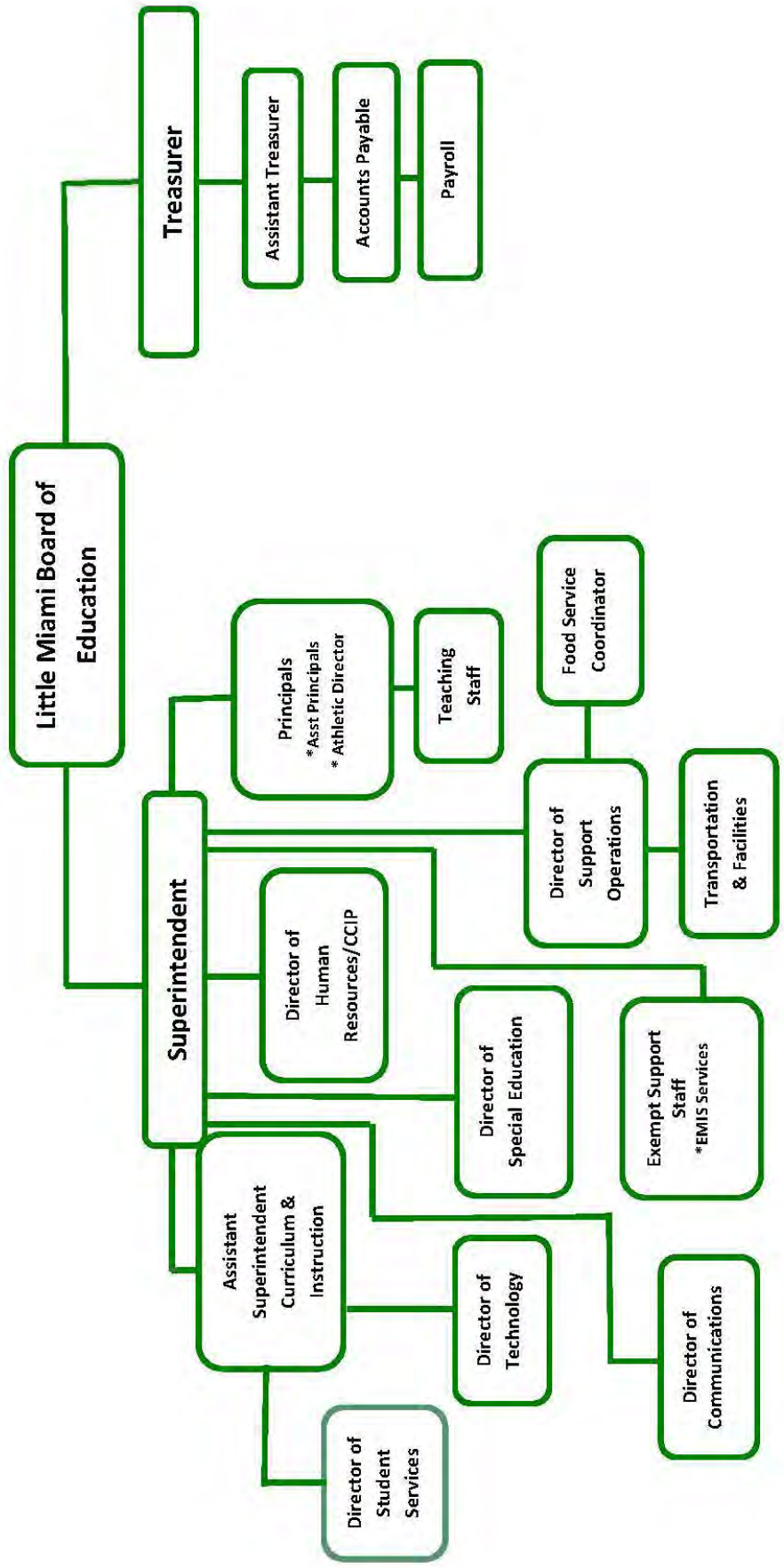
Terry Gonda

**SUPERINTENDENT OF SCHOOLS**

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Gregory Power

# LITTLE MIAMI LOCAL SCHOOLS ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Little Miami Local School District**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Little Miami Local School District, Ohio**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE  
Executive Director



**Financial Section**



## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Little Miami Local School District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Little Miami Local School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 19 to the financial statements, during the year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. We did not modify our opinion regarding this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, pension information and other postemployment benefit information 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 26, 2018, 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 26, 2018

**Little Miami Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)**

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The discussion and analysis of Little Miami Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. 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 2018 are as follows:

- Net position of governmental activities increased \$24,074,772 from 2017.
- General revenues accounted for \$53,187,821 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,662,017 or 11% of total revenues of \$59,849,838.
- The District had \$35,775,066 in expenses related to governmental activities; \$6,662,017 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$53,187,821 were also used to provide for these programs.

### **Overview of the Financial Statements**

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

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

### **Government-wide Financial Statements**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" 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.

**Little Miami Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)**

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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, overall financial position of the District is presented in the following manner:

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

**Fund Financial Statements**

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

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

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

**The District as a Whole**

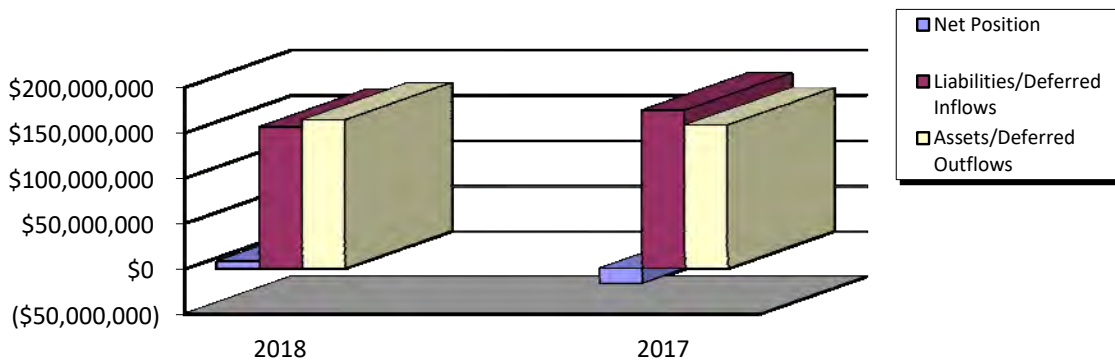
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2018 compared to 2017:

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**Little Miami Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)**

**Table 1  
Net Position**

	Governmental Activities	
	2018	2017 - Restated
<b>Assets:</b>		
Current and Other Assets	\$75,086,724	\$73,550,717
Capital Assets	68,002,931	65,516,979
<b>Total Assets</b>	<b>143,089,655</b>	<b>139,067,696</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Charge on Refunding	2,014,506	2,133,006
OPEB	571,292	107,083
Pension	17,683,388	16,441,516
<b>Total Deferred Outflows of Resources</b>	<b>20,269,186</b>	<b>18,681,605</b>
<b>Liabilities:</b>		
Other Liabilities	4,546,469	4,258,517
Long-Term Liabilities	121,740,717	143,062,597
<b>Total Liabilities</b>	<b>126,287,186</b>	<b>147,321,114</b>
<b>Deferred Inflows of Resources:</b>		
Property Taxes	26,607,553	26,863,109
OPEB	1,240,498	0
Pension	1,583,754	0
<b>Total Deferred Inflows of Resources</b>	<b>29,431,805</b>	<b>26,863,109</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	17,674,703	12,242,604
Restricted	5,620,636	4,939,474
Unrestricted	(15,655,489)	(33,617,000)
<b>Total Net Position</b>	<b>\$7,639,850</b>	<b>(\$16,434,922)</b>



**Little Miami Local School District**  
**Management's Discussion and Analysis**  
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The net pension liability (NPL) is one of the largest single liabilities reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all

**Little Miami Local School District**  
**Management's Discussion and Analysis**  
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parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from (\$3,005,724) to (\$16,434,922).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,639,850.

At year-end, capital assets represented 48% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2018, totaled \$17,674,703. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$5,620,636 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current and other assets increased from the prior year primarily due to an increase in cash and investments. Capital assets increased due to depreciation expense being less than current year additions. Long term liabilities decreased due to the decrease in the Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2018 and 2017.

**Little Miami Local School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
(Unaudited)

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

	Governmental Activities	
	2018	2017
Revenues:		
Program Revenues		
Charges for Services	\$3,455,303	\$2,870,338
Operating Grants, Contributions	3,206,714	3,141,160
General Revenues:		
Property Taxes	34,770,124	36,015,749
Grants and Entitlements	17,678,175	16,829,943
Other	739,522	794,228
<b>Total Revenues</b>	<b>59,849,838</b>	<b>59,651,418</b>
Program Expenses:		
Instruction	19,035,767	30,646,313
Support Services:		
Pupil and Instructional Staff	2,408,296	4,065,738
School and General Administrative, Fiscal and Business	2,721,140	4,401,485
Operations and Maintenance	2,821,100	3,708,160
Pupil Transportation	3,574,882	5,223,916
Central	414,813	439,369
Operation of Non-Instructional Services	1,353,331	1,860,142
Extracurricular Activities	915,758	911,664
Interest and Fiscal Charges	2,529,979	2,711,760
<b>Total Program Expenses</b>	<b>35,775,066</b>	<b>53,968,547</b>
Change in Net Position	24,074,772	5,682,871
Net Position - Beginning of Year, Restated	(16,434,922)	N/A
Net Position - End of Year	<b>\$7,639,850</b>	<b>(\$16,434,922)</b>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$107,083 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$1,510,909. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:



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Management’s Discussion and Analysis  
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Total 2018 operating expenses under GASB 75	\$35,775,066
Negative OPEB expense under GASB 75	1,510,909
2018 contractually required contribution	151,552
Adjusted 2018 operating expenses	37,437,527
Total 2017 operating expenses under GASB 45	53,968,547
Change in operating expenses not related to OPEB	(\$16,531,020)

The District revenues came from mainly two sources. Property taxes levied for general, debt service and capital projects purposes, as well as grants and entitlements comprised 88% of the District’s revenues for governmental activities.

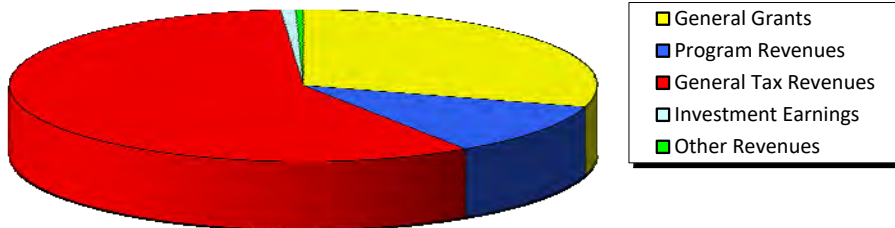
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner 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 58% of governmental activities for the District in fiscal year 2018. The District’s reliance upon tax revenues is demonstrated in the following graph:

**Governmental Activities  
Revenue Sources**

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Revenue Sources	2018	Percent of Total
General Grants	\$17,678,175	29.6%
Program Revenues	6,662,017	11.1%
General Tax Revenues	34,770,124	58.1%
Investment Earnings	500,684	0.8%
Other Revenues	238,838	0.4%
Total Revenues	\$59,849,838	100.06%



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Management's Discussion and Analysis  
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Instruction comprises 53% of governmental program expenses. Support services expenses were 34% of governmental program expenses. All other expenses including interest and fiscal charges were 13%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Total revenues increased slightly from the prior year mainly due to an increase in grants and entitlements revenues. Total expenses decreased primarily due to changes related to net pension liability and other post employment benefits liability.

**Governmental Activities**

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

**Table 3  
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Instruction	\$19,035,767	\$30,646,313	(\$15,465,130)	(\$27,613,271)
Support Services:				
Pupil and Instructional Staff	2,408,296	4,065,738	(2,128,905)	(3,752,642)
School and General Administration, Fiscal and Business	2,721,140	4,401,485	(2,721,140)	(4,401,485)
Operations and Maintenance	2,821,100	3,708,160	(2,577,955)	(3,565,239)
Pupil Transportation	3,574,882	5,223,916	(3,352,374)	(5,022,831)
Central	414,813	439,369	(414,813)	(439,369)
Operation of Non-Instructional Services	1,353,331	1,860,142	395,200	(111,424)
Extracurricular Activities	915,758	911,664	(317,953)	(339,028)
Interest and Fiscal Charges	2,529,979	2,711,760	(2,529,979)	(2,711,760)
Total Expenses	<u>\$35,775,066</u>	<u>\$53,968,547</u>	<u>(\$29,113,049)</u>	<u>(\$47,957,049)</u>

**The District's Funds**

The District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of these funds comprised \$68,880,432 (91%) of the total \$75,526,145 governmental fund assets.

**General Fund:** Fund balance at June 30, 2018 was \$35,429,149. Fund balance increased \$978,949 from the prior year. The primary reason for the increase in fund balance was an increase in intergovernmental revenues.

**Debt Service Fund:** Fund balance at June 30, 2018 was \$4,935,527. Fund balance increased \$1,035,102 from the prior year. The primary reason for the increase in fund balance was a decrease in debt service payments during the fiscal year.

**Little Miami Local School District  
Management’s Discussion and Analysis  
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(Unaudited)**

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**General Fund Budgeting Highlights**

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

During the course of fiscal year 2018, the District amended its general fund budget, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis estimated revenue was \$44,502,646, compared to original budget estimates of \$43,527,835. Of the \$974,811 difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District’s ending unobligated actual fund balance for the General Fund was \$31,577,599.

**Capital Assets and Debt Administration**

**Capital Assets**

At fiscal year end, the District had \$68,002,931 invested in land, construction in progress buildings and improvements, and equipment. Table 4 shows fiscal year 2018 balances compared to fiscal year 2017:

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

---

	Governmental Activities	
	2018	2017
Land	\$2,736,487	\$2,538,132
Construction in Progress	3,620,821	0
Buildings and Improvements	57,645,111	59,043,514
Equipment	4,000,512	3,935,333
Total Net Capital Assets	<u>\$68,002,931</u>	<u>\$65,516,979</u>

Capital assets increased due to the start of a new building project. See Note 6 to the basic financial statements for further details on the District’s capital assets.

**Debt**

At fiscal year end, the District had \$59,712,088 in debt outstanding, \$2,179,879 due within one year. Table 5 summarizes debt outstanding at year end.

**Little Miami Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)**

**Table 5  
Outstanding Debt at Year End**

	Governmental Activities	
	2018	2017
Governmental Activities:		
2016 Refunded Bonds Series B:		
Current Interest Bonds	\$35,530,000	\$36,510,000
Capital Appreciation Bonds	3,124,968	3,124,968
Accreted Interest	510,501	229,836
Premium on Bonds	1,880,877	1,991,517
2016 Refunded Bonds:		
Current Interest Bonds	4,635,000	4,745,000
Capital Appreciation Bonds	344,995	344,995
Accreted Interest	133,222	57,098
Premium on Bonds	1,388,701	1,470,390
2006 School Improvement:		
Capital Appreciation Bonds	2,803,245	3,786,563
Accreted Interest	2,287,788	2,666,762
2007 Refunding:		
Capital Appreciation Bonds	2,164,948	2,164,948
Accreted Interest	4,437,843	3,814,033
HB264 Bond	0	535,000
2011 General Obligation Bonds	470,000	575,000
Total Bonds	59,712,088	62,016,110
Capital Leases	0	159,000
Total Outstanding Debt	\$59,712,088	\$62,175,110

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

**For the Future**

In June 2017, HB64 was signed by the Governor of Ohio. The state biennium budget bill covers fiscal years 2018 and 2019. Under the new formula, the State Department of Education will compute and pay to each school district education aid based on the per pupil funding it received for Fiscal Year 2017 (calculated to be \$6,010 in Fiscal Year 2018 and \$6,020 in Fiscal Year 2019) multiplied by each school district's "state share index" which uses a three year average of adjusted property valuation per pupil and median income of that school district to calculate the percentage of the per-pupil amount that is to be paid by the State and the amount assumed to be contributed by the school district through local sources. Additional funds are provided for students with exceptional needs, including those with special needs and the disabled, and limited English proficiency, and for economically disadvantaged and gifted students. Funding is also provided based on the number of K-3 students at each school district to be used to help school districts comply with Ohio's 3<sup>rd</sup> grade reading guarantee.

**Little Miami Local School District  
Management's Discussion and Analysis  
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On November 3, 2015 the District renewed the five year 13.95 mill emergency operating levy. This levy will generate over \$10 million annually for general operations of the District. All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

**Contacting the District's Financial Management**

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

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Little Miami Local School District  
Statement of Net Position  
June 30, 2018

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$41,580,842
Restricted Cash and Investments	18,000
Equity in Pooled Cash and Investments with Fiscal Agent	51,267
Receivables (Net):	
Taxes	32,709,660
Accounts	110,130
Intergovernmental	497,645
Prepaid	54,648
Inventory	64,532
Nondepreciable Capital Assets	6,357,308
Depreciable Capital Assets, Net	<u>61,645,623</u>
 Total Assets	 <u>143,089,655</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	2,014,506
OPEB	17,683,388
	<u>571,292</u>
 Total Deferred Outflows of Resources	 <u>20,269,186</u>
Liabilities:	
Accounts Payable	242,609
Accrued Wages and Benefits	3,777,015
Contracts Payable	393,827
Accrued Interest Payable	133,018
Long-Term Liabilities:	
Due Within One Year	2,375,769
Due In More Than One Year	
Net Pension Liability	47,442,642
Net OPEB Liability	11,097,532
Other Amounts	<u>60,824,774</u>
 Total Liabilities	 <u>126,287,186</u>
Deferred Inflows of Resources:	
Property Taxes	26,607,553
Pension	1,583,754
OPEB	<u>1,240,498</u>
 Total Deferred Inflows of Resources	 <u>29,431,805</u>
Net Position:	
Net Investment in Capital Assets	17,674,703
Restricted for:	
Debt Service	4,804,810
Capital Projects	51,201
Food Service	595,991
District Managed Student Activities	77,292
Federal Grants	12,167
Smith Trust Nonexpendable	18,000
Smith Trust Expendable	5,329
Other Purposes	55,846
Unrestricted	<u>(15,655,489)</u>
 Total Net Position	 <u><u>\$7,639,850</u></u>

See accompanying notes to the basic financial statements.

Little Miami Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2018

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$11,239,395	\$1,104,760	\$0	(\$10,134,635)
Special	5,297,346	221,505	2,087,320	(2,988,521)
Vocational	0	0	7,887	7,887
Student Intervention Services	8,684	0	0	(8,684)
Other	2,490,342	149,165	0	(2,341,177)
<b>Support Services:</b>				
Pupil	1,072,947	0	28,738	(1,044,209)
Instructional Staff	1,335,349	0	250,653	(1,084,696)
General Administration	40,802	0	0	(40,802)
School Administration	1,832,360	0	0	(1,832,360)
Fiscal	583,970	0	0	(583,970)
Business	264,008	0	0	(264,008)
Operations and Maintenance	2,821,100	237,949	5,196	(2,577,955)
Pupil Transportation	3,574,882	0	222,508	(3,352,374)
Central	414,813	0	0	(414,813)
Operation of Non-Instructional Services	1,353,331	1,144,119	604,412	395,200
Extracurricular Activities	915,758	597,805	0	(317,953)
Interest and Fiscal Charges	2,529,979	0	0	(2,529,979)
<b>Total Governmental Activities</b>	<b>\$35,775,066</b>	<b>\$3,455,303</b>	<b>\$3,206,714</b>	<b>(29,113,049)</b>

**General Revenues:**

Property Taxes Levied for:

General Purposes	27,874,174
Debt Service Purposes	4,516,834
Capital Projects Purposes	2,379,116
Grants and Entitlements, Not Restricted	17,678,175
Unrestricted Contributions	8,850
Investment Earnings	500,684
Other Revenues	229,988

**Total General Revenues** 53,187,821

Change in Net Position 24,074,772

Net Position - Beginning of Year, Restated (16,434,922)

Net Position - End of Year \$7,639,850

See accompanying notes to the basic financial statements.

Little Miami Local School District  
Balance Sheet  
Governmental Funds  
June 30, 2018

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$33,706,765	\$4,138,056	\$3,736,021	\$41,580,842
Restricted Cash and Investments	0	0	18,000	18,000
Equity in Pooled Cash and Investments with Fiscal Agent	0	0	51,267	51,267
<b>Receivables (Net):</b>				
Taxes	26,248,648	4,193,551	2,267,461	32,709,660
Accounts	103,032	0	7,098	110,130
Intergovernmental	0	0	497,645	497,645
Interfund	439,421	0	0	439,421
Prepaid	50,959	0	3,689	54,648
Inventory	0	0	64,532	64,532
<b>Total Assets</b>	<b>60,548,825</b>	<b>8,331,607</b>	<b>6,645,713</b>	<b>75,526,145</b>
<b>Liabilities:</b>				
Accounts Payable	190,308	0	52,301	242,609
Accrued Wages and Benefits	3,500,121	0	276,894	3,777,015
Compensated Absences	44,936	0	0	44,936
Contracts Payable	0	0	393,827	393,827
Interfund Payable	0	0	439,421	439,421
<b>Total Liabilities</b>	<b>3,735,365</b>	<b>0</b>	<b>1,162,443</b>	<b>4,897,808</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	21,384,311	3,396,080	1,846,822	26,627,213
Grants and Other Taxes	0	0	497,645	497,645
<b>Total Deferred Inflows of Resources</b>	<b>21,384,311</b>	<b>3,396,080</b>	<b>2,344,467</b>	<b>27,124,858</b>
<b>Fund Balances:</b>				
Nonspendable	50,959	0	21,689	72,648
Restricted	0	4,935,527	848,209	5,783,736
Committed	0	0	2,785,934	2,785,934
Assigned	6,824,123	0	0	6,824,123
Unassigned	28,554,067	0	(517,029)	28,037,038
<b>Total Fund Balances</b>	<b>35,429,149</b>	<b>4,935,527</b>	<b>3,138,803</b>	<b>43,503,479</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$60,548,825</b>	<b>\$8,331,607</b>	<b>\$6,645,713</b>	<b>\$75,526,145</b>

See accompanying notes to the basic financial statements.



Little Miami Local School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2018

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Total Governmental Fund Balance		\$43,503,479
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		68,002,931
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	19,660	
Intergovernmental	<u>497,645</u>	
		517,305
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.		
		(133,018)
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		(3,443,519)
Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.		
		2,014,506
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	17,683,388	
Deferred inflows of resources related to pensions	(1,583,754)	
Deferred outflows of resources related to OPEB	571,292	
Deferred inflows of resources related to OPEB	<u>(1,240,498)</u>	
		15,430,428
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(47,442,642)	
Net OPEB Liability	(11,097,532)	
Other Amounts	<u>(59,712,088)</u>	
		<u>(118,252,262)</u>
Net Position of Governmental Activities		<u>\$7,639,850</u>

See accompanying notes to the basic financial statements.

Little Miami Local School District  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2018

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$28,194,746	\$4,568,974	\$2,406,557	\$35,170,277
Tuition and Fees	1,475,265	0	0	1,475,265
Investment Earnings	500,685	0	0	500,685
Intergovernmental	18,163,108	656,357	1,841,692	20,661,157
Extracurricular Activities	372,605	0	225,200	597,805
Charges for Services	165	0	1,153,955	1,154,120
Other Revenues	139,959	0	326,991	466,950
<b>Total Revenues</b>	<b>48,846,533</b>	<b>5,225,331</b>	<b>5,954,395</b>	<b>60,026,259</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	19,414,873	0	16,571	19,431,444
Special	6,874,487	0	824,895	7,699,382
Student Intervention Services	8,684	0	0	8,684
Other	2,490,342	0	0	2,490,342
<b>Support Services:</b>				
Pupil	1,709,293	0	31,267	1,740,560
Instructional Staff	1,419,380	0	394,251	1,813,631
General Administration	40,802	0	0	40,802
School Administration	2,986,141	6,929	3,647	2,996,717
Fiscal	843,081	50,510	27,141	920,732
Business	262,170	0	0	262,170
Operations and Maintenance	2,986,685	0	784,335	3,771,020
Pupil Transportation	4,604,388	0	643,527	5,247,915
Central	501,281	0	0	501,281
Operation of Non-Instructional Services	0	0	1,870,205	1,870,205
Extracurricular Activities	765,292	0	230,112	995,404
Capital Outlay	2,985,185	0	633,136	3,618,321
<b>Debt Service:</b>				
Principal Retirement	0	2,178,318	694,000	2,872,318
Interest and Fiscal Charges	0	1,954,472	19,792	1,974,264
<b>Total Expenditures</b>	<b>47,892,084</b>	<b>4,190,229</b>	<b>6,172,879</b>	<b>58,255,192</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>954,449</b>	<b>1,035,102</b>	<b>(218,484)</b>	<b>1,771,067</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	24,500	0	0	24,500
<b>Total Other Financing Sources (Uses)</b>	<b>24,500</b>	<b>0</b>	<b>0</b>	<b>24,500</b>
<b>Net Change in Fund Balance</b>	<b>978,949</b>	<b>1,035,102</b>	<b>(218,484)</b>	<b>1,795,567</b>
<b>Fund Balance - Beginning of Year</b>	<b>34,450,200</b>	<b>3,900,425</b>	<b>3,357,287</b>	<b>41,707,912</b>
<b>Fund Balance - End of Year</b>	<b>\$35,429,149</b>	<b>\$4,935,527</b>	<b>\$3,138,803</b>	<b>\$43,503,479</b>

See accompanying notes to the basic financial statements.

Little Miami Local School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2018

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Net Change in Fund Balance - Total Governmental Funds \$1,795,567

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	4,388,170	
Depreciation Expense	(1,854,266)	
		2,533,904

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. (47,952)

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

District pension contributions	3,589,143	
Pension expense	12,910,646	
District OPEB contributions	151,552	
OPEB Expense	1,510,909	
		18,162,250

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

Delinquent Property Taxes	(400,153)	
Intergovernmental	223,732	
		(176,421)

Repayment of bond, accreted interest and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 3,519,000

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. (27,919)

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	(509,179)	
Amortization of Bond Premium	192,329	
Bond Accretion	(1,248,307)	
Amortization of Deferred Charge on Refunding	(118,500)	
		(1,683,657)

Change in Net Position of Governmental Activities \$24,074,772

See accompanying notes to the basic financial statements.

Little Miami Local School District  
Statement of Assets and Liabilities  
Fiduciary Fund  
June 30, 2018

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	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$160,712</u>
Total Assets	<u>160,712</u>
Liabilities:	
Accounts Payable	6,576
Other Liabilities	<u>154,136</u>
Total Liabilities	<u>\$160,712</u>

See accompanying notes to the basic financial statements.

**Little Miami Local School District  
Notes to the Basic Financial Statements  
For The Fiscal Year Ended June 30, 2018**

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**Note 1 - Description of the District**

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

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

**Reporting Entity**

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

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

The District is associated with three jointly governed organizations. These organizations include:

Jointly Governed Organizations:  
    Southwest Ohio Computer Association  
    Warren County Career Center  
    Jewell Education Foundation

These organizations are described in Note 14.

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

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

**Measurement Focus**

**Government-wide Financial Statements**

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

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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

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

**Fund Financial Statements**

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

Fiduciary Funds are reported using the accrual basis of accounting.

**Fund Accounting**

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

**Governmental Funds**

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

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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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.

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

**Fiduciary Funds**

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

**Basis of Accounting**

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

**Revenues – Exchange and Non-exchange Transactions**

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

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

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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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 interest.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources including pension. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources includes deferred charge on refunding, pension, and other post employment benefits. These amounts are reported on the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB, and grants and other taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance year 2019 operations. Property tax amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows of resources related to grants are only included on the governmental fund statements. Deferred inflows related to pension and OPEB plans are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 9 and 10.

Expenses/Expenditures

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

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

**Equity in Pooled Cash and Investments**

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



**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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

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 2018, 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 during fiscal year 2018 amounted to \$500,685 in the General Fund.

**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 fund balance assignment in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure/expense is reported in the year in which services are consumed.

**Capital Assets**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, 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

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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

**Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other government or imposed by enabling legislation. Restricted assets include the nonexpendable amount relating to the Smith Trust in the permanent fund.

**Compensated Absences**

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

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

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

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

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. The Treasurer earns 25 days of vacation per year and the Superintendent earns 30 days of vacation per year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 days of sick leave for each year under contract. Sick leave may be accumulated up to a maximum of 220 days for teachers and administrators, and 220 days for classified personnel. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to a maximum of 68 days for teachers and administrators. Exempted personnel, upon retirement, are paid for one-fourth of accrued, but unused sick leave credit to a maximum of 68 days. Classified personnel, upon retirement, are paid for one-fourth of accrued, but unused sick leave credit to a maximum of 68 days.

**Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans 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 acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's restricted net position of \$5,620,636, 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.

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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**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 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 applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Accrued Liabilities and Long Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, compensated absences and contractually required pension/OPEB contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment at year end. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
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Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**Estimates**

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

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

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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 statement of net position and balance sheet as "Equity in Pooled Cash and Investments."

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but not limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
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- (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 (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2018, \$6,966,680 of the District's bank balance of \$9,782,477 was exposed to custodial credit risk because it was uninsured and collateralized.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

**Little Miami Local School District  
Notes to the Basic Financial Statements  
For The Fiscal Year Ended June 30, 2018**

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**Investments**

As of June 30, 2018, the District had the following investments:

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Commercial Paper	\$51,267	Level 2	0.00
STAR Ohio	33,056,090	N/A	0.13
Total Investments	<u>\$33,107,357</u>		
Portfolio Weighted Average Maturity			0.13

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2018. 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. Investments in Commercial Paper were rated A-1+ by Standard and Poor's and P-1 by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard and Poor's.

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

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

**Note 4 – Property Taxes**

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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 and public utility property located in

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The District receives property taxes from Warren County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, 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 and public utility taxes that became measurable as of June 30, 2018. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2018 on the fund statements. The entire amount of delinquent taxes receivable is recognized as revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2018, was \$4,864,337 for the General Fund, \$797,471 for the Debt Service Fund, and \$420,639 for Other Governmental Funds.

The assessed values upon which the fiscal year 2018 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$864,830,980
Public Utility	<u>26,390,640</u>
Total	<u><u>\$891,221,620</u></u>

**Note 5 – Receivables**

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Receivables at June 30, 2018, consisted of taxes, accounts, intergovernmental grants, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

**Note 6 – Capital Assets**

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Capital asset activity for the fiscal year ended June 30, 2018, was as follows:



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**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,538,132	\$198,355	\$0	\$2,736,487
Construction in Progress	0	3,620,821	0	3,620,821
Total Capital Assets, not being depreciated	<u>2,538,132</u>	<u>3,819,176</u>	<u>0</u>	<u>6,357,308</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	76,085,714	0	617,304	75,468,410
Equipment	12,774,363	568,994	0	13,343,357
<i>Total Capital Assets, being depreciated:</i>	<u>88,860,077</u>	<u>568,994</u>	<u>617,304</u>	<u>88,811,767</u>
Totals at Historical Cost	<u>91,398,209</u>	<u>4,388,170</u>	<u>617,304</u>	<u>95,169,075</u>
Less Accumulated Depreciation:				
Buildings and Improvements	17,042,200	1,350,451	569,352	17,823,299
Equipment	8,839,030	503,815	0	9,342,845
Total Accumulated Depreciation	<u>25,881,230</u>	<u>1,854,266</u>	<u>569,352</u>	<u>27,166,144</u>
Governmental Activities Capital Assets, Net	<u>\$65,516,979</u>	<u>\$2,533,904</u>	<u>\$47,952</u>	<u>\$68,002,931</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,444,015
Special	42,923
Support Services:	
Pupil	335
Instructional Staff	1,230
School Administration	41,474
Fiscal	104
Business	1,838
Operations and Maintenance	38,955
Pupil Transportation	224,744
Central	14,096
Operation of Non-Instructional Services	8,310
Extracurricular Activities	36,242
Total Depreciation Expense	<u>\$1,854,266</u>

**Note 7 – Long-Term Liabilities**

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The changes in the School District's long-term obligations during fiscal year 2018 were as follows:

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

	Rate	Restated Beginning Balance	Issued	Retired	Ending Balance	Due in One Year
Governmental Activities:						
2016 Refunding						
Current Interest Bonds		\$36,510,000	\$0	(\$980,000)	\$35,530,000	\$985,000
Capital Appreciation Bonds						
Principal		3,124,968	0	0	3,124,968	0
Accreted Interest		229,836	280,665	0	510,501	0
Premium on Bonds		1,991,517	0	(110,640)	1,880,877	0
2016 Refunding						
Current Interest Bonds		4,745,000	0	(110,000)	4,635,000	115,000
Capital Appreciation Bonds						
Principal		344,995	0	0	344,995	0
Accreted Interest		57,098	76,124	0	133,222	0
Premium on Bonds		1,470,390	0	(81,689)	1,388,701	0
2006 School Improvement:						
Capital Appreciation Bonds						
Principal	5.14%	3,786,563	0	(983,318)	2,803,245	954,879
Accreted Interest		2,666,762	267,708	(646,682)	2,287,788	0
2007 Refunding:						
Capital Appreciation Bonds						
Principal	4.64%	2,164,948	0	0	2,164,948	0
Accreted Interest		3,814,033	623,810	0	4,437,843	0
HB264 Bond	3.50%	535,000	0	(535,000)	0	0
2011 GO Bonds	6.88%	575,000	0	(105,000)	470,000	125,000
Total General Obligation Bonds		62,016,110	1,248,307	(3,552,329)	59,712,088	2,179,879
Capital Leases		159,000	0	(159,000)	0	0
Compensated Absences		3,066,892	676,857	(255,294)	3,488,455	195,890
Subtotal Bonds and Other Amounts		65,242,002	1,925,164	(3,966,623)	63,200,543	2,375,769
Net Pension Liability:						
STRS		50,378,492	0	(14,226,826)	36,151,666	0
SERS		13,905,822	0	(2,614,846)	11,290,976	0
Total Net Pension Liability		64,284,314	0	(16,841,672)	47,442,642	0
Net OPEB Liability:						
STRS		8,049,035	0	(2,111,372)	5,937,663	0
SERS		5,487,246	0	(327,377)	5,159,869	0
Total Net OPEB Liability		13,536,281	0	(2,438,749)	11,097,532	0
Total Long-Term Obligations		\$143,062,597	\$1,925,164	(\$23,247,044)	\$121,740,717	\$2,375,769

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

**2016 Advanced Refunding of 2007 School Improvement Bonds**

On July 13, 2016, the District issued \$39,634,968 in General Obligation bonds with an interest rate of .92% to 3.56% of which \$39,635,001 was used to partially advance refund \$39,635,001 of outstanding

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
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2007 School Improvement Bonds with an interest rate of 4.0% to 4.5%. The net proceeds of \$41,626,485 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the 2007 School Improvement Bonds. As a result, \$39,635,001 of the 2007 School Improvement Bonds are considered to be defeased and the related liability for those bonds has been removed from the Statement of Net Position.

**2016 Advanced Refunding of 2007 School Improvement Bonds**

On July 13, 2016, the District issued \$5,129,995 in General Obligation bonds with an interest rate of 1.5% to 4.0% of which \$5,130,000 was used to partially advance refund \$5,130,000 of outstanding 2007 School Improvement Bonds with an interest rate of .875% to 2.75%. The net proceeds of \$6,682,073 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the 2007 School Improvement Bonds. As a result, \$5,130,000 of the 2007 School Improvement Bonds are considered to be defeased and the related liability for those bonds has been removed from the Statement of Net Position.

**2011 School Improvement Unlimited Tax General Obligation Bonds**

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

**2007 Advanced Refunding of 2006 School Improvement Bonds**

On February 27, 2007, the District issued \$50,826,447 in General Obligation bonds with an average interest rate of 4.64% of which \$47,199,949 was used to partially advance refund \$47,199,949 of outstanding 2006 School Improvement Bonds with an average interest rate of 5.14%. The net proceeds of \$50,247,945 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the 2006 School Improvement Bonds. As a result, \$47,199,949 of the 2006 School Improvement Bonds are considered to be defeased and the related liability for those bonds has been removed from the Statement of Net Position.

The refunding bonds are not subject to optional redemption prior to maturity. Of the \$47,199,949 issued, \$45,035,001 represents serial bonds and \$2,164,948 is capital appreciation bonds. The serial bonds mature at varying amounts through December 1, 2034. The capital appreciation bonds will mature in fiscal years 2022, 2023, 2024, and 2025. The final maturity amount of the bonds is \$10,810,000.

**2006 School Improvement Bonds**

In February 2007, the District partially refunded the 2006 School Improvement bonds, of the remaining \$9,049,989. The debt will be retired from the debt service fund. The bonds are not subject to optional redemption prior to maturity. Of the \$9,049,989 issued, \$2,425,051 represents serial bonds and \$6,624,938 is capital appreciation bonds. The serial bonds matured on December 1, 2011. The capital appreciation bonds will mature in fiscal years 2013 through 2020. The final maturity amount of the bonds is \$11,245,000.

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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Principal and interest requirements for governmental activities to retire bonds and notes outstanding at June 30, 2018, are as follows:

Fiscal Year Ending June 30	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$1,225,000	\$1,644,594	\$2,869,594	\$954,879	\$715,121	\$1,670,000
2020	1,250,000	1,621,690	2,871,690	1,014,970	660,030	1,675,000
2021	1,320,000	1,595,079	2,915,079	833,396	1,086,604	1,920,000
2022	730,000	1,213,653	1,943,653	600,025	1,989,975	2,590,000
2023	400,000	1,203,624	1,603,624	674,465	2,350,535	3,025,000
2024-2028	5,070,000	5,845,056	10,915,056	4,360,421	9,074,578	13,434,999
2029-2033	23,115,000	3,453,192	26,568,192	0	0	0
2034-2035	7,525,000	214,584	7,739,584	0	0	0
Total	<u>\$40,635,000</u>	<u>\$16,791,472</u>	<u>\$57,426,472</u>	<u>\$8,438,156</u>	<u>\$15,876,843</u>	<u>\$24,314,999</u>

**Note 8 – Capital Lease**

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In a prior year, the District entered into a capitalized lease for the acquisition of field turf. The terms of the agreement provides an option to purchase the equipment. The lease meets the criteria of a capital lease.

During 2018, the District paid off the capital lease.

**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.

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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

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; 2.20% for the first thirty years of service and 2.50% 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.

Post-Retirement Increases – Before January 1, 2018; on each anniversary of the initial date of retirement, the allowances of all retirees and survivors are increased by 3% of the base benefit. On or after January 1, 2018; on each anniversary of the initial retirement, the allowance of all retirees and survivors are increased by the annual rate of increase in the CPI-W measured as of the June preceding

**Little Miami Local School District**  
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the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0% nor greater than 2.5%. COLA's shall be suspended for calendar years 2018, 2019, and 2020.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the employer is required to contribute 14% 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% for plan members and 14% 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, 2018, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% was allocated to the Health Care Fund.

The contractually required contribution to SERS was \$943,479 for fiscal year 2018. Of this amount \$269,182 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 is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14% 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, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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to the DB Plan from the employer and the member 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 service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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 Ohio 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 Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options in the GASB 68 schedules of employer allocations and pension amounts by employer.

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 10 years of qualifying service credit to 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. For the fiscal year ended June 30, 2018, plan members were required to contribute 14% of their annual covered salary. The employer was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The contractually required contribution to STRS was \$2,645,664 for fiscal year 2018. Of this amount \$437,188 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, 2017, 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:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,290,976	\$36,151,666	\$47,442,642
Proportion of the Net Pension Liability:			
Current Measurement Date	0.18897730%	0.15218413%	
Prior Measurement Date	<u>0.18999420%</u>	<u>0.15050479%</u>	
Change in Proportionate Share	-0.00101690%	0.00167934%	
Pension Expense	(\$247,720)	(\$12,662,926)	(\$12,910,646)

At June 30, 2018, 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	\$485,924	\$1,396,008	\$1,881,932
Changes of assumptions	583,865	7,906,767	8,490,632
Changes in employer proportionate share of net pension liability	336,435	3,385,246	3,721,681
Contributions subsequent to the measurement date	<u>943,479</u>	<u>2,645,664</u>	<u>3,589,143</u>
Total Deferred Outflows of Resources	<u>\$2,349,703</u>	<u>\$15,333,685</u>	<u>\$17,683,388</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$291,368	\$291,368
Net difference between projected and actual earnings on pension plan investments	53,596	1,193,047	1,246,643
Changes in employer proportionate share of net pension liability	<u>45,743</u>	<u>0</u>	<u>45,743</u>
Total Deferred Inflows of Resources	<u>\$99,339</u>	<u>\$1,484,415</u>	<u>\$1,583,754</u>

\$3,589,143 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, 2019. 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>
2019	\$635,549	\$2,813,797	\$3,449,346
2020	777,350	5,251,471	6,028,821
2021	157,202	2,506,787	2,663,989
2022	<u>(263,216)</u>	<u>631,551</u>	<u>368,335</u>
Total	<u>\$1,306,885</u>	<u>\$11,203,606</u>	<u>\$12,510,491</u>



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**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% - 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumptions Experience Study Date	5 year period ended June 30, 2015

Prior to 2017, an assumption of 3.0% was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disable members were based upon the 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.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the 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 an arithmetic weighted

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average 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%. 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%. 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%, 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%, or one percentage point higher 8.50% than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$15,668,941	\$11,290,976	\$7,623,538

**Changes in Benefit Terms**

The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under

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HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

**Actuarial Assumptions - STRS**

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	July 1, 2017	July 1, 2016
Inflation	2.50%	2.75%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.25% at age 20 to 2.75% at age 70
Investment Rate of Return	7.45%, net of investment expenses, including inflation	7.75%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.50%
Cost-of-Living Adjustments (COLA)	0%, effective July 1, 2017	2% simple applied as follows: for members retiring before August 1, 2013, 2% per year; for members retiring August 1 2013, or later, 2% COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, 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 no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	100.00%	

\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.45% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

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

The following table represents the net pension liability as of June 30, 2017, calculated using the current period discount rate assumption of 7.45%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.45% or one percentage point higher 8.45% than the current assumption:

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$51,822,183	\$36,151,666	\$22,951,605

**Changes in Assumptions**

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate

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was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

**Changes in Benefit Terms**

Effective July 1, 2017, the COLA was reduced to zero.

**Note 10 – Defined Benefit Other Postemployment Benefits (OPEB) Plans**

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**Net Other Postemployment Benefits (OPEB) Liability**

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred

The net OPEB liability represents the District’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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 these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS’ Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible

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dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, 0.5% of covered payroll was made to health care. 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. For fiscal year 2018, this amount was \$23,700. Statutes provide that 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 2018, the surcharge obligation was \$116,609.

The surcharge, added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$151,552 for fiscal year 2018. Of this amount \$116,609 is reported as accrued wages and benefits.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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 partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. 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 to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be

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absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the employer's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$5,159,869	\$5,937,663	\$11,097,532
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.19226430%	0.15218413%	
Prior Measurement Date	0.19250996%	0.15050479%	
Change in Proportionate Share	<u>-0.00024566%</u>	<u>0.00167934%</u>	
OPEB Expense	\$288,116	(\$1,799,025)	(\$1,510,909)

At June 30, 2018, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$342,759	\$342,759
Changes in employer proportionate share of net pension liability	0	76,981	76,981
Contributions subsequent to the measurement date	<u>151,552</u>	<u>0</u>	<u>151,552</u>
Total Deferred Outflows of Resources	<u>\$151,552</u>	<u>\$419,740</u>	<u>\$571,292</u>
Deferred Inflows of Resources			
Changes of assumptions	\$489,645	\$478,297	\$967,942
Net difference between projected and actual earnings on pension plan investments	13,626	253,790	267,416
Changes in employer proportionate share of net pension liability	<u>5,140</u>	<u>0</u>	<u>5,140</u>
Total Deferred Inflows of Resources	<u>\$508,411</u>	<u>\$732,087</u>	<u>\$1,240,498</u>

\$151,552 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the

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year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2019	(\$182,677)	(\$73,207)	(\$255,884)
2020	(182,676)	(73,207)	(255,883)
2021	(139,652)	(73,207)	(212,859)
2022	(3,406)	(73,207)	(76,613)
2023	0	(9,759)	(9,759)
Thereafter	0	(9,760)	(9,760)
Total	<u>(\$508,411)</u>	<u>(\$312,347)</u>	<u>(\$820,758)</u>

**Actuarial Assumptions - SERS**

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:



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Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
Investment Rate of Return	7.50% net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56%
Prior Measurement Date	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	3.63%
Prior Measurement Date	2.98%
Medical Trend Assumption	
Medicare	5.50% to 5.00%
Pre-Medicare	7.50% to 5.00%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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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 discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates**

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease 2.63%	Current Discount Rate 3.63%	1% Increase 4.63%
Proportionate share of the net OPEB liability	\$6,231,198	\$5,159,869	\$4,311,102

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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	1% Decrease 6.50% decreasing to 4.00%	Current Trend Rate 7.50% decreasing to 5.00%	1% Increase 8.50% decreasing to 6.00%
Proportionate share of the net OPEB liability	\$4,186,847	\$5,159,869	\$6,447,680

**Changes in Assumptions – SERS**

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017
Blended Discount Rate of Return	4.13%
Health Care Cost Trends	6.00% to 11.00% initial, 4.5% ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**Little Miami Local School District  
Notes to the Basic Financial Statements  
For The Fiscal Year Ended June 30, 2018**

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Since the prior measurement date, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	100.00%	

\*10 year annualized geometric nominal returns, which includes the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate**

The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Proportionate share of the net OPEB liability	\$7,971,218	\$5,937,663	\$4,330,491
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$4,125,234	\$5,937,663	\$8,323,032

**Changes in Assumptions – STRS**

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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**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 2018 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 receives financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

**Litigation**

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

**Note 12 - Risk Management**

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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. During fiscal year 2018, the District contracted with Governmental Underwriters of America (GUA) for property insurance. Professional liability was protected by Governmental Underwriters of America (GUA) with a \$3,000,000 aggregate limit under a commercial policy.

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

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

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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**Note 13 – Required 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 capital acquisition. Disclosure of this information is required by State statute.

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2017	\$0
Current Year Set Aside Requirements	778,203
Qualified Disbursements	(3,321,420)
Current Year Offsets	0
Set Aside Reserve Balance as of June 30, 2018	<u><u>(\$2,543,217)</u></u>

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

**Note 14 - Jointly Governed Organizations**

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

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

Jewell Education Foundation - The District is a participant in the Jewell Education Foundation (the "Foundation"), which is a jointly governed educational foundation established as a non-profit corporation to benefit the school districts in Warren County. The Foundation was created to promote and assist in funding through soliciting grants and charitable contributions for distribution to member

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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educational institutions of participating school districts. The governing board is made up of the Warren County Career Center superintendent, one member of the 1999 Warren County Career Center Board of Education, not on the current board, and one member selected by each participating school district. The District made no financial contribution to the Foundation during the fiscal year. Financial information can be obtained from the director of planned giving at P.O. Box 854, Lebanon, Ohio 45036.

**Note 15 - Accountability**

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The following funds had deficit fund balances at June 30, 2018:

Other Governmental Funds:

Entry Year Programs	\$750
Vocational Education Enhancement	476
Title VI-B	340,609
Title I	124,839
IDEA Preschool Grant	12,755
Improving Teacher Quality	34,353
Miscellaneous Federal Grants	1,083

The deficit fund balances were caused by GAAP Accruals.

**Note 16 - Interfund Balances**

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Interfund transactions at June 30, 2018, consisted of the following individual interfund receivable and interfund payable:

	Interfund	
	Receivable	Payable
General Fund	\$439,421	\$0
Other Governmental Funds	0	439,421
Total All Funds	<u>\$439,421</u>	<u>\$439,421</u>

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

**Note 17 – Fund Balances**

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



**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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Fund Balances	General	Debt Service	Other Governmental Funds	Total
Nonspendable:				
Smith Trust	\$0	\$0	\$18,000	\$18,000
Prepays	50,959	0	3,689	54,648
Total Nonspendable	50,959	0	21,689	72,648
Restricted for:				
Other Grants	0	0	24,251	24,251
Districted Managed Activities	0	0	77,292	77,292
Data Communication	0	0	21,600	21,600
Race to the Top	0	0	2,800	2,800
Food Services	0	0	662,317	662,317
Special Trust	0	0	3,419	3,419
Smith Trust	0	0	5,329	5,329
Debt Service	0	4,935,527	0	4,935,527
Buildings	0	0	51,201	51,201
Total Restricted	0	4,935,527	848,209	5,783,736
Committed to:				
Permanent Improvements	0	0	2,785,934	2,785,934
Total Committed	0	0	2,785,934	2,785,934
Assigned to:				
Budgetary Resource	4,609,875	0	0	4,609,875
Public School Support	193,113	0	0	193,113
Encumbrances	2,021,135	0	0	2,021,135
Total Assigned	6,824,123	0	0	6,824,123
Unassigned (Deficit)	28,554,067	0	(517,029)	28,037,038
Total Fund Balance	\$35,429,149	\$4,935,527	\$3,138,803	\$43,503,479

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

**Note 18 –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 District’s commitments for encumbrances in the governmental funds were as follows:

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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<u>Description</u>	<u>Remaining Commitment</u>
General	\$2,208,045
Other Governmental	1,259,144

**Note 19 – Implementation of New Accounting Principles and Restatement of Net Position**

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For the fiscal year ended June 30, 2018, the District has implemented GASB Statement No. 81, Irrevocable Split-Interest Agreements, and GASB No. 86, Certain Debt Extinguishment Issues, and GASB Statement No. 85, Omnibus 2017, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, and related guidance from (GASB) Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).

GASB Statement No. 81 sets out to improve accounting and financial reporting for irrevocable split interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the District’s fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 86 sets out to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. One of the criteria for determining an in-substance defeasance is that the trust hold only monetary assets that are essentially risk-free. If the substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, governments should disclose that fact in the period in which the debt is defeased in substance. In subsequent periods, governments should disclose the amount of debt defeased in substance that remains outstanding for which that risk of substitution exists. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

Net position June 30, 2017	(\$3,005,724)
Adjustments:	
Net OPEB Liability	(13,536,281)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>107,083</u>
Restated Net Position June 30, 2017	<u><u>(\$16,434,922)</u></u>

**Little Miami Local School District**  
**Notes to the Basic Financial Statements**  
**For The Fiscal Year Ended June 30, 2018**

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Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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***REQUIRED SUPPLEMENTARY INFORMATION***

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

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.15218413%	0.15050479%	0.13614333%	0.13136099%	0.13136099%
District's Proportionate Share of the Net Pension Liability	\$36,151,666	\$50,378,492	\$37,626,034	\$31,951,539	\$37,957,965
District's Covered Payroll	\$17,642,743	\$15,368,657	\$13,760,657	\$14,453,885	\$14,421,692
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	204.91%	327.80%	273.43%	221.06%	263.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note- Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.18897730%	0.18999420%	0.17980150%	0.17586200%	0.17586200%
District's Proportionate Share of the Net Pension Liability	\$11,290,976	\$13,905,822	\$10,259,648	\$8,900,276	\$10,461,085
District's Covered Payroll	\$6,142,807	\$5,900,514	\$7,757,026	\$5,161,825	\$6,854,046
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	183.81%	235.67%	132.26%	172.42%	152.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

Note- Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

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Little Miami School District  
 Required Supplementary Information  
 Schedule of District Contributions  
 for Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$2,645,664	\$2,469,984	\$2,151,612	\$1,926,492	\$1,879,005
Contributions in Relation to the Contractually Required Contribution	<u>(2,645,664)</u>	<u>(2,469,984)</u>	<u>(2,151,612)</u>	<u>(1,926,492)</u>	<u>(1,879,005)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$18,897,600	\$17,642,743	\$15,368,657	\$13,760,657	\$14,453,885
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to the required supplementary information.



2013	2012	2011	2010	2009
\$1,874,820	\$1,873,752	\$1,865,424	\$2,058,756	\$2,138,796
(1,874,820)	(1,873,752)	(1,865,424)	(2,058,756)	(2,138,796)
\$0	\$0	\$0	\$0	\$0
\$14,421,692	\$14,413,477	\$14,349,415	\$15,836,585	\$16,452,277
13.00%	13.00%	13.00%	13.00%	13.00%

Little Miami School District  
 Required Supplementary Information  
 Schedule of District Contributions  
 for Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$943,479	\$859,993	\$826,072	\$1,022,376	\$715,429
Contributions in Relation to the Contractually Required Contribution	(943,479)	(859,993)	(826,072)	(1,022,376)	(715,429)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$6,988,733	\$6,142,807	\$5,900,514	\$7,757,026	\$5,161,825
Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%	13.86%

See accompanying notes to the required supplementary information.

2013	2012	2011	2010	2009
\$948,600	\$906,480	\$870,096	\$797,520	\$822,108
(948,600)	(906,480)	(870,096)	(797,520)	(822,108)
\$0	\$0	\$0	\$0	\$0
\$6,854,046	\$6,739,628	\$6,922,005	\$5,890,103	\$8,354,756
13.84%	13.45%	12.57%	13.54%	9.84%

Little Miami School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share  
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability  
 State Teachers Retirement System of Ohio  
 Last Two Fiscal Years (1)

	2018	2017
District's Proportion of the Net OPEB Liability	0.15218413%	0.15050479%
District's Proportionate Share of the Net OPEB Liability	\$5,937,663	\$8,049,035
District's Covered Payroll	\$17,642,743	\$15,368,657
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	33.65%	52.37%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note- Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Little Miami School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share  
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability  
 School Employees Retirement System of Ohio  
 Last Two Fiscal Years (1)

	2018	2017
District's Proportion of the Net OPEB Liability	0.19226430%	0.19250996%
District's Proportionate Share of the Net OPEB Liability	\$5,159,869	\$5,487,246
District's Covered Payroll	\$6,142,807	\$5,900,514
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	84.00%	93.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

Note- Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Little Miami School District  
 Required Supplementary Information  
 Schedule of District Contributions to  
 Postemployment Benefits Other Than Pension (OPEB)  
 State Teachers Retirement System of Ohio  
 Last Three Fiscal Years (1)

	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	0	0	0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$18,897,600	\$17,642,743	\$15,368,657
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Little Miami School District  
 Required Supplementary Information  
 Schedule of District Contributions to  
 Postemployment Benefits Other Than Pension (OPEB)  
 School Employees Retirement System of Ohio  
 Last Three Fiscal Years (1)

	2018	2017	2016
Contractually Required Contribution to OPEB (2)	\$151,552	\$107,083	\$97,285
Contributions to OPEB in Relation to the Contractually Required Contribution	(151,552)	(107,083)	(97,285)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$6,988,733	\$6,142,807	\$5,900,514
Contributions to OPEB as a Percentage of Covered Payroll	2.17%	1.74%	1.65%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) - Includes Surcharge.

See accompanying notes to the required supplementary information.

Little Miami Local School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$25,179,625	\$25,743,525	\$27,646,961	\$1,903,436
Tuition and Fees	1,007,898	1,030,470	1,106,661	76,191
Investment Earnings	456,002	466,214	500,685	34,471
Intergovernmental	16,542,153	16,912,616	18,163,108	1,250,492
Extracurricular Activities	229,449	234,588	251,933	17,345
Charges for Services	150	154	165	11
Other Revenues	112,558	115,079	123,588	8,509
Total Revenues	<u>43,527,835</u>	<u>44,502,646</u>	<u>47,793,101</u>	<u>3,290,455</u>
Expenditures:				
Current:				
Instruction:				
Regular	19,183,880	19,183,880	19,124,448	59,432
Special	7,010,670	7,010,670	6,988,951	21,719
Other	2,498,081	2,498,081	2,490,342	7,739
Support Services:				
Pupil	1,799,116	1,799,116	1,793,542	5,574
Instructional Staff	1,903,737	1,903,737	1,897,839	5,898
General Administration	47,382	47,382	47,235	147
School Administration	3,009,680	3,009,680	3,000,356	9,324
Fiscal	894,525	894,525	891,754	2,771
Business	295,745	295,745	294,829	916
Operations and Maintenance	3,363,162	3,363,162	3,352,743	10,419
Pupil Transportation	4,937,910	4,937,910	4,922,612	15,298
Central	568,783	568,783	567,021	1,762
Extracurricular Activities	638,723	638,723	636,744	1,979
Capital Outlay	3,671,342	3,671,342	3,659,968	11,374
Total Expenditures	<u>49,822,736</u>	<u>49,822,736</u>	<u>49,668,384</u>	<u>154,352</u>
Excess of Revenues Over (Under) Expenditures	(6,294,901)	(5,320,090)	(1,875,283)	3,444,807
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	22,314	22,813	24,500	1,687
Total Other Financing Sources (Uses)	<u>22,314</u>	<u>22,813</u>	<u>24,500</u>	<u>1,687</u>
Net Change in Fund Balance	(6,272,587)	(5,297,277)	(1,850,783)	3,446,494
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>33,428,382</u>	<u>33,428,382</u>	<u>33,428,382</u>	<u>0</u>
Fund Balance - End of Year	<u>\$27,155,795</u>	<u>\$28,131,105</u>	<u>\$31,577,599</u>	<u>\$3,446,494</u>

See accompanying notes to the required supplementary information.



**Little Miami Local School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2018**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2018.

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

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

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

**Little Miami Local School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2018**

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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	\$978,949
Revenue Accruals	(1,053,432)
Expenditure Accruals	856,643
Encumbrances	(2,092,943)
Funds Budgeted Elsewhere	(540,000)
Budget Basis	(\$1,850,783)

**Note 2 - SERS Change in Assumptions-Net Pension Liability**

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The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

**Note 3 - STRS Change in Assumptions and Benefit Terms-Net Pension Liability**

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**Changes in Assumptions**

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

**Changes in Benefit Terms**

Effective July 1, 2017, the COLA was reduced to zero.

**Note 4 - SERS Change in Assumptions-Net OPEB Liability**

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Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

**Little Miami Local School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2018**

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**Note 5 - STRS Change in Assumptions-Net OPEB Liability**

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For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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***COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES***

## **MAJOR GOVERNMENTAL FUND**

### **Debt Service Fund**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,694,708	\$4,480,730	(\$213,978)
Intergovernmental	687,701	656,357	(31,344)
Total Revenues	<u>5,382,409</u>	<u>5,137,087</u>	<u>(245,322)</u>
Expenditures:			
Current:			
Support Services:			
School Administration	6,929	6,929	0
Fiscal	50,510	50,510	0
Debt Service:			
Principal Retirement	2,825,000	2,825,000	0
Interest and Fiscal Charges	1,307,790	1,307,790	0
Total Expenditures	<u>4,190,229</u>	<u>4,190,229</u>	<u>0</u>
Net Change in Fund Balance	1,192,180	946,858	(245,322)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>3,191,198</u>	<u>3,191,198</u>	<u>0</u>
Fund Balance - End of Year	<u>\$4,383,378</u>	<u>\$4,138,056</u>	<u>(\$245,322)</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

### **Capital Projects Funds**

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

### **Permanent Fund**

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

Little Miami Local School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$920,542	\$2,810,150	\$5,329	\$3,736,021
Restricted Cash and Investments	0	0	18,000	18,000
Equity in Pooled Cash and Investments with Fiscal Agent	0	51,267	0	51,267
<b>Receivables (Net):</b>				
Taxes	0	2,267,461	0	2,267,461
Accounts	6,624	474	0	7,098
Intergovernmental	497,645	0	0	497,645
Prepaid	3,443	246	0	3,689
Inventory	64,532	0	0	64,532
<b>Total Assets</b>	<b>1,492,786</b>	<b>5,129,598</b>	<b>23,329</b>	<b>6,645,713</b>
<b>Liabilities:</b>				
Accounts Payable	19,939	32,362	0	52,301
Accrued Wages and Benefits	259,987	16,907	0	276,894
Contracts Payable	64,992	328,835	0	393,827
Interfund Payable	372,130	67,291	0	439,421
<b>Total Liabilities</b>	<b>717,048</b>	<b>445,395</b>	<b>0</b>	<b>1,162,443</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	1,846,822	0	1,846,822
Grants and Other Taxes	497,645	0	0	497,645
<b>Total Deferred Inflows of Resources</b>	<b>497,645</b>	<b>1,846,822</b>	<b>0</b>	<b>2,344,467</b>
<b>Fund Balances:</b>				
Nonspendable	3,443	246	18,000	21,689
Restricted	791,679	51,201	5,329	848,209
Committed	0	2,785,934	0	2,785,934
Unassigned	(517,029)	0	0	(517,029)
<b>Total Fund Balances</b>	<b>278,093</b>	<b>2,837,381</b>	<b>23,329</b>	<b>3,138,803</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$1,492,786</b>	<b>\$5,129,598</b>	<b>\$23,329</b>	<b>\$6,645,713</b>



Little Miami Local School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$0	\$2,406,557	\$0	\$2,406,557
Intergovernmental	1,496,164	345,528	0	1,841,692
Extracurricular Activities	225,200	0	0	225,200
Charges for Services	1,153,955	0	0	1,153,955
Other Revenues	36,660	290,331	0	326,991
<b>Total Revenues</b>	<b>2,911,979</b>	<b>3,042,416</b>	<b>0</b>	<b>5,954,395</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	16,571	0	16,571
Special	824,895	0	0	824,895
<b>Support Services:</b>				
Pupil	31,267	0	0	31,267
Instructional Staff	334,943	59,308	0	394,251
School Administration	0	3,647	0	3,647
Fiscal	0	27,141	0	27,141
Operations and Maintenance	15,281	769,054	0	784,335
Pupil Transportation	0	643,527	0	643,527
Operation of Non-Instructional Services	1,870,205	0	0	1,870,205
Extracurricular Activities	230,112	0	0	230,112
Capital Outlay	74,545	558,591	0	633,136
<b>Debt Service:</b>				
Principal Retirement	0	694,000	0	694,000
Interest and Fiscal Charges	0	19,792	0	19,792
<b>Total Expenditures</b>	<b>3,381,248</b>	<b>2,791,631</b>	<b>0</b>	<b>6,172,879</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(469,269)</b>	<b>250,785</b>	<b>0</b>	<b>(218,484)</b>
<b>Net Change in Fund Balance</b>	<b>(469,269)</b>	<b>250,785</b>	<b>0</b>	<b>(218,484)</b>
<b>Fund Balance - Beginning of Year</b>	<b>747,362</b>	<b>2,586,596</b>	<b>23,329</b>	<b>3,357,287</b>
<b>Fund Balance - End of Year</b>	<b>\$278,093</b>	<b>\$2,837,381</b>	<b>\$23,329</b>	<b>\$3,138,803</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

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

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

**Entry Year Programs** - To implement entry-year programs.

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

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

**Miscellaneous State Grants** – A fund used to account for various monies received from state agencies which are not classified elsewhere.

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

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

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

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

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

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

**Miscellaneous Federal Grants** - To account for various monies received directly from the Federal government, which are, not classified elsewhere

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

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

Little Miami Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018

	Other Grants	District Managed Activities	Entry Year Programs	Data Communication
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$25,273	\$80,598	\$0	\$21,600
<b>Receivables (Net):</b>				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Prepaid	0	0	0	0
Inventory	0	0	0	0
<b>Total Assets</b>	<b>25,273</b>	<b>80,598</b>	<b>0</b>	<b>21,600</b>
<b>Liabilities:</b>				
Accounts Payable	1,022	3,306	0	0
Accrued Wages and Benefits	0	0	0	0
Contracts Payable	0	0	0	0
Interfund Payable	0	0	750	0
<b>Total Liabilities</b>	<b>1,022</b>	<b>3,306</b>	<b>750</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Grants and Other Taxes	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	24,251	77,292	0	21,600
Unassigned	0	0	(750)	0
<b>Total Fund Balances</b>	<b>24,251</b>	<b>77,292</b>	<b>(750)</b>	<b>21,600</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$25,273</b>	<b>\$80,598</b>	<b>\$0</b>	<b>\$21,600</b>

Vocational Education Enhancement	Miscellaneous State Grants	Race to the Top	Title VI-B	Title I	IDEA PreSchool Grant	Improving Teacher Quality
\$0	\$0	\$2,800	\$0	\$0	\$0	\$0
0	0	0	2,773	1,130	0	260
4,724	2,328	0	313,259	122,430	13,205	31,699
0	0	0	1,442	587	0	135
0	0	0	0	0	0	0
<u>4,724</u>	<u>2,328</u>	<u>2,800</u>	<u>317,474</u>	<u>124,147</u>	<u>13,205</u>	<u>32,094</u>
175	0	0	0	0	0	0
0	0	0	99,015	40,332	0	9,288
0	0	0	0	0	0	0
301	0	0	245,809	86,224	12,755	25,460
<u>476</u>	<u>0</u>	<u>0</u>	<u>344,824</u>	<u>126,556</u>	<u>12,755</u>	<u>34,748</u>
<u>4,724</u>	<u>2,328</u>	<u>0</u>	<u>313,259</u>	<u>122,430</u>	<u>13,205</u>	<u>31,699</u>
<u>4,724</u>	<u>2,328</u>	<u>0</u>	<u>313,259</u>	<u>122,430</u>	<u>13,205</u>	<u>31,699</u>
0	0	0	1,442	587	0	135
0	0	2,800	0	0	0	0
(476)	0	0	(342,051)	(125,426)	(12,755)	(34,488)
<u>(476)</u>	<u>0</u>	<u>2,800</u>	<u>(340,609)</u>	<u>(124,839)</u>	<u>(12,755)</u>	<u>(34,353)</u>
<u>\$4,724</u>	<u>\$2,328</u>	<u>\$2,800</u>	<u>\$317,474</u>	<u>\$124,147</u>	<u>\$13,205</u>	<u>\$32,094</u>

Continued

Little Miami Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2018

	Miscellaneous Federal Grants	Food Service	Special Trust	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$0	\$785,852	\$4,419	\$920,542
<b>Receivables (Net):</b>				
Accounts	0	2,461	0	6,624
Intergovernmental	10,000	0	0	497,645
Prepaid	0	1,279	0	3,443
Inventory	0	64,532	0	64,532
<b>Total Assets</b>	<b>10,000</b>	<b>854,124</b>	<b>4,419</b>	<b>1,492,786</b>
<b>Liabilities:</b>				
Accounts Payable	252	14,184	1,000	19,939
Accrued Wages and Benefits	0	111,352	0	259,987
Contracts Payable	0	64,992	0	64,992
Interfund Payable	831	0	0	372,130
<b>Total Liabilities</b>	<b>1,083</b>	<b>190,528</b>	<b>1,000</b>	<b>717,048</b>
<b>Deferred Inflows of Resources:</b>				
Grants and Other Taxes	10,000	0	0	497,645
<b>Total Deferred Inflows of Resources</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>497,645</b>
<b>Fund Balances:</b>				
Nonspendable	0	1,279	0	3,443
Restricted	0	662,317	3,419	791,679
Unassigned	(1,083)	0	0	(517,029)
<b>Total Fund Balances</b>	<b>(1,083)</b>	<b>663,596</b>	<b>3,419</b>	<b>278,093</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$10,000</b>	<b>\$854,124</b>	<b>\$4,419</b>	<b>\$1,492,786</b>

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Little Miami Local School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2018

	Other Grants	District Managed Activities	Entry Year Programs	Data Communication
Revenues:				
Intergovernmental	\$4,155	\$0	\$0	\$10,800
Extracurricular Activities	0	225,200	0	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>4,155</b>	<b>225,200</b>	<b>0</b>	<b>10,800</b>
Expenditures:				
Current:				
Instruction:				
Special	3,944	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	750	0
Operations and Maintenance	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	230,112	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<b>3,944</b>	<b>230,112</b>	<b>750</b>	<b>0</b>
Net Change in Fund Balance	211	(4,912)	(750)	10,800
Fund Balance - Beginning of Year	24,040	82,204	0	10,800
Fund Balance - End of Year	<u>\$24,251</u>	<u>\$77,292</u>	<u>(\$750)</u>	<u>\$21,600</u>



Vocational Education Enhancement	Miscellaneous State Grants	Race to the Top	Title VI-B	Title I	IDEA PreSchool Grant	Improving Teacher Quality
\$11,425	\$0	\$0	\$529,903	\$269,141	\$17,062	\$44,070
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
11,425	0	0	529,903	269,141	17,062	44,070
0	0	0	719,604	41,966	0	58,298
0	0	0	0	0	30,267	0
11,343	0	0	0	319,300	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
11,343	0	0	719,604	361,266	30,267	58,298
82	0	0	(189,701)	(92,125)	(13,205)	(14,228)
(558)	0	2,800	(150,908)	(32,714)	450	(20,125)
<u>(\$476)</u>	<u>\$0</u>	<u>\$2,800</u>	<u>(\$340,609)</u>	<u>(\$124,839)</u>	<u>(\$12,755)</u>	<u>(\$34,353)</u>

Continued

Little Miami Local School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2018

	Miscellaneous Federal Grants	Food Service	Special Trust	Total Nonmajor Special Revenue Funds
Revenues:				
Intergovernmental	\$0	\$609,608	\$0	\$1,496,164
Extracurricular Activities	0	0	0	225,200
Charges for Services	0	1,153,955	0	1,153,955
Other Revenues	0	32,940	3,720	36,660
Total Revenues	0	1,796,503	3,720	2,911,979
Expenditures:				
Current:				
Instruction:				
Special	1,083	0	0	824,895
Support Services:				
Pupil	0	0	1,000	31,267
Instructional Staff	0	0	3,550	334,943
Operations and Maintenance	0	15,281	0	15,281
Operation of Non-Instructional Services	0	1,870,205	0	1,870,205
Extracurricular Activities	0	0	0	230,112
Capital Outlay	0	74,545	0	74,545
Total Expenditures	1,083	1,960,031	4,550	3,381,248
Net Change in Fund Balance	(1,083)	(163,528)	(830)	(469,269)
Fund Balance - Beginning of Year	0	827,124	4,249	747,362
Fund Balance - End of Year	(\$1,083)	\$663,596	\$3,419	\$278,093

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,188	\$4,155	(\$12,033)
Total Revenues	16,188	4,155	(12,033)
Expenditures:			
Current:			
Instruction:			
Special	4,672	4,672	0
Total Expenditures	4,672	4,672	0
Net Change in Fund Balance	11,516	(517)	(12,033)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	24,944	24,944	0
Fund Balance - End of Year	\$36,460	\$24,427	(\$12,033)

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	District Managed Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$239,742	\$225,200	(\$14,542)
Total Revenues	239,742	225,200	(14,542)
Expenditures:			
Current:			
Extracurricular Activities	268,638	263,506	5,132
Total Expenditures	268,638	263,506	5,132
Net Change in Fund Balance	(28,896)	(38,306)	(9,410)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	94,541	94,541	0
Fund Balance - End of Year	\$65,645	\$56,235	(\$9,410)

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

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	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Instructional Staff	750	750	0
Total Expenditures	750	750	0
Net Change in Fund Balance	(750)	(750)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	(\$750)	(\$750)	\$0

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Data Communication Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$4,200	\$10,800	\$6,600
Total Revenues	4,200	10,800	6,600
Expenditures:			
Support Services:			
Central	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	4,200	10,800	6,600
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	10,800	10,800	0
Fund Balance - End of Year	\$15,000	\$21,600	\$6,600

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Vocational Education Enhancement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$11,000	\$11,425	\$425
Total Revenues	11,000	11,425	425
Expenditures:			
Current:			
Support Services:			
Instructional Staff	17,681	15,591	2,090
Total Expenditures	17,681	15,591	2,090
Net Change in Fund Balance	(6,681)	(4,166)	2,515
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(558)	(558)	0
Fund Balance - End of Year	(\$7,239)	(\$4,724)	\$2,515

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,328	\$0	(\$2,328)
Total Revenues	2,328	0	(2,328)
Expenditures:			
Current:			
Instruction:			
Special	2,328	2,328	0
Total Expenditures	2,328	2,328	0
Net Change in Fund Balance	0	(2,328)	(2,328)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	(\$2,328)	(\$2,328)



Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

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

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$715,239	\$529,903	(\$185,336)
Total Revenues	715,239	529,903	(185,336)
Expenditures:			
Current:			
Instruction:			
Special	715,725	708,475	7,250
Total Expenditures	715,725	708,475	7,250
Net Change in Fund Balance	(486)	(178,572)	(178,086)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(67,970)	(67,970)	0
Fund Balance - End of Year	(\$68,456)	(\$246,542)	(\$178,086)

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$260,742	\$269,141	\$8,399
Total Revenues	260,742	269,141	8,399
Expenditures:			
Current:			
Instruction:			
Special	33,741	41,966	(8,225)
Support Services:			
Instructional Staff	240,564	299,207	(58,643)
Total Expenditures	274,305	341,173	(66,868)
Net Change in Fund Balance	(13,563)	(72,032)	(58,469)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(14,192)	(14,192)	0
Fund Balance - End of Year	(\$27,755)	(\$86,224)	(\$58,469)

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	IDEA Preschool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$26,411	\$17,062	(\$9,349)
Total Revenues	26,411	17,062	(9,349)
Expenditures:			
Current:			
Support Services:			
Pupil	26,411	30,267	(3,856)
Total Expenditures	26,411	30,267	(3,856)
Net Change in Fund Balance	0	(13,205)	(13,205)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	450	450	0
Fund Balance - End of Year	\$450	(\$12,755)	(\$13,205)

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$73,616	\$44,070	(\$29,546)
Total Revenues	73,616	44,070	(29,546)
Expenditures:			
Current:			
Instruction:			
Special	73,616	67,377	6,239
Total Expenditures	73,616	67,377	6,239
Net Change in Fund Balance	0	(23,307)	(23,307)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(2,153)	(2,153)	0
Fund Balance - End of Year	(\$2,153)	(\$25,460)	(\$23,307)

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,000	\$0	(\$10,000)
Total Revenues	10,000	0	(10,000)
Expenditures:			
Current:			
Instruction:			
Special	10,000	10,000	0
Total Expenditures	10,000	10,000	0
Net Change in Fund Balance	0	(10,000)	(10,000)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	(\$10,000)	(\$10,000)

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Food Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$597,695	\$498,824	(\$98,871)
Charges for Services	1,382,678	1,153,955	(228,723)
Other Revenues	39,469	32,940	(6,529)
<b>Total Revenues</b>	<b>2,019,842</b>	<b>1,685,719</b>	<b>(334,123)</b>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	15,982	15,234	748
Operation of Non-Instructional Services	1,913,304	1,823,786	89,518
Capital Outlay	243,912	232,500	11,412
<b>Total Expenditures</b>	<b>2,173,198</b>	<b>2,071,520</b>	<b>101,678</b>
<b>Net Change in Fund Balance</b>	<b>(153,356)</b>	<b>(385,801)</b>	<b>(232,445)</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	897,013	897,013	0
<b>Fund Balance - End of Year</b>	<b>\$743,657</b>	<b>\$511,212</b>	<b>(\$232,445)</b>

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$5,968	\$3,720	(\$2,248)
Total Revenues	5,968	3,720	(2,248)
Expenditures:			
Current:			
Support Services:			
Pupil	1,000	1,000	0
Instructional Staff	3,550	3,550	0
Total Expenditures	4,550	4,550	(0)
Net Change in Fund Balance	1,418	(830)	(2,248)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	4,249	4,249	0
Fund Balance - End of Year	\$5,667	\$3,419	(\$2,248)



## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **Fund Descriptions**

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

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

Little Miami Local School District  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2018

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$2,796,525	\$13,625	\$2,810,150
Equity in Pooled Cash and Investments with Fiscal Agent	0	51,267	51,267
<b>Receivables (Net):</b>			
Taxes	2,267,461	0	2,267,461
Accounts	474	0	474
Prepaid	246	0	246
<b>Total Assets</b>	<b>5,064,706</b>	<b>64,892</b>	<b>5,129,598</b>
<b>Liabilities:</b>			
Accounts Payable	32,362	0	32,362
Accrued Wages and Benefits	16,907	0	16,907
Contracts Payable	328,835	0	328,835
Interfund Payable	53,600	13,691	67,291
<b>Total Liabilities</b>	<b>431,704</b>	<b>13,691</b>	<b>445,395</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	1,846,822	0	1,846,822
<b>Total Deferred Inflows of Resources</b>	<b>1,846,822</b>	<b>0</b>	<b>1,846,822</b>
<b>Fund Balances:</b>			
Nonspendable	246	0	246
Restricted	0	51,201	51,201
Committed	2,785,934	0	2,785,934
<b>Total Fund Balances</b>	<b>2,786,180</b>	<b>51,201</b>	<b>2,837,381</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$5,064,706</b>	<b>\$64,892</b>	<b>\$5,129,598</b>

Little Miami Local School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2018

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
Property and Other Taxes	\$2,406,557	\$0	\$2,406,557
Intergovernmental	345,528	0	345,528
Other Revenues	208,004	82,327	290,331
<b>Total Revenues</b>	<b>2,960,089</b>	<b>82,327</b>	<b>3,042,416</b>
Expenditures:			
Current:			
Instruction:			
Regular	16,571	0	16,571
Support Services:			
Instructional Staff	59,308	0	59,308
School Administration	3,647	0	3,647
Fiscal	26,777	364	27,141
Operations and Maintenance	769,054	0	769,054
Pupil Transportation	643,527	0	643,527
Capital Outlay	558,591	0	558,591
Debt Service:			
Principal Retirement	606,321	87,679	694,000
Interest and Fiscal Charges	15,570	4,222	19,792
<b>Total Expenditures</b>	<b>2,699,366</b>	<b>92,265</b>	<b>2,791,631</b>
Net Change in Fund Balance	260,723	(9,938)	250,785
Fund Balance - Beginning of Year	2,525,457	61,139	2,586,596
Fund Balance - End of Year	<b>\$2,786,180</b>	<b>\$51,201</b>	<b>\$2,837,381</b>

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$3,610,425	\$2,358,280	(\$1,252,145)
Intergovernmental	528,989	345,528	(183,461)
Other Revenues	318,445	208,004	(110,441)
<b>Total Revenues</b>	<b>4,457,859</b>	<b>2,911,812</b>	<b>(1,546,047)</b>
Expenditures:			
Current:			
Instruction:			
Regular	76,687	76,679	8
Support Services:			
Instructional Staff	60,155	60,148	7
School Administration	3,647	3,647	0
Fiscal	26,780	26,777	3
Operations and Maintenance	953,693	953,587	106
Pupil Transportation	757,611	757,527	84
Extracurricular Activities	9,501	9,500	1
Capital Outlay	769,534	769,449	85
Debt Service:			
Principal Retirement	606,321	606,321	0
Interest and Fiscal Charges	15,639	15,570	69
<b>Total Expenditures</b>	<b>3,279,568</b>	<b>3,279,205</b>	<b>363</b>
<b>Net Change in Fund Balance</b>	<b>1,178,291</b>	<b>(367,393)</b>	<b>(1,545,684)</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,252,219	2,252,219	0
<b>Fund Balance - End of Year</b>	<b>\$3,430,510</b>	<b>\$1,884,826</b>	<b>(\$1,545,684)</b>

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$104,475	\$82,045	(\$22,430)
Total Revenues	104,475	82,045	(22,430)
Expenditures:			
Current:			
Support Services:			
Fiscal	364	364	0
Debt Service:			
Principal Retirement	87,679	87,679	0
Interest and Fiscal Charges	4,222	4,222	0
Total Expenditures	92,265	92,265	0
Net Change in Fund Balance	12,210	(10,220)	(22,430)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	23,843	23,843	0
Fund Balance - End of Year	\$36,053	\$13,623	(\$22,430)

## **NONMAJOR PERMANENT FUND**

### **Fund Description**

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

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Smith Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,329	\$0	(\$2,329)
Total Revenues	2,329	0	(2,329)
Expenditures:			
Current:			
Operation of Non-Instructional Services	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	2,329	0	(2,329)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	23,330	23,330	0
Fund Balance - End of Year	\$25,659	\$23,330	(\$2,329)

## **OTHER GENERAL FUNDS**

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

### **Fund Descriptions**

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

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

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



Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Uniform School Supplies Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$582,766	\$368,604	(\$214,162)
Total Revenues	582,766	368,604	(214,162)
Expenditures:			
Current:			
Instruction:			
Regular	489,821	488,785	1,036
Total Expenditures	489,821	488,785	1,036
Net Change in Fund Balance	92,945	(120,181)	(213,126)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	255,572	255,572	0
Fund Balance - End of Year	\$348,517	\$135,391	(\$213,126)

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

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Public School Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$214,764	\$120,672	(\$94,092)
Total Revenues	214,764	120,672	(94,092)
Expenditures:			
Current:			
Instruction:			
Regular	58,738	58,723	15
Support Services:			
Operations and Maintenance	325	325	0
Extracurricular Activities	139,868	139,831	37
Total Expenditures	198,931	198,879	52
Net Change in Fund Balance	15,833	(78,207)	(94,040)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	217,608	217,608	0
Fund Balance - End of Year	\$233,441	\$139,401	(\$94,040)

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

Little Miami Local School District  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2018

	Special Enterprises Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$26,488	\$16,371	(\$10,117)
Total Revenues	26,488	16,371	(10,117)
Expenditures:			
Current:			
Instruction:			
Other	8,684	8,684	0
Total Expenditures	8,684	8,684	0
Net Change in Fund Balance	17,804	7,687	(10,117)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	10,783	10,783	0
Fund Balance - End of Year	\$28,587	\$18,470	(\$10,117)

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

## **NONMAJOR FUNDS**

### **Fiduciary funds**

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

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

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

Little Miami Local School District  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2018

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$134,915	\$145,517	\$126,206	\$154,226
Total Assets	<u>134,915</u>	<u>145,517</u>	<u>126,206</u>	<u>154,226</u>
Liabilities:				
Accounts Payable	435	1,576	435	1,576
Other Liabilities	134,480	143,941	125,771	152,650
Total Liabilities	<u>\$134,915</u>	<u>\$145,517</u>	<u>\$126,206</u>	<u>\$154,226</u>

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

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$141,401	\$145,517	\$126,206	\$160,712
Total Assets	<u>141,401</u>	<u>145,517</u>	<u>126,206</u>	<u>160,712</u>
Liabilities:				
Accounts Payable	5,435	6,576	5,435	6,576
Other Liabilities	135,966	148,941	130,771	154,136
Total Liabilities	<u>\$141,401</u>	<u>\$155,517</u>	<u>\$136,206</u>	<u>\$160,712</u>

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## 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.

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

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

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

	2009	2010	2011	2012	2013
Governmental Activities					
Net Investment in Capital Assets	(\$2,597,257)	(\$3,419,470)	\$1,607,085	\$1,832,366	\$3,732,261
Restricted	2,734,037	1,229,126	6,212,411	4,905,858	4,446,871
Unrestricted	(5,587,115)	(3,177,949)	(10,297,793)	(4,830,632)	4,425,738
Total Net Position	<u>(\$5,450,335)</u>	<u>(\$5,368,293)</u>	<u>(\$2,478,297)</u>	<u>\$1,907,592</u>	<u>\$12,604,870</u>

Source: District Records

Notes:

Due to the implementation of GASB68 in 2015, there will be a material decrease in the total net position for 2014 since the District is required to report the total net pension liability on the face of it's financial statements.  
 Due to implementation of GASB 75 in fiscal year 2018, fiscal year 2017 has been restated to reflect changes.

2014	2015	2016	2017	2018
\$6,762,076	\$8,286,197	\$11,365,521	\$12,242,604	\$17,674,703
3,192,627	5,776,463	2,957,798	4,939,474	5,620,636
(37,407,890)	(21,910,666)	(23,011,914)	(33,617,000)	(15,655,489)
<u>(\$27,453,187)</u>	<u>(\$7,848,006)</u>	<u>(\$8,688,595)</u>	<u>(\$16,434,922)</u>	<u>\$7,639,850</u>

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

	2009	2010	2011	2012	2013
<b>Expenses</b>					
<b>Governmental Activities:</b>					
Instruction	\$20,662,054	\$20,929,629	\$21,759,191	\$21,999,198	\$23,072,476
Pupil	1,375,146	1,175,589	1,152,566	1,256,420	1,305,453
Instructional Staff	1,530,607	665,945	577,995	531,262	790,919
General Administration	38,425	22,205	23,342	21,763	34,792
School Administration	2,643,136	2,359,232	2,170,235	1,912,878	1,932,683
Fiscal	788,970	671,169	639,737	568,127	690,694
Business	263,518	230,730	153,064	182,344	205,417
Operation and Maintenance	2,947,680	3,075,689	2,833,275	2,995,061	3,350,676
Pupil Transportation	3,112,253	2,838,120	2,805,914	3,103,316	3,705,066
Central	1,098,148	655,295	526,778	593,530	732,610
Operation of Non-Instructional Services	1,472,423	1,267,099	1,305,563	1,327,885	1,417,378
Extracurricular Activities	1,037,574	816,058	662,732	447,706	552,224
Interest and Fiscal Charges	3,487,297	3,519,574	3,394,744	3,587,979	3,360,312
<b>Total Government Expenses</b>	<b>40,457,231</b>	<b>38,226,334</b>	<b>38,005,136</b>	<b>38,527,469</b>	<b>41,150,700</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services</b>					
Instruction	52,985	494,148	567,229	612,397	593,682
Operation and Maintenance	22,537	47,461	97,758	128,036	110,294
Operation of Non-Instructional Services	1,353,478	1,106,037	975,231	950,433	904,005
Extracurricular Activities	498,683	661,129	654,737	466,894	445,042
Operating Grants and Contributions	1,861,606	2,457,931	2,807,540	1,736,497	1,965,116
Capital Grants and Contributions	66,281	2,750	0	0	0
<b>Total Government Revenues</b>	<b>3,855,570</b>	<b>4,769,456</b>	<b>5,102,495</b>	<b>3,894,257</b>	<b>4,018,139</b>
<b>Net (Expense)/Revenue</b>	<b>(\$36,601,661)</b>	<b>(\$33,456,878)</b>	<b>(\$32,902,641)</b>	<b>(\$34,633,212)</b>	<b>(\$37,132,561)</b>

Source: District Records

2014	2015	2016	2017	2018
\$23,663,594	\$24,622,835	\$26,394,721	\$30,646,313	\$19,035,767
1,402,529	1,485,240	1,492,992	1,912,898	1,072,947
1,499,213	1,473,829	1,920,018	2,152,840	1,335,349
23,814	34,317	29,014	31,653	40,802
2,349,425	2,491,408	2,776,185	3,161,730	1,832,360
802,858	828,728	884,274	954,153	583,970
219,534	265,722	236,003	253,949	264,008
3,580,124	3,484,565	3,601,292	3,708,160	2,821,100
4,056,276	3,662,803	4,039,448	5,223,916	3,574,882
312,303	584,199	105,170	439,369	414,813
1,454,191	1,462,233	1,542,552	1,860,142	1,353,331
530,237	553,129	643,946	911,664	915,758
3,405,591	3,383,321	3,042,129	2,711,760	2,529,979
<u>43,299,689</u>	<u>44,332,329</u>	<u>46,707,744</u>	<u>53,968,547</u>	<u>35,775,066</u>
755,857	867,020	804,046	1,041,606	1,475,430
137,957	130,983	119,921	136,235	237,949
944,261	975,781	1,060,677	1,119,861	1,144,119
400,549	428,693	429,787	572,636	597,805
2,419,460	2,670,178	3,017,552	3,141,160	3,206,714
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>4,658,084</u>	<u>5,072,655</u>	<u>5,431,983</u>	<u>6,011,498</u>	<u>6,662,017</u>
<u>(\$38,641,605)</u>	<u>(\$39,259,674)</u>	<u>(\$41,275,761)</u>	<u>(\$47,957,049)</u>	<u>(\$29,113,049)</u>

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

	2009	2010	2011	2012	2013
Net (Expense)/Revenue	(\$36,601,661)	(\$33,456,878)	(\$32,902,641)	(\$34,633,212)	(\$37,132,561)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes					
Property Taxes Levied for General Purposes	15,101,156	14,090,929	16,606,360	19,828,136	25,872,882
Property Taxes Levied for Debt Service Purposes	4,544,726	3,983,918	4,524,489	3,955,618	4,869,227
Property Taxes Levied for Capital Projects	2,181,385	1,941,394	2,142,772	1,898,649	2,064,695
Grants and Entitlements not Restricted	13,194,622	13,073,025	12,231,470	13,015,177	13,917,053
Revenue in Lieu of Taxes	7,638	0	0	0	922,003
Unrestricted Contributions	38,153	60,954	24,198	4,497	14,844
Investment Earnings	647,119	26,794	22,454	34,152	25,943
Other Revenues	49,447	361,906	240,894	282,872	143,192
Total Government	<u>35,764,246</u>	<u>33,538,920</u>	<u>35,792,637</u>	<u>39,019,101</u>	<u>47,829,839</u>
Change in Net Position	<u>(\$837,415)</u>	<u>\$82,042</u>	<u>\$2,889,996</u>	<u>\$4,385,889</u>	<u>\$10,697,278</u>

Source: District Records

2014	2015	2016	2017	2018
(\$38,641,605)	(\$39,259,674)	(\$41,275,761)	(\$47,957,049)	(\$29,113,049)
22,760,673	32,504,936	18,748,608	28,925,616	27,874,174
4,533,662	7,523,448	3,359,022	4,617,935	4,516,834
1,788,971	2,585,156	1,570,345	2,472,198	2,379,116
14,696,369	15,844,854	16,112,611	16,829,943	17,678,175
672,206	221,235	466,081	466,081	0
3,500	4,600	4,600	4,600	8,850
12,083	38,977	84,776	234,407	500,684
316,067	141,649	89,129	89,140	229,988
44,783,531	58,864,855	40,435,172	53,639,920	53,187,821
\$6,141,926	\$19,605,181	(\$840,589)	\$5,682,871	\$24,074,772

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

	2009	2010	2011 (1)	2012	2013
General Fund					
Reserved	\$1,596,570	\$1,169,299			
Unreserved	(4,729,409)	(6,270,746)			
Nonspendable			\$0	\$0	\$0
Assigned			477,807	915,473	1,245,742
Unassigned			(5,997,505)	(1,406,276)	8,549,240
Total General Fund	<u>(3,132,839)</u>	<u>(5,101,447)</u>	<u>(5,519,698)</u>	<u>(490,803)</u>	<u>9,794,982</u>
All Other Governmental Funds					
Reserved	4,936,965	2,849,258			
Unreserved, Reported in:					
Special Revenue Funds	451,700	619,858			
Debt Service Funds	(3,544,335)	(3,394,624)			
Capital Project Funds	1,161,074	(2,237,829)			
Permanent Fund	<u>4,180</u>	<u>4,261</u>			
Nonspendable			18,000	24,627	18,000
Restricted			6,229,992	5,024,644	4,470,791
Committed			0	1,243,505	1,363,819
Unassigned			<u>(103,855)</u>	<u>(173,946)</u>	<u>(57,127)</u>
Total All Other Governmental Funds	<u>\$3,009,584</u>	<u>(\$2,159,076)</u>	<u>\$6,144,137</u>	<u>\$6,118,830</u>	<u>\$5,795,483</u>

Source: District Records

(1) Prior year amounts have not been restated for the implementation of GASB Statement 54.



2014	2015	2016	2017	2018
\$0	\$0	\$20,397	\$45,159	\$50,959
827,725	899,067	1,913,340	4,445,516	6,824,123
15,001,571	28,612,493	25,946,272	29,959,525	28,554,067
<u>15,829,296</u>	<u>29,511,560</u>	<u>27,880,009</u>	<u>34,450,200</u>	<u>35,429,149</u>

18,000	18,000	19,033	21,072	21,689
3,219,797	5,813,572	2,899,578	4,917,309	5,783,736
1,144,188	2,045,898	1,613,089	2,525,243	2,785,934
(83,326)	(87,555)	(134,115)	(205,912)	(517,029)
<u>\$4,298,659</u>	<u>\$7,789,915</u>	<u>\$4,397,585</u>	<u>\$7,257,712</u>	<u>\$8,074,330</u>

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

	2009	2010	2011	2012	2013
Revenues:					
Taxes	\$22,425,666	\$19,953,984	\$22,535,644	\$25,675,994	\$32,779,040
Revenue in Lieu of Taxes	0	0	0	0	922,003
Tuition and Fees	261,048	494,148	567,229	612,398	600,891
Investment Earnings	647,119	26,794	22,454	34,152	25,943
Intergovernmental	15,116,440	15,385,702	15,647,565	14,688,786	16,067,626
Extracurricular Activities	497,159	661,129	641,898	466,895	437,543
Charges for Services	1,146,939	1,126,976	1,030,845	980,901	1,014,299
Other Revenues	123,843	452,132	320,075	384,936	158,327
Total Revenues	<u>\$40,218,214</u>	<u>\$38,100,865</u>	<u>\$40,765,710</u>	<u>\$42,844,062</u>	<u>\$52,005,672</u>

Source: District Records

2014	2015	2016	2017	2018
\$29,118,489	\$42,889,932	\$23,582,373	\$36,713,869	\$35,170,277
672,206	221,235	466,081	466,081	0
756,017	851,290	804,046	1,042,566	1,475,265
12,083	38,977	84,776	234,407	500,685
17,052,749	18,317,896	18,718,662	19,723,546	20,661,157
400,389	444,423	429,787	571,676	597,805
961,062	990,608	1,072,607	1,131,767	1,154,120
473,666	262,405	201,720	217,879	466,950
<u>\$49,446,661</u>	<u>\$64,016,766</u>	<u>\$45,360,052</u>	<u>\$60,101,791</u>	<u>\$60,026,259</u>

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

	2009	2010	2011	2012	2013
<b>Instruction:</b>					
Regular	\$15,508,213	\$14,752,453	\$13,526,730	\$12,300,313	\$13,736,813
Special	3,813,960	4,262,943	4,451,044	4,419,916	4,914,429
Other	944,444	1,622,023	2,103,791	2,903,905	2,589,288
<b>Support Services:</b>					
Pupil	1,366,975	1,188,798	1,127,593	1,253,758	1,310,976
Instructional Staff	1,519,276	667,837	606,653	527,860	760,271
General Administration	38,425	22,205	23,342	21,763	34,792
School Administration	2,650,965	2,347,282	2,166,966	1,936,199	1,877,565
Fiscal	785,252	690,748	628,389	573,800	690,989
Business	259,827	223,148	154,153	180,312	203,335
Operations and Maintenance	2,917,789	3,064,661	2,462,110	2,914,918	3,302,095
Pupil Transportation	3,009,144	2,576,471	2,570,146	2,803,687	3,372,524
Central	1,103,576	654,440	511,372	582,952	717,175
Operation of Non-Instructional Services	1,453,829	1,284,886	1,278,701	1,266,665	1,404,309
Extracurricular Activities	957,444	716,061	572,045	433,345	506,496
Capital Outlay	24,625,993	4,996,227	495,469	434,523	697,468
<b>Debt Service:</b>					
Principal Retirement	2,683,282	3,365,193	3,636,516	2,633,051	3,439,207
Interest and Fiscal Charges	2,784,500	2,802,757	2,545,728	2,653,507	2,645,088
<b>Total Expenditures</b>	<b>\$66,422,894</b>	<b>\$45,238,133</b>	<b>\$38,860,748</b>	<b>\$37,840,474</b>	<b>\$42,202,820</b>
<b>Debt Service as a Percentage of</b>					
Noncapital Expenditures	13.17%	15.50%	15.94%	13.97%	14.62%

Source: District Records

2014	2015	2016	2017	2018
\$13,910,565	\$15,198,594	\$16,133,902	\$16,993,722	\$19,431,444
5,102,366	5,630,028	6,053,881	6,979,800	7,699,382
2,723,262	2,697,418	2,662,039	2,692,835	2,499,026
1,385,974	1,512,523	1,490,655	1,819,581	1,740,560
1,487,883	1,500,934	1,917,262	2,036,577	1,813,631
23,814	34,317	29,014	31,653	40,802
2,294,178	2,531,262	2,712,772	2,882,517	2,996,717
789,965	854,668	885,483	913,600	920,732
217,565	263,955	234,143	252,124	262,170
3,522,381	3,627,734	3,626,521	3,489,922	3,771,020
3,800,243	3,807,687	4,116,623	4,850,513	5,247,915
294,186	581,649	513,048	405,817	501,281
1,432,165	1,505,331	1,537,361	1,766,324	1,870,205
491,404	539,607	631,169	852,310	995,404
1,189,556	53,671	54,467	608,246	3,618,321
3,670,747	2,783,117	3,943,086	2,319,772	2,872,318
2,578,417	3,720,751	3,842,507	2,224,709	1,974,264
<u>\$44,914,671</u>	<u>\$46,843,246</u>	<u>\$50,383,933</u>	<u>\$51,120,022</u>	<u>\$58,255,192</u>
14.31%	14.00%	15.73%	8.13%	9.00%

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

	2009	2010	2011	2012	2013
Other Financing Sources (Uses):					
Refunding Bond Issuance Cost	\$0	\$0	\$0	\$0	\$0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0
Issuance of Long-Term Capital-Related Debt	0	0	5,980,000	0	0
Bond Premium	0	0	0	0	0
Issuance of Capital Leases	612,000	0	0	0	159,586
Proceeds from Sale of Capital Assets	0	0	0	0	0
Transfers In	908,009	67,500	2,683,370	0	0
Transfers (Out)	(908,009)	(67,500)	(2,683,370)	0	0
Total Other Financing Sources (Uses)	612,000	0	5,980,000	0	159,586
Net Change in Fund Balances	<u>(\$25,592,680)</u>	<u>(\$7,137,268)</u>	<u>\$7,884,962</u>	<u>\$5,003,588</u>	<u>\$9,962,438</u>

Source: District Records

2014	2015	2016	2017	2018
\$0	\$0	\$0	\$44,764,964	\$0
0	0	0	(47,860,010)	0
0	0	0	0	0
0	0	0	3,543,595	0
0	0	0	0	0
5,500	0	0	0	24,500
0	0	0	0	0
0	0	0	0	0
5,500	0	0	448,549	24,500
<u>\$4,537,490</u>	<u>\$17,173,520</u>	<u>(\$5,023,881)</u>	<u>\$9,430,318</u>	<u>\$1,795,567</u>

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

Collection Year	Assessed Value			Total	Total Estimated Actual Value	Total Direct Rate
	Total Real Property (2)	Tangible Personal Property	Public Utilities Personal			
2008	\$772,340,910	\$6,483,090	\$16,055,240	\$794,879,240	\$2,248,675,914	42.59
2009	738,820,740	1,362,310	18,195,960	758,379,010	2,134,561,600	42.59
2010	750,654,640	0	10,680,990	761,335,630	2,155,408,533	42.59
2011	755,555,300	0	17,189,860	772,745,160	2,175,919,289	56.54
2012	721,886,880	0	20,990,510	742,877,390	2,083,524,453	58.33
2013	726,351,370	0	22,549,160	748,900,530	2,097,838,789	58.33
2014	742,522,960	0	23,965,470	766,488,430	2,145,459,641	59.55
2015	823,068,350	0	24,509,940	847,578,290	2,376,133,797	54.74
2016	843,462,380	0	24,251,340	867,713,720	2,434,143,854	54.74
2017	864,830,980	0	26,390,640	891,221,620	2,497,336,297	54.74

Source: Warren County Auditor

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

Note:

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

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

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

Fiscal Year	District Direct Rate					Overlapping Rates	
	General	Debt Service	Emergency	Permanent Improvement	Total	Warren County	Hamilton Township Exc
2008	33.34	6.25	0.00	3.00	42.59	6.71	5.30
2009	33.34	6.25	0.00	3.00	42.59	5.78	4.30
2010	33.34	6.25	0.00	3.00	42.59	5.78	5.30
2011	33.34	6.25	13.95	3.00	56.54	7.78	5.30
2012	33.34	7.58	14.41	3.00	58.33	7.78	5.30
2013	33.34	7.58	14.41	3.00	58.33	7.78	5.30
2014	33.34	9.31	13.90	3.00	59.55	7.78	5.30
2015	33.34	5.70	12.70	3.00	54.74	7.78	5.30
2016	33.34	5.70	12.70	3.00	54.74	7.78	5.30
2017	33.34	5.70	12.70	3.00	54.74	7.78	5.30

Source: Warren County Auditor



Overlapping Rates					
<u>Mental Health</u>	<u>Warren County JVS</u>	<u>Hamilton Township</u>	<u>County Health District</u>	<u>Hamilton Township Fire</u>	<u>Salam Public Library</u>
1.00	4.50	1.00	0.50	5.00	0.00
1.00	4.50	1.00	0.50	5.00	0.50
1.00	4.50	1.00	0.50	5.00	0.50
1.00	4.50	1.00	0.50	5.00	0.50
1.00	4.50	1.00	0.50	5.00	0.50
1.00	4.50	1.00	0.50	5.00	0.50
1.00	4.50	1.00	1.00	5.00	0.50
1.00	4.50	1.00	1.00	5.00	0.50
1.00	4.50	1.00	0.50	4.00	0.50
1.00	4.50	1.00	0.50	4.00	0.50

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

Taxpayer	2017	
	Personal and Real Property	of Total Assessed Value
Duke Energy Ohio	\$21,432,840	2.47%
Sumco Phoenix	3,969,930	0.46%
HCDC Real Estate Holding	2,951,570	0.34%
DP & L	2,800,840	0.32%
Dixon Eagles Pointe Inc	2,678,830	0.31%
Tournament Players Club	1,962,780	0.23%
Fifth Third Bank	1,785,030	0.21%
Belwood Co	1,678,170	0.19%
United Telephone	1,565,810	0.18%
Columbus Southern Power	1,498,790	0.16%
Total Principal Property Tax Payers	42,324,590	4.88%
All Others	825,389,130	95.12%
Total Assessed Value	\$867,713,720	100.00%

Taxpayer	2008	
	Tangible Personal and Real Property	Percentage of Total Taxable Value
Mitsubishi Electric	\$11,400,420	1.50%
Cincinnati Gas & Electric	7,217,810	0.95%
Proctor & Gamble	3,577,809	0.47%
Facs Group LLC	3,571,560	0.47%
Portion Pac Inc.	2,133,200	0.28%
Buckeye Steel Castings Inc.	2,055,071	0.27%
Hartz Mountain Group	1,232,031	0.16%
Deerfield MFG	1,135,631	0.15%
Leggett Partners LP	856,250	0.11%
United Telephone	700,180	0.09%
Total Principal Property Tax Payers	33,879,962	4.45%
All Others	760,999,278	95.74%
Total Assessed Value	\$794,879,240	100.00%

Source: Warren County Auditor

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

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2008	\$23,104,411	\$22,246,531	96.29%	\$797,816	\$23,044,347	99.74%
2009	24,257,567	23,506,794	96.90%	750,773	24,257,567	100.00%
2010	23,937,014	23,211,922	96.97%	663,426	23,875,348	99.74%
2011	24,360,108	23,785,268	97.64%	574,840	24,360,108	100.00%
2012	34,926,886	33,854,314	96.93%	710,482	34,564,796	98.96%
2013	36,109,131	35,317,901	97.81%	791,230	36,109,131	100.00%
2014	36,469,004	35,706,641	97.91%	859,328	36,469,004	100.00%
2015	38,838,554	38,031,012	97.92%	875,468	38,836,820	100.00%
2016	37,170,146	36,313,810	97.70%	845,566	37,159,376	99.97%
2017	38,041,991	37,389,553	98.28%	734,892	38,040,445	100.00%

Source: Warren County Auditor

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

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

Fiscal Year	Governmental Activities				Restricted For Debt Service (1)	Net General Obligation Notes & Bonds	Net Bonded Debt Per Capita
	General Obligation Bonds	Energy Conservation Notes	Capital Leases				
2009	\$73,528,293	\$68,750	\$2,227,959		(\$3,129,775)	\$76,726,818	\$368
2010	71,817,922	0	1,376,516		(3,285,903)	75,103,825	356
2011	75,273,847	0	1,060,000		2,371,400	72,902,447	342
2012	73,661,062	0	902,000		2,400,782	71,260,280	331
2013	71,249,551	0	863,404		2,611,267	68,638,284	316
2014	69,981,654	0	696,908		2,392,259	67,589,395	308
2015	66,968,623	0	523,686		4,945,289	62,023,334	280
2016	62,340,880	0	344,722		1,991,452	60,349,428	269
2017	62,016,110	0	159,000		3,849,767	58,166,343	256
2018	59,712,088	0	0		4,804,810	54,907,278	242

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

- (1) Restricted balance on the Statement of Net Position
- (2) Personal Income information provided by Bureau of Economic Analysis:  
 Regional Economic Accounts for Warren County

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Ratio of Net Bonded Debt to Estimated Value	Total Outstanding Debt	Percentage of Personal Income (2)	Per Capita (2)
3.41%	\$75,825,002	0.91%	\$363
3.52%	73,194,438	0.88%	347
3.38%	76,333,847	0.88%	358
3.27%	74,563,062	0.79%	346
3.29%	72,112,955	0.73%	332
3.22%	70,678,562	0.70%	322
2.89%	67,492,309	0.61%	304
2.54%	62,685,602	0.54%	279
2.39%	62,175,110	0.52%	274
2.20%	59,712,088	0.46%	263

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Little Miami Local School District  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2018  
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Direct and Overlapping Debt
Overlapping Debt:			
City of Loveland	\$6,330,000	8.95%	\$566,535
Village of Maineville	31,179	100.00%	31,179
Hamilton Township	975,000	77.32%	753,870
Union Township	114,962	4.34%	4,989
Warren County Career Center	375,000	20.26%	75,975
Subtotal Overlapping Debt	7,826,141		1,432,548
District Direct Debt	59,712,088	100.00%	59,712,088
Total Direct and Overlapping Debt	\$67,538,229		\$61,144,636

Source: Ohio Municipal Advisory Council

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

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

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$71,539,132	\$68,254,111	\$68,520,207	\$69,547,064	\$66,858,965
Total Net Debt Applicable to Limit	<u>75,825,002</u>	<u>73,194,438</u>	<u>76,333,847</u>	<u>74,563,062</u>	<u>72,112,955</u>
Legal Debt Margin	<u>(\$4,285,870)</u>	<u>(\$4,940,327)</u>	<u>(\$7,813,640)</u>	<u>(\$5,015,998)</u>	<u>(\$5,253,990)</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	105.99%	107.24%	111.40%	107.21%	107.86%

Source: District Records

- (1) Assessed values are on a calendar year basis (i.e. fiscal year 2018 is calendar year 2017)  
 (2) The District has obtained consent of the State Tax Commissioner and the Superintendent of Public Instruction to issue debt beyond the nine percent debt limitation and has qualified as a "special needs" district.

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value (1)	\$891,321,620
Debt limit (9% of assessed value)	80,218,946
Debt applicable to limit	<u>59,712,088</u>
Legal debt margin (2)	<u>\$20,506,858</u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$67,401,048	\$68,983,959	\$76,282,046	\$78,094,235	\$80,218,946
<u>70,678,562</u>	<u>67,492,309</u>	<u>62,685,602</u>	<u>62,175,110</u>	<u>59,712,088</u>
<u>(\$3,277,514)</u>	<u>\$1,491,650</u>	<u>\$13,596,444</u>	<u>\$15,919,125</u>	<u>\$20,506,858</u>
104.86%	97.84%	82.18%	79.62%	74.44%

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

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Calendar Year	Population (1)	Personal (Thousands of Dollars) (2)	Personal Income (3)	Unemployment Rate (4)
2008	208,640	\$8,343,399	\$39,989	5.5%
2009	211,231	8,329,109	39,431	8.7%
2010	213,252	8,665,583	40,635	8.8%
2011	215,406	9,399,252	43,635	7.6%
2012	217,310	9,942,485	45,753	6.5%
2013	219,169	10,131,284	46,226	6.3%
2014	221,659	10,990,640	49,584	4.8%
2015	224,469	11,572,120	51,553	5.0%
2016	227,063	12,024,592	52,957	4.6%
2017	228,882	13,002,293	56,808	3.8%

Sources:

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

Little Miami Local School District  
Major Employers (1)  
Current Calendar Year and Nine Years Ago  
Schedule 16

2017			
Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Manufacturing	(3)	(4)
Atrium Medical Center	Health Service	(3)	(4)
Cedar Fair/Kings Island	Amusement Service	(3)	(4)
Cengage Learning Inc	Educational Service	(3)	(4)
Cintas Corp	Manufacturing	(3)	(4)
Kraft Heinz/Portion Pac, Inc.	Manufacturing	(3)	(4)
L-3 Cincinnati Electronics	Manufacturing	(3)	(4)
Luxtottica Group SpA	Manufacturing	(3)	(4)
Macy's Inc	Retail Trade	(3)	(4)
Mason Local Schools	Government	(3)	(4)
Procter & Gamble Co	Research and Development	(3)	(4)
State of Ohio	Government	(3)	(4)
WellPoint Inc/Anthem	Insurance Service	(3)	(4)

2008			
Major Employers (2)	Type	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Manufacturing	(3)	(4)
Blackhawk Automotive Plastics Inc	Amusement Service	(3)	(4)
Cedar Fair/Kings Island	Manufacturing	(3)	(4)
Cintas Corp	Manufacturing	(3)	(4)
HJ Heinz/Portion Pac Inc	Manufacturing	(3)	(4)
Luxtottica Group SpA	Retail Trade	(3)	(4)
Macy's Inc	Government	(3)	(4)
Mason Local Bd of Ed	Research and Development	(3)	(4)
Procter & Gamble Co	Government	(3)	(4)
Sumco Phoenix	Manufacturing	(3)	(4)
WellPoint Inc/Anthem	Insurance Service	(3)	(4)

Source: Ohio Department of Development

- (1) For all of Warren County.
- (2) Includes at minimum the ten largest employers for the county. In alphabetical order only.
- (3) The number of employees of each listed major employer was not available.
- (4) The employer's percentage of total employment for each major employer was not available.

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

	2009	2010	2011	2012	2013
<b>Official/Administrative</b>					
Administrative Assistant	1.00	0.00	0.00	0.00	0.00
Assistant Superintendent	0.00	0.00	0.00	0.00	0.00
Assistant Principal	3.00	3.00	2.00	0.00	0.00
Principals	6.00	6.00	6.00	7.00	7.00
Superintendent	1.00	1.00	1.00	1.00	1.00
Supervising/Managing/Directing	0.00	0.00	0.00	0.00	0.00
Treasurer	1.00	1.00	1.00	1.00	1.00
Coordinator	5.00	1.78	1.78	1.00	1.00
Education Administrative Specialist	0.00	0.00	0.00	0.00	0.00
Director	4.00	3.00	2.00	2.00	2.00
<b>Total Official/Administrative</b>	<b>21.00</b>	<b>15.78</b>	<b>13.78</b>	<b>12.00</b>	<b>12.00</b>
<b>Professional - Educational</b>					
Curriculum Specialist	1.00	1.00	1.50	0.50	1.00
Counseling	5.00	5.00	4.33	6.00	6.00
Librarian/Media	1.00	1.00	1.00	1.00	1.00
Remedial Specialist	9.00	2.10	2.00	3.00	4.00
Regular Teaching	166.47	164.15	158.32	151.55	153.66
Special Education Teaching	14.74	11.32	10.61	9.29	11.82
Vocational Education Teaching	1.00	0.00	0.00	0.00	1.00
Educ. Service Personnel Teacher	19.22	9.13	8.26	11.06	16.05
Supplemental Service Teacher (Special Education)	14.00	13.86	17.98	19.18	16.00
Teacher Mentor/Evaluator	1.00	0.00	0.00	0.00	0.00
<b>Total Professional - Education</b>	<b>232.43</b>	<b>207.56</b>	<b>204.00</b>	<b>201.58</b>	<b>210.53</b>
<b>Professional - Other</b>					
Accounting	0.00	0.00	1.00	1.00	2.00
Dietitian/Nutritionist	1.00	1.00	1.00	1.00	1.00
Psychologist	0.00	0.00	0.00	0.00	0.00
Publicity Relations	1.00	0.00	0.00	0.00	0.00
Registered Nursing	3.50	3.00	2.00	3.00	5.00
Physical Therapist	0.00	0.00	0.00	0.00	0.00
Speech and Language Therapist	2.80	3.00	4.00	3.50	3.50
Occupational Therapist	0.00	0.00	0.00	0.00	0.00
Physical Therapy Assistant	0.00	0.00	0.00	0.00	0.00
Planning/Research Development	0.00	1.00	0.50	0.50	0.00
<b>Total Professional - Other</b>	<b>8.30</b>	<b>8.00</b>	<b>8.50</b>	<b>9.00</b>	<b>11.50</b>
<b>Technical</b>					
Computer Operating	0.00	5.00	2.00	2.00	2.00
Practical Nursing	2.00	1.00	1.00	1.00	1.00
Library Aide	6.00	0.00	0.00	0.00	0.00
Other Technical	1.00	1.00	1.00	0.00	0.00
<b>Total Technical</b>	<b>9.00</b>	<b>7.00</b>	<b>4.00</b>	<b>3.00</b>	<b>3.00</b>

Source: State Department of Education

2014	2015	2016	2017	2018
0.00	1.00	2.00	3.00	3.00
0.00	0.00	0.00	1.00	1.00
2.00	3.00	4.00	6.00	6.00
6.00	8.00	6.00	6.00	6.00
1.00	1.00	1.00	1.00	1.00
0.00	1.00	2.00	2.00	3.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	1.00	1.00	2.00
0.00	0.00	0.00	0.00	0.00
2.00	2.00	6.00	8.00	8.00
14.00	19.00	23.00	29.00	31.00
1.00	1.00	5.00	0.00	2.00
6.00	6.00	8.00	9.00	8.40
2.00	2.00	2.00	5.00	2.00
4.00	3.00	4.00	3.00	4.00
159.26	153.00	154.00	166.00	187.50
14.62	21.00	18.00	19.00	26.00
1.00	1.00	1.00	1.00	1.00
16.54	14.80	14.80	15.80	14.97
18.00	16.00	17.00	27.00	26.60
0.00	0.00	0.00	0.00	0.00
222.42	217.80	223.80	245.80	272.47
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	2.00
0.00	0.00	0.00	0.00	0.00
0.00	1.00	1.00	1.00	1.00
6.00	6.53	6.53	7.00	1.00
0.00	0.00	0.00	0.00	0.00
3.50	3.80	3.80	3.80	5.73
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
12.50	14.33	14.33	14.80	11.73
1.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	6.53
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
2.00	3.00	3.00	3.00	8.53

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

	2009	2010	2011	2012	2013
Office/Clerical					
Records Managing	1.00	1.00	1.00	1.00	1.00
Bookkeeping	3.00	2.00	1.00	1.00	1.00
Clerical	18.70	13.00	13.63	12.58	14.62
Teaching Aide	11.71	4.00	4.95	4.95	6.65
Other Office/Clerical	1.50	0.00	0.00	0.00	0.00
Total Office/Clerical	35.91	20.00	20.58	19.53	23.27
Crafts and Trades					
General Maintenance	1.00	1.00	1.00	1.00	1.00
Mechanic	3.00	3.00	2.00	2.00	2.00
Foreman	1.00	1.00	1.00	1.00	1.00
Total Crafts and Trades	5.00	5.00	4.00	4.00	4.00
Operative					
Dispatching	2.00	1.00	1.00	1.00	1.00
Vehicle Operator (Buses)	53.43	33.01	31.37	32.18	40.02
Vehicle Operator (Other than Buses)	0.00	1.25	1.25	1.21	1.25
Total Operative	55.43	35.26	33.62	34.39	42.27
Service Work/Laborer					
Attendance Officer	1.00	0.00	0.00	0.00	0.00
Custodian	21.19	20.76	18.18	18.18	19.00
Food Service	22.58	19.16	19.65	19.90	19.42
Monitoring	0.00	3.93	4.28	2.53	2.57
Groundskeeping	1.00	1.00	2.00	2.00	2.00
Attendant	33.65	28.57	30.11	28.79	29.61
Total Service Work/Laborer	79.42	73.42	74.22	71.40	72.60
Total Employees	446.49	372.02	362.70	354.90	379.17

Source: State Department of Education



2014	2015	2016	2017	2018
1.00	1.00	1.00	0.00	1.00
1.00	1.00	1.00	1.00	1.00
14.29	14.62	14.62	14.00	15.00
7.80	7.73	7.73	8.00	8.73
0.00	0.00	0.00	0.00	0.00
24.09	24.35	24.35	23.00	25.73
1.00	1.00	1.00	2.00	3.00
2.00	4.00	4.00	3.00	3.00
1.00	0.00	0.00	0.00	0.00
4.00	5.00	5.00	5.00	6.00
1.00	1.00	1.00	1.00	1.00
45.34	47.07	47.07	50.06	54.42
1.25	1.92	1.92	3.25	4.00
47.59	49.99	49.99	54.31	59.42
0.00	0.00	0.00	0.00	0.00
22.00	22.00	22.00	22.00	24.00
22.85	21.96	21.96	21.00	27.00
5.70	7.37	7.37	10.68	11.62
2.00	2.00	2.00	1.00	1.00
33.53	36.77	36.77	44.00	49.77
86.08	90.10	90.10	98.68	113.39
412.68	423.57	433.57	473.59	528.27

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

Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change
2009	4,313	\$36,329,119	\$8,423	(116.79%)	\$40,457,231	\$9,380	(10.27%)
2010	4,320	34,073,956	7,887	(6.36%)	38,226,334	8,849	(5.67%)
2011	4,070	32,183,035	7,907	0.25%	38,005,136	9,338	5.53%
2012	3,817	32,119,393	8,415	6.42%	38,527,469	10,094	8.09%
2013	3,976	35,421,057	8,909	5.87%	41,150,700	10,350	2.54%
2014	4,137	37,475,951	9,059	1.68%	43,299,689	10,466	1.13%
2015	4,308	40,285,707	9,351	3.23%	44,332,329	10,291	(1.68%)
2016	4,450	42,543,873	9,560	2.24%	46,707,744	10,496	2.00%
2017	4,627	45,967,295	9,935	3.91%	53,968,547	11,664	11.13%
2018	4,830	49,790,289	10,309	3.76%	35,775,066	7,407	(36.50%)

Source: District Records

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Teaching Staff	Pupil-Teacher Ratio	Percentage Receiving Free or Reduced-Price Meals
232.43	18.6	12.00%
207.56	20.8	15.30%
204.00	20.0	19.40%
201.58	18.9	19.60%
210.53	18.9	23.10%
222.42	18.6	21.80%
217.80	19.8	20.80%
223.80	19.9	20.82%
245.80	18.8	20.06%
272.47	17.7	17.57%

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

School	2009	2010	2011	2012	2013
Little Miami High School (2000)					
Square Feet	204,589	214,894	214,894	214,894	214,894
Capacity	1,500	1,500	1,500	1,500	1,500
Enrollment	1,435	1,102	1,338	1,314	1,037
Little Miami Junior High (1956)/New Junior High (2009) (2)					
Square Feet	108,000	109,000	109,000	109,000	109,000
Capacity	675	800	800	800	800
Enrollment	619	959	610	858	584
Little Miami Intermediate (2009) (2)					
Square Feet	(3)	104,000	104,000	104,000	104,000
Capacity	(3)	800	800	800	800
Enrollment	(3)	850	824	675	653
Little Miami Intermediate (1975)/Salem Elementary (2)					
Square Feet	40,560	110,442	110,442	110,442	110,442
Capacity	450	1,250	1,250	1,250	1,250
Enrollment	830	886	821	976	1,022
Hamilton-Maineville Elementary School (1975)					
Square Feet	56,385	42,100	42,100	42,100	42,100
Capacity	515	525	525	525	525
Enrollment	625	526	480	(3)	503
Harlan-Butlerville Elementary School (1979)					
Square Feet	40,140	20,002	20,002	20,002	20,002
Capacity	300	250	250	250	250
Enrollment	219	(3)	(3)	(3)	177
Morrow Elementary School (1975)					
Square Feet	92,664	50,291	50,291	50,291	50,291
Capacity	750	750	750	750	750
Enrollment	585	(3)	(3)	(3)	(3)
Total Enrollment for the District	4,313	4,320	4,070	3,817	3,976

Source: District Records

- (1) Enrollment number includes all three elementary schools combined
- (2) September 2009 a new Junior High and Intermediate School were opened and Salem Elementary occupied the previous spaces held by the aforementioned buildings
- (3) Building was not open for the school year

2014	2015	2016	2017	2018
214,894	214,894	214,894	214,894	214,894
1,500	1,500	1,500	1,500	1,500
1,080	938	985	1,054	1,323
109,000	109,000	109,000	109,000	109,000
800	800	800	800	800
622	720	768	786	745
104,000	104,000	104,000	104,000	104,000
800	800	800	800	800
698	748	754	740	735
110,442	110,442	110,442	110,442	110,442
1,250	1,250	1,250	1,250	1,250
1,011	1,102	1,139	1,313	1,289
42,100	42,100	42,100	42,100	42,100
525	525	525	525	525
506	529	539	478	492
20,002	20,002	20,002	20,002	20,002
250	250	250	250	250
220	271	265	256	246
50,291	50,291	50,291	50,291	50,291
750	750	750	750	750
(3)	(3)	(3)	(3)	(3)
4,137	4,308	4,450	4,627	4,830

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**LITTLE MIAMI LOCAL SCHOOL DISTRICT**



**Single Audit Reports**

**June 30, 2018**

**LITTLE MIAMI LOCAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed Through Ohio Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	3L70	10.553	\$78,817	\$0
National School Lunch Program	3L60	10.555	411,379	101,560
Total Child Nutrition Cluster			490,196	101,560
Total U.S. Department of Agriculture			490,196	101,560
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed Through Ohio Department of Education:				
Special Education Cluster:				
Special Education-Grants to States	3M20	84.027	707,741	0
Special Education-Preschool Grants	3C50	84.173	30,268	0
Total Special Education Cluster			738,009	0
Title I Grants to Local Educational Agencies	3M00	84.010	341,174	0
Supporting Effective Instruction State Grants	3Y60	84.367	67,377	0
Student Support Academic Enrichment Program	3H10	84.424	831	0
Total U.S. Department of Education			1,147,391	0
Total Federal Assistance			\$1,637,587	\$101,560

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A -- SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is a summary of the activity of the District's federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of 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 minimus indirect cost rate as allowed under the Uniform Guidance.



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

Board of Education  
Little Miami Local School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Little Miami Local School District (the District), as of and for the year ended June 30, 2018, 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 26, 2018, wherein we noted the District adopted GASB No. 75 as disclosed in Note 19.

**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 26, 2018

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

Board of Education  
Little Miami Local School District

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

We have audited the Little Miami Local School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. 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, 2018.

**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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 26, 2018, which contained unmodified opinions on those financial statements, wherein we noted the District adopted GASB No. 75 as disclosed in Note 19. 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 26, 2018

**LITTLE MIAMI LOCAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

Special Education Cluster

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

Auditee qualified as low-risk auditee? Yes

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

None

**Section III – Federal Award Findings and Questioned Costs**

None

**LITTLE MIAMI LOCAL SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
June 30, 2018**

**Summary of Prior Audit Findings:**

None Noted

# OHIO AUDITOR OF STATE KEITH FABER



**LITTLE MIAMI LOCAL SCHOOL DISTRICT**

**WARREN COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 24, 2019**