

OAK HILLS LOCAL SCHOOL DISTRICT



Single Audit Reports

June 30, 2016



Dave Yost • Auditor of State

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

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

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

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

Dave Yost
Auditor of State

March 20, 2017

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OAK HILLS LOCAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	3L70	10.553	\$110,368	\$0
National School Lunch Program	3L60	10.555	544,057	57,845
Special Milk Program for Children	3L60	10.556	9,728	0
Total Nutrition Cluster			<u>664,153</u>	<u>57,845</u>
Total U.S. Department of Agriculture			<u>664,153</u>	<u>57,845</u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education:				
Special Education Cluster:				
Special Education-Grants to States	3M20	84.027	1,583,356	0
Special Education-Preschool Grants	3C50	84.173	22,772	0
Total Special Education Cluster			<u>1,606,128</u>	<u>0</u>
Title I Grants to Local Educational Agencies	3M00	84.010	1,047,913	0
English Language Acquisition Grants	3Y70	84.365	8,671	0
Improving Teacher Quality	3Y60	84.367	216,536	0
Passed Through Great Oaks Institute of Technology & Career Development:				
Career & Technical Education Basic Grants to States	N/A	84.048	14,000	0
Total Department of Education			<u>2,893,248</u>	<u>0</u>
Total Federal Assistance			<u>\$3,557,401</u>	<u>\$57,845</u>

OAK HILLS LOCAL SCHOOL DISTRICT

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR 200, Subpart F. The District did not elect to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2: NUTRITION CLUSTER

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

NOTE 3: FOOD DONATION PROGRAM

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

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

To the Board of Education
Oak Hills Local School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oak Hills Local School District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 6, 2016

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

To the Board of Education
Oak Hills Local School District

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 6, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 6, 2016

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

Section I – Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

Special Education Cluster

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

Auditee qualified as low-risk auditee? Yes

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

None

Section III – Federal Award Findings and Questioned Costs

None

OAK HILLS LOCAL SCHOOL DISTRICT
June 30, 2016

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

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

Oak Hills Local School District

Cincinnati, Ohio



Comprehensive Annual Financial Report

For the Fiscal Year Ended June, 30 2016

Oak Hills Local School District

Cincinnati, Ohio

www.ohlsd.us

**OAK HILLS LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO**

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

**PREPARED BY:
OFFICE OF THE TREASURER
STEVE BAIN, TREASURER**

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INTRODUCTORY SECTION



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December 6, 2016

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Oak Hills Local School District (District) for the fiscal year ended June 30, 2016. This report was prepared by the Treasurer's office in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and includes an unmodified opinion from Plattenburg & Associates, Inc. Responsibility for accurate, complete and fair representation of data, including all disclosures, rests with the District. This report will provide the taxpayers of the Oak Hills Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

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

The District provides a full range of traditional and 21st century educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advance placement, gifted, special education and vocational levels; a broad range of co-curricular and extra-curricular activities; and adult and community education offerings and community recreation activities.

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

ECONOMIC CONDITION AND OUTLOOK

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

The Oak Hills school community has high expectations for the District. We strive to provide the best educational opportunities to every student with the resources we are provided. For the 2013-14 Ohio School Report card, the District earned an “A” for meeting all 24 indicators, which means students scored above proficient in the key areas identified by the State of Ohio. The District earned a “B” on the Performance Index, which measures the test results of every student, not just those who score proficient or higher, in order to measure the improvement of performance. Oak Hills earned these high ratings while maintaining one of the lowest expenditures per pupil in Hamilton County and maintaining a cost per pupil lower than the state average.

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. Since the 1970s through FY 2009, with the exception of a few years, Ohio's funding formula was foundation based by means of which a per pupil amount determined by the General Assembly as the per-pupil resource for provision of a basic adequate education was multiplied by the number of pupils to determine the base funding of the school districts. From this product, the local share of the basic adequate amount (or the charge off) was subtracted to arrive at the state share of the base funding. Additional funding was also provided for services targeted to categories of pupils such as handicapped, vocational, gifted, and economically disadvantaged as well as some adjustments and funding guarantees. The 2010-11 biennial budget (Am. Sub. H.B. 1 of the 128th General Assembly), established a new funding formula called the Evidence-Based Model (EBM). Am. Sub. H.B. 153 of the 129th General Assembly repealed the EBM and implemented a temporary funding formula for the 2012-13 biennial budget as a new school funding formula is developed. The temporary formula was called the Bridge formula. The Bridge formula provided for a simplified approach to fund distribution based on FY 2011 total calculated amounts on per pupil basis for both FY 2012 and FY 2013. However, the State revised the funding model in June, 2013 and adopted HB 59, the FY 14 and FY 15 biennium budget which again changed our funding formula, but not our funding. Under this new model, the District received minimal increases in our level of State funding. The increase projected for the current biennium budget (H.B. 64) is an increase of 3.7% for fiscal year 2016 & an increase of 1.8% for fiscal year 2017.

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

THE DISTRICT AND ITS FACILITIES

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

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

During the 2015-2016 school year, the District served 7,834 students enrolled in five elementary schools (3,602 students), three middle schools (1,808 students) and the one of the largest high school's in the State of Ohio (2,424 students). Enrollment has remained stable over the last decade and is projected to vary only slightly over the next five years. See schedule 19 for additional information (age, capacity, etc.) on the District's school buildings.

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

ORGANIZATION OF THE SCHOOL DISTRICT

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

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

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Mrs. Jan Hunter	01/01/12 – 12/31/15	13.5
Mr. Steve Schinkal	01/01/12 – 12/31/15	7.5
Mrs. Jeannie Schoonover	01/01/14 – 12/31/17	5.5
Mrs. Julie Murphy	01/01/14 – 12/31/17	1.5
Mr. Scott Bischoff	01/01/14 – 12/31/17	1.5

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Todd Yohey was appointed Superintendent effective August 1, 2009. Mr. Yohey's current contract expires on July 31, 2017. Mr. Yohey received a Bachelor of Science Degree from Wright State University and a Master of Science degree in Educational Leadership from the University of Dayton. Prior to being named Superintendent, Mr. Yohey served as the Superintendent for four years at the Ross Local School District in Hamilton, Ohio.

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

EMPLOYEE RELATIONS

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

The Oak Hills Education Association (OHEA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. The collective bargaining agreement between the OHEA and the District included a term of 3 years for fiscal years 2015, 2016, & 2017. OHEA was provided a 1.5% increase (plus steps) for each year of the current contract.

Classified employees are represented by Chapter 200 of the Ohio Association of Public School Employees (OAPSE), an affiliate of the American Federation of State, County and Municipal Employees (AFSCME). OAPSE Chapter 200 represents food service employees, custodians, maintenance employees, building secretaries,

mechanics, bus drivers, educational assistants and system support technicians. The collective bargaining agreement between OAPSE Chapter 200 and the District includes a 5 year agreement, ending on June 30, 2019. Wage and benefit items may be discussed prior to the end of the contract.

SERVICES PROVIDED

The District offers regular instructional programs daily to students in grades Pre-K – 12. Nearly 200 students participate in specific trades offered through the vocation education program at Great Oaks Institute of Technology and Career Development. Approximately 1,084 students receive special services due to physical or mental handicap conditions. In grades K-12, over 700 have been identified as gifted.

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

During the 2015-16 school year, the accounting department processed over 4,700 purchase orders and issued over 4,700 checks for good and/or services for the District. Those goods and services include utilities, instructional supplies, computers, software, textbooks, building maintenance, and tuition.

The payroll department issued 25,581 payroll checks to employees entitled to remuneration for services rendered, while 1,003 agency deduction checks were also issued for payroll-associated costs such as taxes, retirement, and insurance.

MAJOR CURRENT AND FUTURE INITIATIVES

Curriculum Initiatives

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

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

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

Due to a competitive global economy and the growing need for a highly skilled workforce, Oak Hills is dedicated to ensuring that all students graduate career and college ready. In grades 6 – 12, the District continued the process of aligning curriculum, instruction, and assessment to Ohio’s learning standards. Oak Hills High School now offers a total of ten different courses in English, math, science, and social studies that are aligned to ACT Quality Core Curriculum. In addition to these courses, our high school is proud to offer a total of 27 College Board Advanced Placement courses where students can earn both high school and college credit in a variety of academic disciplines. We have also partnered with Cincinnati State and the University of Cincinnati

to offer courses taught by adjunct faculty in the District. Students can earn college and high school credit in these College Credit Plus courses. In addition to course offerings, we offer a variety of Educational Pathways that provide students with an opportunity to focus in a concentrated academic field that could lead to potential college majors or careers.

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

The 2014-15 school year was a successful year for the Oak Hills Local School District. The District met all state report card indicators, as determined by the accountability system of the state of Ohio. Oak Hills remains very proud of the achievement of our students!

Relevant Financial Policies and Long-Term Financial Planning

State funding for schools in Ohio is challenging. Over the past few years, public education has suffered and school districts are not receiving any material increase in State Funding. Funding for public education at the current level is not secure beyond FY 2017. This uncertainty has a major impact on our instructional and operational programs, and our cash balance is monitored closely by the Board of Education. The Board identified a 60 true day cash benchmark and pursued additional local revenue in the form of a tax levy when financial projections indicated a cash balance below the benchmark for the 13-14 school year. The community voted in support of a 4.82 mill local property tax levy (5 yr term) in November, 2013 which will generate approximately \$5,275,000 million annually in local revenue. The trend of increasing local revenue as a replacement to reducing state revenue is certain to continue.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. Appropriations are monitored, changed and amended/adopted on a monthly basis.

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

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

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

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Plattenburg & Associates, Inc. performed the audit for the fiscal year ended June 30, 2016. The auditor's unmodified opinion rendered on the District's basic financial statements is included in the financial section of this Comprehensive Annual Financial Report.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2015, to the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016, will again conform to ASBO's principles and standards as well, and will be submitted to ASBO for review.

ACKNOWLEDGEMENTS

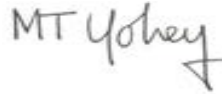
The preparation of the fiscal year 2016 Comprehensive Annual Financial Report of the Oak Hills Local School District was made possible by the combined efforts of the District Treasurer's Office staff and Plattenburg & Associates, Inc. Sincere appreciation is extended for the time and effort they contributed to prepare this report. Appreciation is also extended to the Board of Education, the District Administrative Team and the Oak Hills school community for their continued support.

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

Respectfully Submitted,



Steven R. Bain
Treasurer



M. Todd Yohey
Superintendent

**Oak Hills Local School District, Ohio
List Of Principal Officials
June 30, 2016**

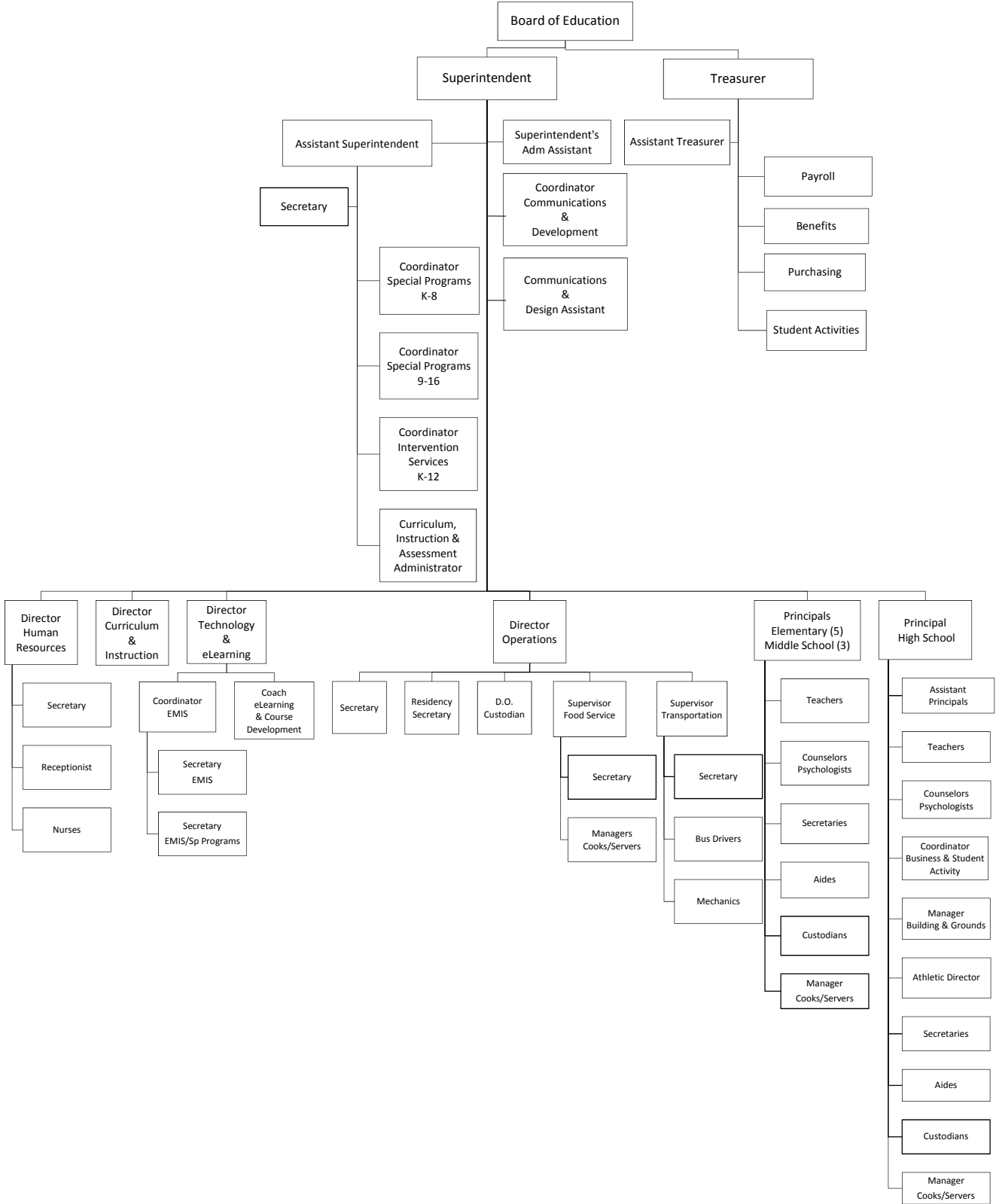
Board Of Education

President	Julie Murphy
Vice President	Scott Bischoff
Board Member	Jeannie Schoonover
Board Member	Steve Schinkal
Board Member	Janice Hunter

Administrative Officials

Superintendent	Todd Yohey
Treasurer	Steven Bain
Assistant Superintendent	Robert Sehlhorst

Oak Hills Local School District Organizational Chart





Government Finance Officers Association

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

Presented to

**Oak Hills Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Oak Hills Local School District

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

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Oak Hills Local School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 6, 2016

Oak Hills Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

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

Financial Highlights

Key financial highlights for 2016 are as follows:

- Net position of governmental activities increased \$2,102,024 which represents a 4% increase from 2015.
- General revenues accounted for \$69,886,186 in revenue or 82% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$14,875,431 or 18% of total revenues of \$84,761,617.
- The District had \$82,659,593 in expenses related to governmental activities; \$14,875,431 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$69,886,186 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

Oak Hills Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

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

In the Government-wide Financial Statements, the overall financial position of the District is presented as Governmental Activities – All of the District's programs and services are reported as Governmental Activities including instruction, support services, operation of noninstructional services, extracurricular activities, and interest and fiscal charges.

Fund Financial Statements

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

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

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

The District as a Whole

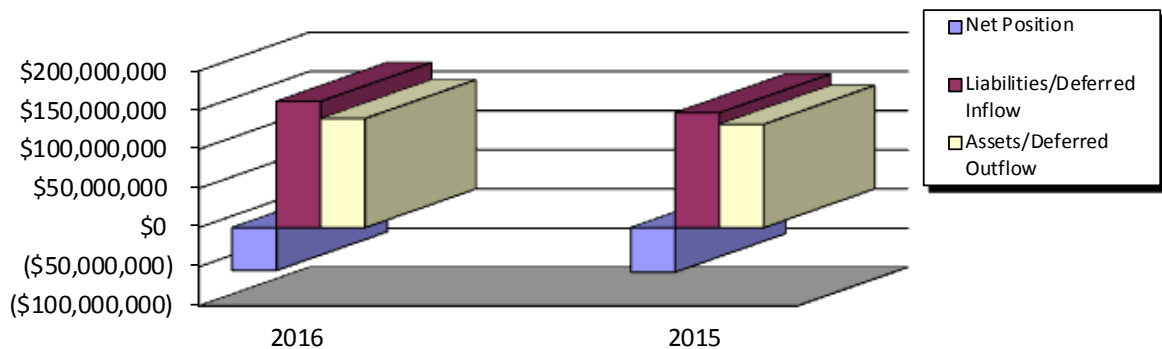
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2016 compared to 2015:

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

**Table 1
Net Position**

	Governmental Activities	
	2016	2015
Assets:		
Current and Other Assets	\$85,397,423	\$82,367,665
Capital Assets	53,875,913	49,610,261
Total Assets	139,273,336	131,977,926
Deferred Outflows of Resources	17,593,542	7,396,258
Liabilities:		
Other Liabilities	8,392,017	8,015,451
Long-Term Liabilities	152,861,122	138,656,415
Total Liabilities	161,253,139	146,671,866
Deferred Inflows of Resources	50,294,682	49,485,285
Net Position:		
Net Investment in Capital Assets	17,720,253	14,112,024
Restricted	5,339,785	5,546,195
Unrestricted	(77,740,981)	(76,441,186)
Total Net Position	(\$54,680,943)	(\$56,782,967)



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$54,680,943.

At year-end, capital assets represented 39% of total assets. Capital assets include land, construction in progress, buildings and improvements, furniture and equipment. Net investment in capital assets at June 30, 2016, was \$17,720,253. 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

Oak Hills Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

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, \$5,339,785 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Total assets increased from the prior year mainly due to an increase in cash and capital assets related to an HB264 project. Long-term liabilities increased due to an increase in the net pension liability.

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

Table 2
Changes in Net Position

	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues		
Charges for Services	\$4,388,187	\$4,614,883
Operating Grants, Contributions	10,487,244	8,091,953
General Revenues:		
Property Taxes	30,243,099	34,056,704
Grants and Entitlements	27,893,138	27,875,377
Investment Earnings	114,401	63,991
Revenue in Lieu of Taxes	10,965,704	11,110,870
Other	669,844	628,479
Total Revenues	<u>84,761,617</u>	<u>86,442,257</u>
Program Expenses:		
Instruction	45,802,259	45,588,622
Support Services:		
Pupil and Instructional Staff	10,469,958	9,342,368
School Administrative, General		
Administration, Fiscal and Business	7,153,423	6,711,255
Operations and Maintenance	7,417,029	6,032,693
Pupil Transportation	3,383,465	2,905,561
Central	371,715	299,724
Operation of Non-Instructional Services	4,253,444	4,078,086
Extracurricular Activities	2,140,984	2,164,501
Interest and Fiscal Charges	1,667,316	1,600,480
Total Program Expenses	<u>82,659,593</u>	<u>78,723,290</u>
Change in Net Position	2,102,024	7,718,967
Net Position - Beginning of Year	<u>(56,782,967)</u>	<u>(64,501,934)</u>
Net Position - End of Year	<u>(\$54,680,943)</u>	<u>(\$56,782,967)</u>

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

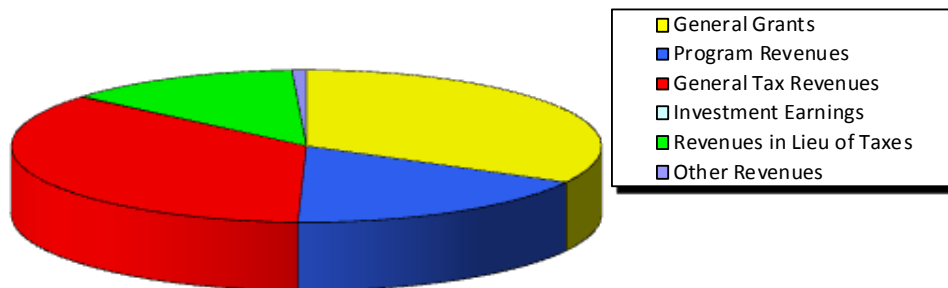
The District revenues are mainly from two sources. Property taxes levied for general, debt service and capital projects purposes and grants and entitlements comprised 69% of the District’s revenues for governmental activities.

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 36% of revenue for governmental activities for the District in fiscal year 2016.

**Governmental Activities
 Revenue Sources**

		<u>Percentage</u>
General Grants	\$27,893,138	32.91%
Program Revenues	14,875,431	17.55%
General Tax Revenues	30,243,099	35.68%
Investment Earnings	114,401	0.13%
Revenues in Lieu of Taxes	10,965,704	12.94%
Other Revenues	669,844	0.79%
Total Revenue Sources	\$84,761,617	100.00%



Instruction comprises 55% of governmental program expenses. Support services expenses were 35% of governmental program expenses. All other expenses including interest expense were 10%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

The District’s overall financial position improved from 2015 to 2016. Program revenues increased from the prior year due to an increase in capital grants and contributions. General revenues decreased due to a decrease in property tax monies received.

Oak Hills Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. These services are mainly supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction	\$45,802,259	\$45,588,622	(\$40,014,277)	(\$40,261,396)
Support Services:				
Pupil and Instructional Staff	10,469,958	9,342,368	(8,324,511)	(8,432,263)
School Administrative, General				
Administration, Fiscal and Business	7,153,423	6,711,255	(6,795,367)	(6,535,390)
Operations and Maintenance	7,417,029	6,032,693	(6,986,663)	(5,618,164)
Pupil Transportation	3,383,465	2,905,561	(3,030,423)	(2,560,753)
Central	371,715	299,724	(371,715)	(299,724)
Operation of Non-Instructional Services	4,253,444	4,078,086	345,814	204,914
Extracurricular Activities	2,140,984	2,164,501	(939,704)	(913,198)
Interest and Fiscal Charges	1,667,316	1,600,480	(1,667,316)	(1,600,480)
Total Expenses	<u>\$82,659,593</u>	<u>\$78,723,290</u>	<u>(\$67,784,162)</u>	<u>(\$66,016,454)</u>

The District's Funds

The District has three major governmental funds: the General Fund, Debt Service Fund, and Permanent Improvement Fund. Assets of the General Fund comprised \$68,166,692 (80%), the Debt Service Fund \$4,839,612 (6%), and the Permanent Improvement Fund comprised \$8,774,345 (10%) of the total \$85,415,423 governmental funds' assets.

General Fund: Fund balance at June 30, 2016 was \$29,346,245 including \$29,075,413 of unassigned balance. The District had an increase in fund balance of \$966,396. One of the reasons for the increase in fund balance was due to the District being able to sustain revenues being greater than expenses for 2015 to 2016.

Debt Service Fund: Fund balance at June 30, 2016 was \$2,808,788 with a decrease in fund balance of \$394,354. The decrease in fund balance is due to bond issuance related expenses.

Permanent Improvement Fund: Fund balance at June 30, 2016 was \$5,645,624 with a decrease in fund balance of \$1,257,740. The decrease in fund balance is due to an increase in capital related expenditures in 2016.

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

General Fund Budgeting Highlights

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

The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$70,788,302, compared to original budget estimates of \$70,351,024, while the actual revenue had a variance of (\$329,032) from the final budget basis revenues due to the overestimating of taxes, revenue in lieu of taxes, and intergovernmental revenue.

The District's unobligated cash balance for the General Fund was \$28,508,855.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the District had \$53,875,913 invested in land, construction in progress, buildings and improvements, and furniture and equipment. Table 4 shows fiscal year 2016 balances compared to fiscal year 2015:

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

	Governmental Activities	
	2016	2015
Land	\$2,435,469	\$2,221,943
Construction in Progress	5,515,444	1,967,439
Buildings and Improvements	39,359,145	39,427,516
Furniture and Equipment	6,565,855	5,993,363
Total Net Capital Assets	<u>\$53,875,913</u>	<u>\$49,610,261</u>

Total Net Capital Assets increased in 2016 as compared to 2015 because depreciation expense was less than current year additions. See Note 6 to the Basic Financial Statements for further details on the District's capital assets.

Debt

At June 30, 2016, the District had \$35,441,259 in debt outstanding, \$2,520,000 due within one year. Table 5 summarizes total debt outstanding.

Oak Hills Local School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Table 5
Outstanding Debt at Year End

	2016	2015
General Obligation Bonds Payable:		
HGB264 Debt	\$3,810,000	\$3,965,000
Premium on HB264 Debt	140,113	150,121
Refunding Bonds:		
Current Interest Bonds –		
School Improvement	0	31,120,000
Capital Appreciation Bonds - Principal	0	1,333,865
Capital Appreciation Bonds - Interest	0	562,346
School Improvement 2016	28,540,000	0
Premium on Bonds	0	1,135,924
Premium on Bonds 2016	2,951,146	0
Total Outstanding Debt at Year End	<u>\$35,441,259</u>	<u>\$38,267,256</u>

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

Economic Outlook

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

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

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

House Bill 64 is the most recent version of the State Budget, signed by Governor Kasich on June 30, 2015. Oak Hills Local School District’s tax base is approximately 88% residential. Having a large residential tax base was critical in the most recent biennium budget as many districts with larger commercial tax bases experienced reductions in State Funding. House Bill 64 simulations indicate Oak Hills LSD will receive 1.8% increase in State Funding for Fiscal Year 2017 after receiving a modest increase in State Funding in 2016.

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

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

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 Steve Bain, Treasurer at Oak Hills Local School District, 6325 Rapid Run Road, Cincinnati, Ohio 45233. Or E-mail at bain_s@ohlsd.org.

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Oak Hills Local School District, Ohio
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$37,411,857
Restricted Cash and Investments	380,716
Receivables (Net):	
Taxes	35,288,319
Accounts	26,617
Interest	10,260
Intergovernmental	12,261,138
Inventory	18,516
Nondepreciable Capital Assets	7,950,913
Depreciable Capital Assets, Net	<u>45,925,000</u>
 Total Assets	 <u>139,273,336</u>
 Deferred Outflows of Resources:	
Pension	<u>17,593,542</u>
 Total Deferred Outflows of Resources	 <u>17,593,542</u>
 Liabilities:	
Accounts Payable	86,485
Accrued Wages and Benefits	7,956,283
Contracts Payable	197,502
Accrued Interest Payable	127,751
Claims Payable	23,996
Long-Term Liabilities:	
Due Within One Year	3,016,826
Due In More Than One Year:	
Net Pension Liability	111,200,365
Other Amounts	<u>38,643,931</u>
 Total Liabilities	 <u>161,253,139</u>
 Deferred Inflows of Resources:	
Property Taxes	24,365,548
Deferred Gain on Refunding	1,032,658
Revenue in Lieu of Taxes	11,056,404
Pension	<u>13,840,072</u>
 Total Deferred Inflows of Resources	 <u>50,294,682</u>
 Net Position:	
Net Investment in Capital Assets	17,720,253
Restricted for:	
Debt Service	2,761,861
Capital Projects	1,073,741
Extracurricular	443,503
State Grants	324,473
Federal Grants	736,207
Unrestricted	<u>(77,740,981)</u>
 Total Net Position	 <u><u>(\$54,680,943)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$33,953,983	\$952,490	\$143,057	(\$32,858,436)
Special	11,616,266	104,957	4,565,787	(6,945,522)
Vocational	1,069	0	4,609	3,540
Other	230,941	0	17,082	(213,859)
Support Services:				
Pupil	6,037,513	0	755,320	(5,282,193)
Instructional Staff	4,432,445	0	1,390,127	(3,042,318)
General Administration	136,227	0	0	(136,227)
School Administration	5,332,399	0	358,056	(4,974,343)
Fiscal	1,563,102	0	0	(1,563,102)
Business	121,695	0	0	(121,695)
Operations and Maintenance	7,417,029	430,366	0	(6,986,663)
Pupil Transportation	3,383,465	51,178	301,864	(3,030,423)
Central	371,715	0	0	(371,715)
Operation of Non-Instructional Services	4,253,444	1,647,916	2,951,342	345,814
Extracurricular Activities	2,140,984	1,201,280	0	(939,704)
Interest and Fiscal Charges	1,667,316	0	0	(1,667,316)
Totals	\$82,659,593	\$4,388,187	\$10,487,244	(67,784,162)

General Revenues:

Property Taxes Levied for:	
General Purposes	24,096,973
Debt Service Purposes	2,413,153
Capital Projects Purposes	3,732,973
Grants and Entitlements, Not Restricted	27,893,138
Revenue in Lieu of Taxes	10,965,704
Unrestricted Contributions	273,028
Investment Earnings	114,401
Other Revenues	396,816
Total General Revenues	69,886,186
Change in Net Position	2,102,024
Net Position - Beginning of Year	(56,782,967)
Net Position - End of Year	(\$54,680,943)

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2016

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$28,568,279	\$2,008,788	\$4,424,420	\$2,410,370	\$37,411,857
Restricted Cash and Investments	380,716	0	0	0	380,716
Receivables (Net):					
Taxes	28,107,570	2,830,824	4,349,925	0	35,288,319
Accounts	25,463	0	0	1,154	26,617
Interest	10,260	0	0	0	10,260
Intergovernmental	11,056,404	0	0	1,204,734	12,261,138
Interfund	18,000	0	0	0	18,000
Inventory	0	0	0	18,516	18,516
Total Assets	68,166,692	4,839,612	8,774,345	3,634,774	85,415,423
Liabilities:					
Accounts Payable	49,487	0	13,473	23,525	86,485
Accrued Wages and Benefits	7,399,022	0	5,323	551,938	7,956,283
Compensated Absences	85,594	0	0	0	85,594
Contracts Payable	0	0	0	197,502	197,502
Interfund Payable	0	0	0	18,000	18,000
Total Liabilities	7,534,103	0	18,796	790,965	8,343,864
Deferred Inflows of Resources:					
Property Taxes	20,227,570	2,030,824	3,109,925	0	25,368,319
Grants and Other Taxes	0	0	0	858,645	858,645
Revenue in Lieu of Taxes	11,056,404	0	0	0	11,056,404
Investment Earnings	2,370	0	0	0	2,370
Total Deferred Inflows of Resources	31,286,344	2,030,824	3,109,925	858,645	37,285,738
Fund Balances:					
Restricted	0	2,808,788	0	1,998,083	4,806,871
Committed	0	0	5,645,624	0	5,645,624
Assigned	270,832	0	0	0	270,832
Unassigned	29,075,413	0	0	(12,919)	29,062,494
Total Fund Balances	29,346,245	2,808,788	5,645,624	1,985,164	39,785,821
Total Liabilities, Deferred Inflows and Fund Balances	\$68,166,692	\$4,839,612	\$8,774,345	\$3,634,774	\$85,415,423

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2016

Total Governmental Fund Balance		\$39,785,821
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		53,875,913
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property Taxes	1,002,771	
Interest	2,370	
Intergovernmental	858,645	
		<u>1,863,786</u>
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Internal Service Net Position		(23,996)
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.		
		(127,751)
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		(3,613,903)
Deferred gain on refunding associated with long-term liabilities that are not reported in the funds.		
		(1,032,658)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	17,593,542	
Deferred inflows of resources related to pensions	(13,840,072)	
		<u>3,753,470</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(111,200,365)	
Other Amounts	(37,961,260)	
		<u>(149,161,625)</u>
Net Position of Governmental Activities		<u><u>(\$54,680,943)</u></u>

See accompanying notes to the basic financial statements.

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

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$24,096,973	\$2,413,153	\$3,732,973	\$0	\$30,243,099
Tuition and Fees	1,129,709	0	0	0	1,129,709
Investment Earnings	113,465	0	0	805	114,270
Intergovernmental	30,721,928	445,383	688,456	5,665,969	37,521,736
Extracurricular Activities	589,062	0	0	974,475	1,563,537
Charges for Services	0	0	0	1,647,916	1,647,916
Revenue in Lieu of Taxes	10,965,704	0	0	0	10,965,704
Other Revenues	430,285	0	155,173	114,709	700,167
Total Revenues	68,047,126	2,858,536	4,576,602	8,403,874	83,886,138
Expenditures:					
Current:					
Instruction:					
Regular	32,748,718	0	217,958	16,200	32,982,876
Special	10,539,157	0	23,632	916,039	11,478,828
Vocational	1,069	0	0	0	1,069
Other	215,445	0	0	14,106	229,551
Support Services:					
Pupil	5,377,035	0	488	528,247	5,905,770
Instructional Staff	1,906,324	0	2,382,616	1,005,262	5,294,202
General Administration	135,667	0	0	0	135,667
School Administration	5,066,293	0	0	237,828	5,304,121
Fiscal	1,386,942	81,583	61,572	5,959	1,536,056
Business	118,331	0	0	0	118,331
Operations and Maintenance	5,251,696	0	978,000	0	6,229,696
Pupil Transportation	2,747,084	0	489,906	0	3,236,990
Central	358,717	0	0	0	358,717
Operation of Non-Instructional Services	47,358	0	0	4,109,459	4,156,817
Extracurricular Activities	986,027	0	0	1,129,847	2,115,874
Capital Outlay	81,570	0	1,379,286	3,632,011	5,092,867
Debt Service:					
Principal Retirement	0	32,918,865	155,000	0	33,073,865
Interest and Fiscal Charges	0	2,138,757	145,884	0	2,284,641
Bond Issuance Cost	0	364,946	0	0	364,946
Total Expenditures	66,967,433	35,504,151	5,834,342	11,594,958	119,900,884
Excess of Revenues Over (Under) Expenditures	1,079,693	(32,645,615)	(1,257,740)	(3,191,084)	(36,014,746)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	16,703	0	0	0	16,703
Issuance of Capital Lease	0	0	0	2,520,000	2,520,000
Premium on Issuance of Long-Term Debt	0	3,246,261	0	0	3,246,261
Refunding Bonds Issued	0	29,005,000	0	0	29,005,000
Transfers In	0	0	0	130,000	130,000
Transfers (Out)	(130,000)	0	0	0	(130,000)
Total Other Financing Sources (Uses)	(113,297)	32,251,261	0	2,650,000	34,787,964
Net Change in Fund Balance	966,396	(394,354)	(1,257,740)	(541,084)	(1,226,782)
Fund Balance - Beginning of Year	28,379,849	3,203,142	6,903,364	2,526,248	41,012,603
Fund Balance - End of Year	\$29,346,245	\$2,808,788	\$5,645,624	\$1,985,164	\$39,785,821

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balance - Total Governmental Funds (\$1,226,782)

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	8,662,396	
Depreciation Expense	<u>(2,612,558)</u>	
		6,049,838

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (1,784,187)

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

District pension contributions	5,320,432	
Cost of benefits earned net of employee contributions	<u>(5,875,789)</u>	
		(555,357)

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

Interest	131	
Intergovernmental	<u>858,645</u>	
		858,776

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Refunding Bonds	(29,005,000)	
Premium on Bonds Issued	(3,246,261)	
Deferred Gain on Refunding	<u>(1,135,924)</u>	
		(33,387,185)

Repayment of bond principal, accreted interest and current refundings are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 34,805,924

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 11,536

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	(533,845)	
Amortization of Bond Premium	305,123	
Bond Accretion	(33,789)	
Amortization of Deferred Gain on Refunding	<u>103,266</u>	
		(159,245)

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

Change in Net Position - Internal Service Funds		8,706
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Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position. (2,520,000)

Change in Net Position of Governmental Activities		<u>\$2,102,024</u>
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See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
Statement of Net Position
Proprietary Funds
June 30, 2016

	<u>Governmental Activities- Internal Service Funds</u>
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$0</u>
Total Assets	<u>0</u>
Liabilities:	
Current Liabilities:	
Claims Payable	<u>23,996</u>
Total Liabilities	<u>23,996</u>
Net Position:	
Unrestricted	<u>(23,996)</u>
Total Net Position	<u><u>(\$23,996)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues:	
Charges for Services	<u>\$120,995</u>
Total Operating Revenues	<u>120,995</u>
Operating Expenses:	
Personal Services	<u>112,289</u>
Total Operating Expenses	<u>112,289</u>
Change in Net Position	8,706
Net Position - Beginning of Year	<u>(32,702)</u>
Net Position - End of Year	<u><u>(\$23,996)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$120,995
Cash Payments to Employees	<u>(120,995)</u>
Net Cash Provided (Used) by Operating Activities	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalent	0
Cash and Cash Equivalents - Beginning of Year	<u>0</u>
Cash and Cash Equivalents - End of Year	<u><u>0</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	8,706
Changes in Assets & Liabilities:	
Increase (Decrease) in Claims Payables	<u>(8,706)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$899,368	\$95,362
Receivables (Net):		
Accounts	<u> 0</u>	<u> 1,900</u>
Total Assets	<u> 899,368</u>	<u> 97,262</u>
Liabilities:		
Other Liabilities	<u> 0</u>	<u> 97,262</u>
Total Liabilities	<u> 0</u>	<u> \$97,262</u>
Net Position:		
Held in Trust	<u> 899,368</u>	
Total Net Position	<u> \$899,368</u>	

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust
Additions:	
Investment Earnings	\$1,778
Other	67,396
Total Additions	<u>69,174</u>
Deductions:	
Scholarships	<u>85,200</u>
Total Deductions	<u>85,200</u>
Change in Net Position	(16,026)
Net Position - Beginning of Year	<u>915,394</u>
Net Position - End of Year	<u><u>\$899,368</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1 - Description of the District

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

The District operates under a locally elected five-member board form of government and provides educational services. The Board controls the District’s instructional programs and support facilities, staffed by approximately 516 certificated teaching and administrative personnel and approximately 328 non-certificated personnel. To provide services to the adult population in the community, Oak Hills has developed one of the largest community education programs in Hamilton County, Ohio.

The District is the third largest in Hamilton County with 7,834 students for the 2015-16 school year. The District currently operates five (5) elementary schools (grades K-5), three (3) middle schools (grades 6-8), and one (1) comprehensive high school (grades 9-12).

Note 2 - Summary of Significant Accounting Policies

Reporting Entity

The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

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

The District is associated with two organizations that are defined as jointly governed organizations. These organizations include Hamilton/Clermont Cooperative Information Technology Center and Great Oaks career campuses. These organizations are presented in Note 12.

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

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Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Measurement Focus

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

governmental, proprietary, and fiduciary. The focus of government fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

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

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

Debt Service Fund – The debt service fund is used for the accumulation of resources for and 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.

Permanent Improvement Fund – The permanent improvement fund is used to account for all transactions related to acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

Proprietary Funds

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

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

Fiduciary Funds

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

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and 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. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension are reported on the government-wide statement of net position, see Note 9 for explanation.

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, revenues in lieu of taxes (tax incremental financing), investment earnings, grants (grants and other taxes), and pension. Property taxes represent amounts for which there is an enforceable

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
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legal claim as of June 30, 2016, but which were levied to finance year 2017 operations. These property tax amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements, and are deferred and recognized as inflows of resources in the period the amounts become available. Revenue in lieu of taxes has been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants are recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension are reported on the government-wide statement of net position, see Note 9 for explanation.

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Equity in Pooled Cash and Investments

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

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

During fiscal year 2016, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2016 amounted to \$113,465 and \$805 in Other Governmental Funds.

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

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

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

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

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

Capital Assets

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

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

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

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

The compensated absences liability is recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

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

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

Pensions

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

Net Position

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

Oak Hills Local School District, Ohio
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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 \$5,339,785 in restricted net position, none was restricted by enabling legislation.

Interfund Activity

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

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

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

Fund Balance

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

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

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

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

Assigned – resources intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts 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.

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

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

Restricted Resources

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from the governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for the payment the current year. Bonds are recognized as a liability on the fund financial statements when due.

Operating Revenues and Expenses

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

Estimates

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

Restricted Assets

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

Note 3 - Equity in Pooled Cash and Investments

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

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

Oak Hills Local School District, Ohio
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For the Fiscal Year Ended June 30, 2016

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

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of

Oak Hills Local School District, Ohio
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leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2016, \$14,848,714 of the District's bank balance of \$29,604,187 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

Investments

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

Investment Type	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Negotiable CDs	\$1,972,179	Level 2	0.63
Federal Home Loan Bank	120,325	Level 2	0.90
Federal Home Loan Mortgage Corporation	1,981,108	Level 2	2.41
Federal Home Loan Mortgage Association	1,718,410	Level 2	2.80
STAR Ohio	418,738	N/A	0.15
Money Market Fund	698,354	N/A	0.00
Total Investments	\$6,909,114		
Portfolio Weighted Average Maturity			1.09

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources, as provided by the investment managers. Level 3 inputs are significant

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unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2016. STAR Ohio is reported at its share price (Net Asset Value per share).

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

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and in Federal National Mortgage Association were rated AA+ by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAAm by Standard & Poor's. Negotiable CDs and Money Market Funds are not rated.

Concentration of Credit Risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 6% of the District's investments in Money Market Funds, 10% in STAR Ohio, 28% in Negotiable CDs, 2% in Federal Home Loan Bank, 25% in Federal National Mortgage Association, and 29% in Federal Home Loan Mortgage Corporation.

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

Note 4 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2016 (other than public utility property tax) represents the collection of 2016 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20.

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2016. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2016 on the fund financial statements. The entire amount of delinquent taxes receivable is recognized as revenue in the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2016, was \$7,880,000 for General Fund, \$1,240,000 for Permanent Improvement Fund, and \$800,000 for Debt Service Fund, and is recognized as revenue.

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

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

	<u>Amount</u>
Real Property	<u>\$1,017,997,280</u>
Public Utility Personal	<u>44,599,470</u>
Total	<u><u>\$1,062,596,750</u></u>

Note 5 – Receivables

Receivables at June 30, 2016, consisted of taxes, accounts (rent and student fees), interest, intergovernmental (TIF payments and 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.

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Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 6 - Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$2,221,943	\$213,526	\$0	\$2,435,469
Construction in Progress	1,967,439	5,515,444	1,967,439	5,515,444
Capital Assets, being depreciated:				
Buildings and Improvements	70,880,533	1,643,929	0	72,524,462
Furniture and Equipment	11,129,329	3,256,936	2,127,654	12,258,611
Totals at Historical Cost	<u>86,199,244</u>	<u>10,629,835</u>	<u>4,095,093</u>	<u>92,733,986</u>
Less Accumulated Depreciation:				
Buildings and Improvements	31,453,017	1,712,301	0	33,165,318
Furniture and Equipment	5,135,966	900,257	343,468	5,692,755
Total Accumulated Depreciation	<u>36,588,983</u>	<u>2,612,558</u>	<u>343,468</u>	<u>38,858,073</u>
Governmental Activities Capital Assets, Net	<u>\$49,610,261</u>	<u>\$8,017,277</u>	<u>\$3,751,625</u>	<u>\$53,875,913</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$553,454
Special	6,646
Support Services:	
Instructional Staff	485,503
School Administration	1,559
Fiscal	1,170
Operations and Maintenance	1,284,253
Pupil Transportation	236,122
Operation of Non-Instructional Services	30,701
Extracurricular Activities	13,150
Total Depreciation Expense	<u>\$2,612,558</u>

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Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 7 - Long-Term Liabilities and Current Refunding

Long-Term Liabilities

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
Governmental Activities:							
General Obligation Bonds:							
Current Interest Bonds -							
School Improvement	12/1/25	3-5%	\$31,120,000	\$0	\$31,120,000	\$0	\$0
Capital Appreciation Bonds -							
Principal Only	12/1/15	4.37%	1,333,865	0	1,333,865	0	0
Capital Appreciation Bonds -							
Interest Only	12/1/15	4.37%	562,346	33,789	596,135	0	0
Premium on Bonds			1,135,924	0	1,135,924	0	0
HB 264 Debt - Series 2015	12/1/29	1.0-3.5%	3,965,000	0	155,000	3,810,000	235,000
Premium on HB264 Debt			150,121	0	10,008	140,113	0
Refunding Bonds - Series 2016			0	29,005,000	465,000	28,540,000	2,285,000
Premium Refunding Bonds			0	3,246,261	295,115	2,951,146	0
Total General Obligation Bonds			38,267,256	32,285,050	35,111,047	35,441,259	2,520,000
Net Pension Liability							
STRS			80,704,868	18,081,452	5,024,997	93,761,323	0
SERS			16,047,643	3,181,388	1,789,989	17,439,042	0
Total Net Pension Liability			96,752,511	21,262,840	6,814,986	111,200,365	0
Capital Lease			0	2,520,000	0	2,520,000	50,000
Compensated Absences			3,636,648	1,007,117	944,267	3,699,498	446,826
Total Governmental Activities			\$138,656,415	\$57,075,007	\$42,870,300	\$152,861,122	\$3,016,826

General obligation bonds will be paid from the debt service and permanent improvement funds. Compensated absences will be paid from the fund from which the person is paid (usually general and special revenue funds).

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

Fiscal Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2017	\$2,520,000	\$1,184,075
2018	2,595,000	1,110,900
2019	2,770,000	1,020,225
2020	2,890,000	925,175
2021	2,975,000	838,325
2022-2026	17,360,000	2,369,049
2027-2030	1,240,000	88,552
Total	\$32,350,000	\$7,536,301

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
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Current Refunding

On July 13, 2015 the District issued \$29,005,000 in Current Interest Bonds with an interest rate between 2.00% and 5.00% which was used to current refund \$31,120,000 of the outstanding 2015 Current Interest Bonds – School Improvements with an interest rate between 3.00% and 5.00%. The net proceeds of \$31,866,315 (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 debt service payments on the bond issues on December 1, 2015. As a result, \$31,120,000 of the 2005 Current Interest Bonds – School Improvements are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

The District current refunded 2015 Current Interest Bonds – School Improvements to reduce its total debt service payments by \$4,962,038 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$4,275,478.

Note 8 - Capital Lease Commitments

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

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2016:

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Oak Hills Local School District, Ohio
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For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30	Capital Leases
2017	\$148,469
2018	147,469
2019	146,469
2020	145,469
2021	149,419
2022-2026	735,584
2027-2031	732,700
2032-2036	724,750
2037-2041	731,100
2042-2046	717,000
Total Minimum Lease Payments	\$4,378,429
Amount Representing Interest and Additional program cost component	(1,858,429)
Present Value of Minimum Lease Payments	<u>\$2,520,000</u>

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14.00 percent. None of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$1,675,584 for fiscal year 2016. Of this amount \$235,340 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement increased effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

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

The District’s contractually required contribution to STRS was \$5,085,600 for fiscal year 2016. Of this amount \$852,472 is reported as accrued wages and benefits.

Net Pension Liability

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$17,439,042	\$93,761,322	\$111,200,364
Proportion of the Net Pension Liability	0.30562120%	0.33925921%	
Pension Expense	1,364,453	4,511,336	5,875,789

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

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$285,741	\$4,256,863	\$4,542,604
Net difference between projected and actual earnings on pension plan investments	1,304,979	4,706,617	6,011,596
Changes in employer proportion and differences between contributions and proportionate share of contributions	(4,939)	17,471	12,532
Changes in employer proportionate share of net pension liability	0	1,706,377	1,706,377
District contributions subsequent to the measurement date	<u>1,087,304</u>	<u>4,233,128</u>	<u>5,320,432</u>
Total Deferred Outflows of Resources	<u>\$2,673,085</u>	<u>\$14,920,456</u>	<u>\$17,593,541</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,976,981	\$11,114,098	\$13,091,079
Changes in employer proportion and differences between contributions and proportionate share of contributions	(94,189)	335,729	241,540
Changes in employer proportionate share of net pension liability	<u>507,453</u>	<u>0</u>	<u>507,453</u>
Total Deferred Inflows of Resources	<u>\$2,390,245</u>	<u>\$11,449,827</u>	<u>\$13,840,072</u>

\$5,320,432 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2017	(\$509,494)	(\$482,916)	(\$992,410)
2018	(509,494)	(482,916)	(992,410)
2019	(509,494)	(482,918)	(992,412)
2020	<u>724,018</u>	<u>686,251</u>	<u>1,410,269</u>
Total	<u>(\$804,464)</u>	<u>(\$762,499)</u>	<u>(\$1,566,963)</u>

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$24,181,684	\$17,439,042	\$11,761,182

Actuarial Assumptions - STRS

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

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

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
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Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

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

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

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

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

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

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	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$130,241,549	\$93,761,322	\$62,911,850

Note 10 - Post Employment Benefits

School Employees Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For the year ended June 30, 2016, the health care allocation is 0%. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$155,275.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$95,857, and \$19,072, respectively. For fiscal year 2016, 100% has been contributed. The full amount has been contributed for fiscal years 2015 and 2014.

State Teachers Retirement System

Plan Description – The District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$342,418, respectively. The full amount has been contributed for fiscal years 2016, 2015, and 2014.

Note 11 - Contingent Liabilities

Foundation Funding

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

Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2016, if applicable, cannot be determined at this time.

Litigation

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

Note 12 - Jointly Governed Organizations

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

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
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The District is a participant in the Hamilton/Clermont Cooperative Information Technology Center (H/CC) formerly H/CCA which is a computer consortium A-site used by the District. H/CC is an association of public districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The Board of the School consists of one representative from each of the participating members. The degree of control exercised by any participating district is limited to its representation on the board. To obtain financial information, write to H/CC, at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

Note 13 - Risk Management

The District is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District carries insurance coverage with the following companies.

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

Limits and deductible amounts for the above policies vary accordingly.

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

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

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

	<u>2016</u>	<u>2015</u>
Claims Liability at Beginning of Year	\$32,702	\$29,783
Claims Incurred	112,289	174,268
Claims Paid	<u>(120,995)</u>	<u>(171,349)</u>
Claims Liability at End of Year	<u>\$23,996</u>	<u>\$32,702</u>

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 14 – Accountability

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

	<u>Deficit</u>
Other Governmental Funds:	
Improving Teacher Quality	\$1,839
Title I	11,080
Internal Service Fund	23,996

The deficit fund balances were caused by GAAP Accruals.

Note 15 – Set Asides

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set Aside Reserve Balance as of June 30, 2015	\$0	\$380,716
Current Year Set Aside Requirement	1,327,577	0
Qualified Disbursements	(744,211)	0
Current Year Offsets	(583,366)	0
Set Aside Reserve Balance as of June 30, 2016	<u>\$0</u>	<u>\$380,716</u>
Restricted Cash as of June 30, 2016	<u>\$0</u>	<u>\$380,716</u>

Although the District had offsets from 2005 Series Debt of \$45,839,731 and qualifying disbursements during the year that reduced the set-aside amounts for capital maintenance reserve to below zero, extra qualified disbursement amounts may not be used to reduce the set-aside requirements of future years.

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Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
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Note 16 - Interfund Balances

At fiscal year end, interfund receivables, payables and transfers in/out were as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General Fund	\$18,000	\$0	\$0	\$130,000
Other Governmental Funds	0	18,000	130,000	0
Total all funds	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$130,000</u>	<u>\$130,000</u>

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

Note 17 – Fund Balances

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

Fund Balances	General	Debt Service	Permanent Improvement	Other	Total
				Governmental Funds	
Restricted for:					
Miscellaneous State Grants	\$0	\$0	\$0	\$1,085	\$1,085
Auxiliary Services	0	0	0	323,388	323,388
Debt Service	0	2,808,788	0	0	2,808,788
Special Education	0	0	0	44,409	44,409
Student Activity	0	0	0	443,503	443,503
Food Service	0	0	0	111,957	111,957
Building	0	0	0	1,073,741	1,073,741
Total Restricted	<u>0</u>	<u>2,808,788</u>	<u>0</u>	<u>1,998,083</u>	<u>4,806,871</u>
Committed to:					
Capital Improvements	0	0	5,645,624	0	5,645,624
Total Committed	<u>0</u>	<u>0</u>	<u>5,645,624</u>	<u>0</u>	<u>5,645,624</u>
Assigned to:					
Public School	270,832	0	0	0	270,832
Total Assigned	<u>270,832</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>270,832</u>
Unassigned (Deficit)	29,075,413	0	0	(12,919)	29,062,494
Total Fund Balance	<u>\$29,346,245</u>	<u>\$2,808,788</u>	<u>\$5,645,624</u>	<u>\$1,985,164</u>	<u>\$39,785,821</u>

Oak Hills Local School District, Ohio
Notes to the Basic Financial Statements
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Note 18 – Construction and Other Commitments

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

<u>Description</u>	<u>Remaining Commitment</u>
General	\$93,147
Permanent Improvement	83,590
Other Governmental	54,730

Note 19 – Implementation of New Accounting Principles

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

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the District's fiscal year 2016 note disclosures; however, there was no effect on beginning net position/fund balance.

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.33925921%	0.33179846%	0.33179846%
District's Proportionate Share of the Net Pension Liability	\$93,761,322	\$80,704,868	\$95,923,981
District's Covered-Employee Payroll	\$34,615,200	\$36,508,377	\$37,781,631
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	270.87%	221.06%	253.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) - Information prior to 2013 is not available

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

	2015	2014	2013
District's Proportion of the Net Pension Liability	0.30562120%	0.31708800%	0.31708800%
District's Proportionate Share of the Net Pension Liability	\$17,439,042	\$16,047,643	\$19,240,769
District's Covered-Employee Payroll	\$12,417,178	\$9,307,006	\$12,293,931
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	140.44%	172.43%	156.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) - Information prior to 2013 is not available

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually Required Contribution	\$5,085,600	\$4,846,128	\$4,746,089	\$4,911,612	\$5,087,280	\$5,273,952	\$5,195,808	\$4,840,596	\$4,631,316	\$4,639,740
Contributions in Relation to the Contractually Required Contribution	(5,085,600)	(4,846,128)	(4,746,089)	(4,911,612)	(5,087,280)	(5,273,952)	(5,195,808)	(4,840,596)	(4,631,316)	(4,639,740)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered-Employee Payroll	\$36,325,714	\$34,615,200	\$36,508,377	\$37,781,631	\$39,132,923	\$40,568,862	\$39,967,754	\$37,235,354	\$35,625,508	\$35,690,308
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually Required Contribution	\$1,675,584	\$1,636,584	\$1,289,951	\$1,701,480	\$1,649,352	\$1,796,352	\$1,544,748	\$1,473,648	\$1,374,576	\$1,311,780
Contributions in Relation to the Contractually Required Contribution	(1,675,584)	(1,636,584)	(1,289,951)	(1,701,480)	(1,649,352)	(1,796,352)	(1,544,748)	(1,473,648)	(1,374,576)	(1,311,780)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered-Employee Payroll	\$11,968,457	\$12,417,178	\$9,307,006	\$12,293,931	\$12,262,840	\$14,290,788	\$11,408,774	\$14,976,098	\$13,997,719	\$12,398,677
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%	9.82%	10.58%

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$27,125,237	\$27,293,838	\$27,166,973	(\$126,865)
Revenue in lieu of taxes	10,948,858	11,016,912	10,965,704	(51,208)
Tuition and Fees	1,072,121	1,078,785	1,073,771	(5,014)
Investment Earnings	99,828	100,449	99,982	(467)
Intergovernmental	30,674,730	30,865,394	30,721,928	(143,466)
Extracurricular Activities	199,334	200,573	199,641	(932)
Other Revenues	230,916	232,351	231,271	(1,080)
Total Revenues	70,351,024	70,788,302	70,459,270	(329,032)
Expenditures:				
Current:				
Instruction:				
Regular	33,722,820	33,722,820	32,821,495	901,325
Special	10,785,030	10,785,030	10,496,774	288,256
Vocational	1,098	1,098	1,069	29
Other	227,473	227,473	221,393	6,080
Support Services:				
Pupil	4,985,540	4,985,540	4,852,289	133,251
Instructional Staff	1,910,165	1,910,165	1,859,111	51,054
General Administration	136,364	136,364	132,719	3,645
School Administration	5,250,183	5,250,183	5,109,859	140,324
Fiscal	1,424,737	1,424,737	1,386,657	38,080
Business	123,928	123,928	120,616	3,312
Operations and Maintenance	5,487,179	5,487,179	5,340,521	146,658
Pupil Transportation	2,800,975	2,800,975	2,726,112	74,863
Central	345,082	345,082	335,859	9,223
Operation of Non-Instructional Services	17,144	17,144	16,686	458
Extracurricular Activities	999,372	999,372	972,661	26,711
Capital Outlay	93,756	93,756	91,250	2,506
Total Expenditures	68,310,846	68,310,846	66,485,071	1,825,775
Excess of Revenues Over (Under) Expenditures	2,040,178	2,477,456	3,974,199	1,496,743
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	16,677	16,781	16,703	(78)
Transfers (Out)	(133,570)	(133,570)	(130,000)	3,570
Total Other Financing Sources (Uses)	(116,893)	(116,789)	(113,297)	3,492
Net Change in Fund Balance	1,923,285	2,360,667	3,860,902	1,500,235
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	24,647,953	24,647,953	24,647,953	0
Fund Balance - End of Year	\$26,571,238	\$27,008,620	\$28,508,855	\$1,500,235

See accompanying notes to the required supplementary information.

Oak Hills Local School District, Ohio
Notes to the Required Supplementary Information
For The Year Ended June 30, 2016

Note 1 – Budgetary Process

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

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

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as assigned to a fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

Oak Hills Local School District, Ohio
Notes to the Required Supplementary Information
For The Year Ended June 30, 2016

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$966,396
Revenue Accruals	2,420,316
Expenditure Accruals	597,579
Encumbrances	(89,310)
Funds Budgeted Elsewhere	<u>(34,079)</u>
Budget Basis	<u><u>\$3,860,902</u></u>

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

Permanent Improvement Fund

The Permanent Improvement Fund 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. 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.

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The District has only one Debt Service Fund for fiscal year 2016.

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

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$748,347	\$4,162,973	\$3,414,626
Intergovernmental	123,759	688,456	564,697
Other Revenues	27,894	155,173	127,279
Total Revenues	900,000	5,006,602	4,106,602
Expenditures:			
Current:			
Instruction:			
Regular	243,223	237,107	6,116
Special	25,010	24,381	629
Support Services:			
Pupil	501	488	13
Instructional Staff	2,512,620	2,449,436	63,184
Fiscal	63,160	61,572	1,588
Operations and Maintenance	1,018,788	993,169	25,619
Pupil Transportation	501,715	489,099	12,616
Capital Outlay	1,569,124	1,529,666	39,458
Debt Service:			
Principal Retirement	155,000	155,000	0
Interest and Fiscal Charges	153,645	145,884	7,761
Total Expenditures	6,242,786	6,085,802	156,984
Net Change in Fund Balance	(5,342,786)	(1,079,200)	4,263,586
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	5,420,029	5,420,029	0
Fund Balance - End of Year	\$77,243	\$4,340,829	\$4,263,586

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

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,693,153	\$2,693,153	\$0
Intergovernmental	445,383	445,383	0
Total Revenues	3,138,536	3,138,536	0
Expenditures:			
Current:			
Support Services:			
Fiscal	81,583	81,583	0
Debt Service:			
Principal Retirement	32,918,865	32,918,865	0
Interest and Fiscal Charges	2,138,757	2,138,757	0
Bond Issuance Cost	364,946	364,946	0
Total Expenditures	35,504,151	35,504,151	0
Excess of Revenues Over (Under) Expenditures	(32,365,615)	(32,365,615)	0
Other Financing Sources (Uses):			
Refunding Bonds Issued	29,005,000	29,005,000	0
Premium on Issuance of Refunding Bonds	3,246,261	3,246,261	0
Total Other Financing Sources (Uses)	32,251,261	32,251,261	0
Net Change in Fund Balance	(114,354)	(114,354)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,123,143	2,123,143	0
Fund Balance - End of Year	\$2,008,789	\$2,008,789	\$0

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 Fund

The Building Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition 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.

Oak Hills Local School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,135,330	\$1,275,040	\$2,410,370
Receivables (Net):			
Accounts	1,154	0	1,154
Intergovernmental	1,204,734	0	1,204,734
Inventory	18,516	0	18,516
Total Assets	2,359,734	1,275,040	3,634,774
Liabilities:			
Accounts Payable	19,728	3,797	23,525
Accrued Wages and Benefits	551,938	0	551,938
Contracts Payable	0	197,502	197,502
Interfund Payable	18,000	0	18,000
Total Liabilities	589,666	201,299	790,965
Deferred Inflows of Resources:			
Grants and Other Taxes	858,645	0	858,645
Total Deferred Inflows of Resources	858,645	0	858,645
Fund Balances:			
Restricted	924,342	1,073,741	1,998,083
Unassigned	(12,919)	0	(12,919)
Total Fund Balances	911,423	1,073,741	1,985,164
Total Liabilities, Deferred Inflows and Fund Balances	\$2,359,734	\$1,275,040	\$3,634,774

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Investment Earnings	\$805	\$0	\$805
Intergovernmental	5,665,969	0	5,665,969
Extracurricular Activities	974,475	0	974,475
Charges for Services	1,647,916	0	1,647,916
Other Revenues	114,709	0	114,709
Total Revenues	8,403,874	0	8,403,874
Expenditures:			
Current:			
Instruction:			
Regular	16,200	0	16,200
Special	916,039	0	916,039
Other	14,106	0	14,106
Support Services:			
Pupil	528,247	0	528,247
Instructional Staff	1,005,262	0	1,005,262
School Administration	237,828	0	237,828
Fiscal	0	5,959	5,959
Operation of Non-Instructional Services	4,109,459	0	4,109,459
Extracurricular Activities	1,129,847	0	1,129,847
Capital Outlay	105,488	3,526,523	3,632,011
Total Expenditures	8,062,476	3,532,482	11,594,958
Excess of Revenues Over (Under) Expenditures	341,398	(3,532,482)	(3,191,084)
Other Financing Sources (Uses):			
Issuance of Capital Lease	0	2,520,000	2,520,000
Transfers In	130,000	0	130,000
Total Other Financing Sources (Uses)	130,000	2,520,000	2,650,000
Net Change in Fund Balance	471,398	(1,012,482)	(541,084)
Fund Balance - Beginning of Year	440,025	2,086,223	2,526,248
Fund Balance - End of Year	\$911,423	\$1,073,741	\$1,985,164

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

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

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

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

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

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

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

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

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

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

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

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Oak Hills Local School District, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2016

	Student Activity	Auxiliary Services	Data Communications	Miscellaneous State Grants	Special Education
Assets:					
Equity in Pooled Cash and Investments	\$454,566	\$375,716	\$0	\$1,085	\$0
Receivables (Net):					
Accounts	1,154	0	0	0	0
Intergovernmental	0	0	0	0	838,077
Inventory	0	0	0	0	0
Total Assets	455,720	375,716	0	1,085	838,077
Liabilities:					
Accounts Payable	12,217	5,671	0	0	0
Accrued Wages and Benefits	0	46,657	0	0	126,958
Interfund Payable	0	0	0	0	18,000
Total Liabilities	12,217	52,328	0	0	144,958
Deferred Inflows of Resources:					
Grants and Other Taxes	0	0	0	0	648,710
Total Deferred Inflows of Resources	0	0	0	0	648,710
Fund Balances:					
Restricted	443,503	323,388	0	1,085	44,409
Unassigned	0	0	0	0	0
Total Fund Balances	443,503	323,388	0	1,085	44,409
Total Liabilities, Deferred Inflows and Fund Balances	\$455,720	\$375,716	\$0	\$1,085	\$838,077

Vocational Education	Title I	IDEA Preschool Grant	Improving Teacher Quality	Food Service	Title III	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$1	\$303,962	\$0	\$1,135,330
0	0	0	0	0	0	1,154
0	311,145	0	51,087	0	4,425	1,204,734
0	0	0	0	18,516	0	18,516
0	311,145	0	51,088	322,478	4,425	2,359,734
0	0	0	1,840	0	0	19,728
0	167,802	0	0	210,521	0	551,938
0	0	0	0	0	0	18,000
0	167,802	0	1,840	210,521	0	589,666
0	154,423	0	51,087	0	4,425	858,645
0	154,423	0	51,087	0	4,425	858,645
0	0	0	0	111,957	0	924,342
0	(11,080)	0	(1,839)	0	0	(12,919)
0	(11,080)	0	(1,839)	111,957	0	911,423
\$0	\$311,145	\$0	\$51,088	\$322,478	\$4,425	\$2,359,734

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

	Student Activity	Auxiliary Services	Data Communications	Miscellaneous State Grants	Special Education
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	1,939,490	16,200	105,994	1,566,723
Extracurricular Activities	974,475	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	114,699	0	0	0	0
Total Revenues	1,089,174	1,939,490	16,200	105,994	1,566,723
Expenditures:					
Current:					
Instruction:					
Regular	0	0	16,200	0	0
Special	0	0	0	0	16,748
Other	0	14,106	0	0	0
Support Services:					
Pupil	0	0	0	80,994	433,253
Instructional Staff	0	0	0	24,999	647,899
School Administration	0	0	0	0	237,828
Operation of Non-Instructional Services	0	1,562,029	0	0	152,639
Extracurricular Activities	1,083,190	46,657	0	0	0
Capital Outlay	0	0	0	0	105,488
Total Expenditures	1,083,190	1,622,792	16,200	105,993	1,593,855
Excess of Revenues Over (Under) Expenditures	5,984	316,698	0	1	(27,132)
Other Financing Sources (Uses):					
Transfers In	130,000	0	0	0	0
Total Other Financing Sources (Uses)	130,000	0	0	0	0
Net Change in Fund Balance	135,984	316,698	0	1	(27,132)
Fund Balance - Beginning of Year	307,519	6,690	0	1,084	71,541
Fund Balance - End of Year	<u>\$443,503</u>	<u>\$323,388</u>	<u>\$0</u>	<u>\$1,085</u>	<u>\$44,409</u>

Vocational Education	Title I	IDEA Preschool Grant	Improving Teacher Quality	Food Service	Title III	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$805	\$0	\$805
14,000	1,107,635	22,772	216,536	667,948	8,671	5,665,969
0	0	0	0	0	0	974,475
0	0	0	0	1,647,916	0	1,647,916
0	0	0	0	10	0	114,709
14,000	1,107,635	22,772	216,536	2,316,679	8,671	8,403,874
0	0	0	0	0	0	16,200
0	897,152	0	0	0	2,139	916,039
0	0	0	0	0	0	14,106
14,000	0	0	0	0	0	528,247
0	114,121	22,772	188,939	0	6,532	1,005,262
0	0	0	0	0	0	237,828
0	102,328	0	28,686	2,263,777	0	4,109,459
0	0	0	0	0	0	1,129,847
0	0	0	0	0	0	105,488
14,000	1,113,601	22,772	217,625	2,263,777	8,671	8,062,476
0	(5,966)	0	(1,089)	52,902	0	341,398
0	0	0	0	0	0	130,000
0	0	0	0	0	0	130,000
0	(5,966)	0	(1,089)	52,902	0	471,398
0	(5,114)	0	(750)	59,055	0	440,025
\$0	(\$11,080)	\$0	(\$1,839)	\$111,957	\$0	\$911,423

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

	Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$1,066,905	\$1,066,905	\$0
Other Revenues	25,695	25,695	0
Total Revenues	<u>1,092,600</u>	<u>1,092,600</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities	1,121,171	1,121,171	0
Total Expenditures	<u>1,121,171</u>	<u>1,121,171</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(28,571)</u>	<u>(28,571)</u>	<u>0</u>
Other Financing Sources (Uses):			
Transfers In	130,000	130,000	0
Total Other Financing Sources (Uses)	<u>130,000</u>	<u>130,000</u>	<u>0</u>
Net Change in Fund Balance	101,429	101,429	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>307,541</u>	<u>307,541</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$408,970</u></u>	<u><u>\$408,970</u></u>	<u><u>\$0</u></u>

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

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	1,939,490	1,939,490	0
Total Revenues	1,939,490	1,939,490	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,594,146	1,594,146	0
Other Expenditures	14,106	14,106	0
Total Expenditures	1,608,252	1,608,252	0
Net Change in Fund Balance	331,238	331,238	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	37,863	37,863	0
Fund Balance - End of Year	\$369,101	\$369,101	\$0

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

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

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

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$105,994	\$105,994	\$0
Total Revenues	105,994	105,994	0
Expenditures:			
Current:			
Instruction:			
Support Services:			
Pupil	80,994	80,994	0
Instructional Staff	24,999	24,999	0
Total Expenditures	105,993	105,993	0
Excess of Revenues Over (Under) Expenditures	1	1	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,088	1,088	0
Fund Balance - End of Year	\$1,089	\$1,089	\$0

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

	Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,583,356	\$1,583,356	\$0
Total Revenues	1,583,356	1,583,356	0
Expenditures:			
Current:			
Instruction:			
Special	16,748	16,748	0
Support Services:			
Pupil	439,300	439,300	0
Instructional Staff	627,494	627,494	0
School Administration	245,961	245,961	0
Operation of Non-Instructional Services	148,365	148,365	0
Capital Outlay	105,488	105,488	0
Total Expenditures	1,583,356	1,583,356	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

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

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

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

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,047,913	\$1,047,913	\$0
Total Revenues	1,047,913	1,047,913	0
Expenditures:			
Current:			
Instruction:			
Special	841,763	841,763	0
Support Services:			
Instructional Staff	122,064	122,064	0
Operation of Non-Instructional Services	84,086	84,086	0
Total Expenditures	1,047,913	1,047,913	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

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

	IDEA Preschool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$22,772	\$22,772	\$0
Total Revenues	22,772	22,772	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	22,772	22,772	0
Total Expenditures	22,772	22,772	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

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

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$216,536	\$216,536	\$0
Total Revenues	216,536	216,536	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	189,690	189,689	1
Operation of Non-Instructional Services	26,846	26,846	0
Total Expenditures	216,536	216,535	1
Net Change in Fund Balance	0	1	1
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$1	\$1

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

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$805	\$805	\$0
Intergovernmental	673,896	673,937	41
Charges for Services	1,647,815	1,647,916	101
Other Revenues	10	10	0
Total Revenues	<u>2,322,526</u>	<u>2,322,668</u>	<u>142</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,194,040	2,174,320	19,720
Total Expenditures	<u>2,194,040</u>	<u>2,174,320</u>	<u>19,720</u>
Net Change in Fund Balance	128,486	148,348	19,862
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>153,806</u>	<u>153,806</u>	<u>0</u>
Fund Balance - End of Year	<u>\$282,292</u>	<u>\$302,154</u>	<u>\$19,862</u>

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

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	8,671	8,671	0
Total Revenues	8,671	8,671	0
Expenditures:			
Current:			
Instruction:			
Special	2,139	2,139	0
Instructional Staff	6,532	6,532	0
Total Expenditures	8,671	8,671	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

NONMAJOR CAPITAL PROJECTS FUND

Fund Description

Building Fund - The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Building Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

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

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Fiscal	25,279	25,279	0
Capital Outlay	3,515,016	3,515,016	0
Total Expenditures	3,540,295	3,540,295	0
Excess of Revenues Over (Under) Expenditures	(3,540,295)	(3,540,295)	0
Other Financing Sources (Uses):			
Issuance of a Capital Lease	2,520,000	2,520,000	0
Total Other Financing Sources (Uses)	2,520,000	2,520,000	0
Net Change in Fund Balance	(1,020,295)	(1,020,295)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,295,335	2,295,335	0
Fund Balance - End of Year	<u>\$1,275,040</u>	<u>\$1,275,040</u>	<u>\$0</u>

OTHER GENERAL FUNDS

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

Fund Descriptions

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

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

Uniform School Supply – Fund to account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

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

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

	Public School Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$389,331	\$389,331	\$0
Other Revenues	196,038	196,038	0
Total Revenues	<u>585,369</u>	<u>585,369</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupil	517,811	517,811	0
Central	22,779	22,779	0
Total Expenditures	<u>540,590</u>	<u>540,590</u>	<u>0</u>
Net Change in Fund Balance	44,779	44,779	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>229,182</u>	<u>229,182</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$273,961</u></u>	<u><u>\$273,961</u></u>	<u><u>\$0</u></u>

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

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

	State Subdivision Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance - End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

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

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

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$26,263	\$26,263	\$0
Total Revenues	26,263	26,263	0
Expenditures:			
Current:			
Instruction:			
Regular	19,104	19,104	0
Total Expenditures	19,104	19,104	0
Net Change in Fund Balance	7,159	7,159	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	18,270	18,270	0
Fund Balance - End of Year	\$25,429	\$25,429	\$0

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

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

	Adult Education Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$29,450	\$29,450	\$0
Total Revenues	29,450	29,450	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	37,674	37,294	380
Total Expenditures	37,674	37,294	380
Net Change in Fund Balance	(8,224)	(7,844)	380
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,732	11,732	0
Fund Balance - End of Year	<u>\$3,508</u>	<u>\$3,888</u>	<u>\$380</u>

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

NONMAJOR FUNDS

Fiduciary funds

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

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

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

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$78,162	\$201,753	\$184,838	\$95,077
Receivables (Net):				
Accounts	76	1,900	76	1,900
Total Assets	78,238	203,653	184,914	96,977
Liabilities:				
Other Liabilities	78,238	203,653	184,914	96,977
Total Liabilities	78,238	203,653	184,914	96,977
Athletic Tournament S-Agency Fund				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$0	\$285	\$0	\$285
Total Assets	0	285	0	285
Liabilities:				
Other Liabilities	0	285	0	285
Total Liabilities	\$0	\$285	\$0	\$285
Total All Agency Funds				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$78,162	\$202,038	\$184,838	\$95,362
Receivables (Net):				
Accounts	76	1,900	76	1,900
Total Assets	78,238	203,938	184,914	97,262
Liabilities:				
Other Liabilities	78,238	203,938	184,914	97,262
Total Liabilities	78,238	203,938	184,914	97,262

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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.

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

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 (1)	2016
Governmental Activities										
Net Investment in Capital Assets	\$1,767,561	\$3,223,283	\$5,852,153	\$7,686,787	\$8,896,621	\$9,492,221	\$9,782,816	\$10,281,225	\$14,112,024	\$17,720,253
Restricted	4,081,323	6,154,650	6,386,520	8,150,504	4,153,714	4,378,079	4,048,421	4,760,786	5,546,195	5,339,785
Unrestricted	1,655,611	25,537,855	23,696,125	21,724,164	21,570,363	20,653,086	20,870,979	29,158,085	(76,441,186)	(77,740,981)
Total Net Position	\$7,504,495	\$34,915,788	\$35,934,798	\$37,561,455	\$34,620,698	\$34,523,386	\$34,702,216	\$44,200,096	(\$56,782,967)	(\$54,680,943)

Source: District Records

(1) - GASB 68 was implemented

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Instruction	\$38,625,619	\$41,700,556	\$42,044,797	\$43,400,150	\$44,447,001	\$42,082,843	\$41,099,941	\$43,441,355	\$45,588,622	\$45,802,259
Pupil	4,120,272	4,577,223	4,372,678	4,999,928	4,968,916	5,337,790	5,035,797	5,534,470	5,941,913	6,037,513
Instructional staff	4,661,660	5,400,250	7,246,802	7,100,492	7,291,063	5,312,361	5,685,892	4,117,596	3,400,455	4,432,445
General Administration	178,256	133,180	176,351	163,458	128,139	730,144	126,079	160,001	134,554	136,227
School Administration	4,791,398	4,819,529	5,075,386	5,328,461	5,419,652	5,009,998	5,455,185	5,361,576	5,000,652	5,332,399
Fiscal	1,069,374	1,124,823	1,208,804	1,281,511	1,313,411	1,245,878	1,259,348	1,169,771	1,469,355	1,563,102
Business	258,406	395,701	106,493	284,383	277,321	299,053	113,062	107,136	106,694	121,695
Operation and Maintenance	7,660,054	6,880,648	6,649,473	6,988,413	6,846,285	6,047,467	6,233,071	6,235,743	6,032,693	7,417,029
Pupil Transportation	2,181,132	2,553,989	2,721,131	2,894,554	3,004,197	3,045,054	3,016,409	3,259,887	2,905,561	3,383,465
Central	472,596	534,923	501,881	541,132	580,400	483,088	554,851	333,268	299,724	371,715
Operation of Non-Instructional Services	5,115,065	4,715,758	4,891,470	4,428,200	4,827,525	4,075,877	4,498,202	4,125,883	4,078,086	4,253,444
Extracurricular Activities	1,732,180	1,774,568	1,829,779	2,099,337	2,025,274	2,058,361	2,185,473	2,074,027	2,164,501	2,140,984
Interest and Fiscal Charges	2,226,417	1,106,046	2,054,725	1,956,139	1,867,715	1,799,761	1,711,279	1,601,184	1,600,480	1,667,316
Total Government Expenses	73,092,429	75,717,194	78,879,770	81,466,158	82,996,899	77,527,675	76,974,589	77,521,897	78,723,290	82,659,593
Program Revenues										
Governmental Activities:										
Charges for Services	1,183,360	1,440,889	1,887,712	1,213,258	1,297,724	1,329,534	1,277,929	1,110,772	1,244,038	1,057,447
Instruction	568,181	520,211	0	278,644	0	0	0	0	0	0
Pupil	549	465	0	0	0	0	0	0	0	0
Instructional Staff	24,690	33,234	27,421	21,291	22,950	23,330	34,830	375,903	414,529	430,366
Operation and Maintenance	53,371	51,838	59,839	68,025	68,099	61,423	15,510	104,969	53,122	51,178
Pupil Transportation	15,501	14,399	16,835	12,677	0	0	0	0	0	0
Central	2,132,297	2,341,106	2,292,337	2,112,094	1,976,544	2,019,973	1,889,472	1,710,383	1,651,891	1,647,916
Operation of Non-Instructional	1,037,976	931,073	888,863	1,195,044	1,421,483	1,390,466	1,642,081	1,209,731	1,251,303	1,201,280
Extracurricular Activities	6,689,612	6,856,642	6,788,833	9,817,213	8,656,757	8,032,996	6,542,478	9,682,006	8,091,953	10,487,244
Operating Grants and Contributions	101,593	21,882	43,210	0	0	0	0	0	0	0
Capital Grants and Contributions	11,807,130	12,211,739	12,005,050	14,718,246	13,443,557	12,857,722	11,402,300	14,193,764	12,706,836	14,875,431
Total Government Revenues	11,807,130	12,211,739	12,005,050	14,718,246	13,443,557	12,857,722	11,402,300	14,193,764	12,706,836	14,875,431
Net (Expense)/Revenue	(\$61,285,299)	(\$63,505,455)	(\$66,874,720)	(\$66,747,912)	(\$69,553,342)	(\$64,669,953)	(\$65,572,289)	(\$63,328,133)	(\$66,016,454)	(\$67,784,162)
Total Government Net Expense										

Source: District Records

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Total Government Net Expense	(\$61,285,299)	(\$63,505,455)	(\$66,874,720)	(\$66,747,912)	(\$69,553,342)	(\$64,669,953)	(\$65,572,289)	(\$63,328,133)	(\$66,016,454)	(\$67,784,162)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes										
Property Taxes Levied for General Purposes	24,116,305	23,040,762	21,859,664	22,469,396	22,185,957	21,255,588	20,671,331	27,042,320	27,312,721	24,096,973
Property Taxes Levied for Debt Service Purposes	3,365,551	3,421,172	2,885,046	2,793,781	2,749,573	2,574,878	2,767,198	2,806,705	2,654,719	2,413,153
Property Taxes Levied for Capital Projects Purposes	0	4,441,391	4,802,644	4,823,270	4,820,177	4,174,592	4,158,680	4,481,251	4,089,264	3,732,973
Grants and Entitlements Not Restricted	24,071,668	24,903,123	28,454,221	27,516,062	26,449,129	26,470,882	27,809,237	27,350,047	27,875,377	27,893,138
Payment in Lieu of Taxes	7,178,939	7,884,327	8,451,191	9,861,510	9,577,067	9,619,710	9,694,573	10,492,639	11,110,870	10,965,704
Unrestricted Contributions	771,420	308,447	202,094	126,969	174,606	155,153	123,009	151,374	176,668	273,028
Investment Earnings	1,765,728	1,543,598	807,139	373,400	352,248	28,397	8,590	59,083	63,991	114,401
Other Revenues	757,076	486,993	431,731	410,181	303,828	293,441	752,693	442,594	451,811	396,816
Total Governmental Activities	62,026,687	66,029,813	67,893,730	68,374,569	66,612,585	64,572,641	65,985,311	72,826,013	73,735,421	69,886,186
Change in Net Position - Total Government	741,388	2,524,358	1,019,010	1,626,657	(2,940,757)	(97,312)	413,022	9,497,880	7,718,967	2,102,024

Source: District Records

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

	Fiscal Year									
	2007	2008	2009	2010	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)
General Fund										
Reserved	\$9,736,876	\$8,742,646	\$8,477,245	\$8,795,914						
Unreserved	20,955,149	19,893,145	18,690,772	16,642,603						
Assigned					\$99,794	\$5,456,159	\$3,988,644	\$359,310	\$246,955	\$270,832
Unassigned					20,683,669	13,308,707	12,401,600	22,365,608	28,132,894	29,075,413
Total General Fund	30,692,025	28,635,791	27,168,017	25,438,517	20,783,463	18,764,866	16,390,244	22,724,918	28,379,849	29,346,245
All Other Governmental Funds										
Reserved	1,773,948	3,251,804	3,083,542	3,847,042						
Unreserved, Reported in:										
Capital Project Funds	138,470	(123,922)	806,385	1,206,089						
Debt Service Funds	2,327,584	2,404,439	2,043,439	2,326,797						
Special Revenue Funds	384,417	275,493	57,736	(263,181)						
Restricted					3,841,895	4,001,717	3,791,678	4,075,973	5,735,254	4,806,871
Committed					4,598,621	6,038,603	8,476,565	9,574,886	6,903,364	5,645,624
Unassigned					(348,019)	(573,841)	(160,738)	(125,114)	(5,864)	(12,919)
Total all Other Governmental Funds	\$4,624,419	\$5,807,814	\$5,991,102	\$7,116,747	\$8,092,497	\$9,466,479	\$12,107,505	\$13,525,745	\$12,632,754	\$10,439,576

Source: District Records

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$27,519,547	\$30,772,915	\$29,543,990	\$29,897,760	\$29,696,733	\$28,235,311	\$27,802,403	\$34,237,484	\$34,118,374	\$30,243,099
Tuition and Fees	1,371,042	1,593,704	1,524,276	1,362,830	1,303,814	1,241,469	1,216,417	1,267,018	1,317,500	1,129,709
Investment Earnings	1,765,728	1,543,598	807,139	360,629	352,248	51,480	8,215	63,958	62,127	114,270
Intergovernmental	30,853,911	31,672,670	35,170,424	36,952,325	35,433,886	34,562,003	34,511,674	35,994,293	37,004,677	37,521,736
Extracurricular Activities	1,469,375	1,466,148	1,442,080	1,486,365	1,465,931	1,527,380	1,641,466	1,561,553	1,610,592	1,563,537
Charges for Services	2,132,297	2,221,189	2,158,314	2,016,752	1,976,544	2,019,973	1,924,918	1,784,372	1,651,891	1,647,916
Revenue in Lieu of Taxes	7,178,939	7,884,327	8,451,191	9,861,510	9,577,067	9,619,710	9,694,573	10,492,639	11,110,870	10,965,704
Other Revenues	1,510,057	847,614	674,364	572,236	518,947	484,497	952,394	570,115	619,034	700,167
Total Revenues	\$73,800,896	\$78,002,165	\$79,771,778	\$82,510,407	\$80,325,170	\$77,741,823	\$77,752,060	\$85,971,432	\$87,495,065	\$83,886,138

Source: District Records

Oak Hills Local School District, Ohio
 Governmental Funds Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Regular Instruction	\$31,733,621	\$33,038,753	\$33,274,310	\$34,100,823	\$34,711,759	\$32,494,697	\$31,136,770	\$31,605,906	\$34,057,824	\$32,982,876
Special Instruction	6,538,699	6,787,517	7,305,501	8,301,525	8,551,494	8,303,352	8,622,566	10,377,927	11,196,871	11,478,828
Vocational Instruction	150	244	0	101	189	149	447	370	293	1,069
Other Instruction	202,521	235,794	304,023	319,185	264,077	232,155	239,570	253,570	231,013	229,551
Pupil	4,114,540	4,560,607	4,393,210	5,004,577	5,018,056	5,310,530	5,070,589	5,530,670	6,001,930	5,905,770
Instructional Staff	4,578,310	5,390,162	7,392,702	7,167,145	7,274,389	5,482,111	5,651,256	4,116,220	4,989,420	5,294,202
General Administration	178,256	133,180	176,351	163,458	128,139	730,144	126,079	160,001	135,845	135,667
School Administration	4,848,338	4,926,982	5,082,226	5,294,124	5,253,965	4,967,698	5,456,558	5,258,504	5,171,762	5,304,121
Fiscal	1,063,089	1,138,397	1,217,174	1,284,025	1,324,012	1,230,560	1,258,301	1,175,339	1,513,497	1,536,056
Business	254,917	436,098	103,424	283,795	280,145	353,546	116,976	102,600	110,871	118,331
Operations and Maintenance	6,158,799	6,476,119	6,610,399	6,941,682	6,820,243	5,972,480	6,167,959	5,995,767	6,201,669	6,229,696
Pupil Transportation	2,057,393	2,534,099	2,878,513	2,807,110	2,855,087	2,891,707	2,882,636	3,002,995	3,258,813	3,236,990
Central	470,489	536,819	509,403	524,294	570,008	489,965	548,724	331,538	329,214	358,717
Operation of Non-Instructional Services	5,033,301	4,665,790	4,849,607	4,367,128	4,797,893	4,006,914	4,548,106	4,005,365	4,453,621	4,156,817
Extracurricular Activities	1,728,387	1,759,453	1,852,947	2,089,668	2,004,249	2,037,662	2,161,777	2,064,649	2,172,822	2,115,874
Capital Outlay	1,268,253	2,070,850	839,383	1,169,126	791,450	436,704	343,496	991,007	3,643,038	5,092,867
Debt Service:										
Principal Retirement	1,840,000	2,032,000	2,245,000	1,375,000	1,526,000	1,689,000	1,490,000	1,539,137	1,306,984	33,073,865
Interest and Fiscal Charges	2,245,685	2,152,140	2,029,889	1,921,496	1,843,706	1,757,064	1,664,175	1,706,963	2,055,646	2,284,641
Bond Issuance Costs	0	0	0	0	0	0	0	0	61,459	364,946
Total Expenditures	\$74,314,748	\$78,875,004	\$81,064,062	\$83,114,262	\$84,014,861	\$78,386,438	\$77,485,985	\$78,218,528	\$86,892,592	\$119,900,884
Debt Service as a Percentage of Noncapital Expenditures	5.53%	5.42%	5.37%	4.07%	4.08%	4.43%	4.10%	4.19%	4.26%	32.11%

Source: District Records

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses):										
Proceeds from Sale of Capital Assets	\$63,507	\$0	\$7,798	\$0	\$10,387	\$0	\$329	\$0	\$44,346	\$16,703
Issuance of Capital Leases	0	0	0	0	0	0	0	0	0	2,520,000
Issuance of Long Term Debt	0	0	0	0	0	0	0	0	3,965,000	0
Issuance of Refunding Bonds	0	0	0	0	0	0	0	0	0	29,005,000
Premium on Issuance of Debt	0	0	0	0	0	0	0	0	150,121	3,246,261
Transfers In	386,410	381,212	411,794	374,879	671,663	371,484	246,270	40,000	0	130,000
Transfers (Out)	(386,410)	(381,212)	(411,794)	(374,879)	(671,663)	(371,484)	(246,270)	(40,000)	0	(130,000)
Total Other Financing Sources (Uses)	63,507	0	7,798	0	10,387	0	329	0	4,159,467	34,787,964
Net Change in Fund Balances	(\$450,345)	(\$872,839)	(\$1,284,486)	(\$603,855)	(\$3,679,304)	(\$644,615)	\$266,404	\$7,752,904	\$4,761,940	(\$1,226,782)

Source: District Records

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

Collection Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total		Total Direct Rate
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	
2006	\$ 1,192,347,460.00	\$ 18,731,100.00	\$ 33,068,880.00	\$ 1,244,147,440.00	\$ 3,514,700,309.00	46.35
2007	1,192,432,440	9,608,170	31,258,920	1,233,299,530	3,476,641,429	46.35
2008	1,179,229,060	1,966,067	31,364,410	1,212,559,537	3,408,454,564	45.90
2009	1,177,873,300	1,819,270	33,369,740	1,213,062,310	3,405,999,106	45.83
2010	1,176,118,440	911,750	33,888,810	1,210,919,000	3,397,874,210	45.83
2011	1,061,520,280	0	35,117,890	1,096,638,170	3,068,032,976	46.02
2012	1,058,878,380	0	36,658,060	1,095,536,440	3,062,024,860	46.15
2013	1,056,409,240	0	40,156,600	1,096,565,840	3,058,468,714	50.97
2014	1,017,952,600	0	42,717,560	1,060,670,160	2,951,153,560	51.15
2015	1,017,997,280	0	44,599,470	1,062,596,750	2,953,163,127	51.15

Source: County Auditor

(1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information

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

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. House Bill 66 phased out tangible personal property with the last collection during 2010. Telephone personal property was assessed at 10% for 2009, 5% for 2010, and eliminated in 2011.

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

Calendar Year	District Direct Rates				Overlapping Rates				
	General	Debt Service	Permanent Improvement	Total	City of Cincinnati	Hamilton County	Delhi Township	Green Township	Great Oaks Joint Vocational School
2006	43.20	3.15	0.00	46.35	7.82	20.81	26.34	9.81	2.70
2007	38.64	3.15	4.56	46.35	7.56	20.18	26.34	9.81	2.70
2008	38.64	2.70	4.56	45.90	7.52	20.56	26.34	9.81	2.70
2009	38.64	2.63	4.56	45.83	7.45	20.48	26.34	11.71	2.70
2010	38.64	2.63	4.56	45.83	7.45	20.48	26.34	11.71	2.70
2011	38.83	2.63	4.56	46.02	8.13	19.03	26.34	11.71	2.70
2012	38.96	2.63	4.56	46.15	8.48	19.03	26.34	11.71	2.70
2013	43.03	2.90	5.04	50.97	9.83	19.03	28.09	11.71	2.70
2014	43.21	2.90	5.04	51.15	9.73	18.85	30.58	14.66	2.70
2015	43.21	2.90	5.04	51.15	9.73	18.85	30.58	14.66	2.70

Source: County Auditor

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

Taxpayer	2015	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy	\$44,092,800	4.16%
CSG Enterprises LLC	3,393,410	0.32%
Bre Retail Residual Owner	2,789,060	0.26%
Sisters of Charity of Cincinnati	2,663,660	0.25%
Dillard's	2,397,500	0.23%
BKS Investors	2,319,130	0.22%
Western Woods Mall Inc.	1,885,100	0.18%
EDA RAE CORP	1,613,220	0.15%
West Hills Apt Ltd	1,610,310	0.15%
Western Hills County Club	1,505,250	0.14%
Total Principal Taxpayers	64,269,440	6.06%
All Other Taxpayers	998,327,310	93.94%
Total Taxpayers	\$1,062,596,750	100.00%

Taxpayer	2005	
	Tangible Personal & Real Property	Percentage of Total Taxable Value
Duke Energy	\$27,461,410	2.21%
Cincinnati Bell Telephone	5,052,010	0.41%
Sisters of Charity of Cincinnati	3,330,460	0.27%
Centro NP Residual Pool	3,085,750	0.25%
BKS Investors	2,553,840	0.21%
Dillard's	2,397,500	0.19%
Cincinnati Marketplace LLC	2,310,010	0.19%
Western Hills Country Club	2,283,300	0.18%
Del-Fair Inc	2,222,500	0.18%
CSG Enterprises LLC	2,005,340	0.17%
Total Principal Taxpayers	52,702,120	4.24%
All Other Taxpayers	1,191,445,320	95.76%
Total Taxpayers	\$1,244,147,440	100.00%

Source: County Auditor

(1) - Nine Years ago information unavailable

Oak Hills Local School District, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Collections	Refunds	Total Collections to Date	
		Amount (2)	Percentage of Levy			Amount	Percentage of Levy
2006	\$ 33,395,892.00	\$ 31,335,231.00	93.83%	\$ 757,318.00	\$ 145,152.00	\$ 31,947,397.00	95.66%
2007	32,704,664	30,754,656	94.04%	697,418	67,448	31,384,626	95.96%
2008	36,090,215	34,256,171	94.92%	733,043	19,420	34,969,794	96.90%
2009	35,360,288	33,237,531	94.00%	850,111	40,264	34,047,378	96.29%
2010	35,473,030	33,080,634	93.26%	981,610	63,545	33,998,699	95.84%
2011	34,243,763	32,149,132	93.88%	908,785	477,119	32,580,798	95.14%
2012	33,513,479	32,857,677	98.04%	782,352	127,804	33,512,225	100.00%
2013	38,785,744	38,072,480	98.16%	771,163	62,979	38,780,664	99.99%
2014	38,798,917	38,040,000	98.04%	685,918	75,122	38,650,796	99.62%
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: County Auditor

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

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

N/A - Information not available

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

Fiscal Year	General Bonded Debt Outstanding		General Bonded Debt Outstanding		Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
	Total General Obligation Bonds	Debt Service Fund Balance	Net General Obligation Bonds				
2007	\$ 47,834,890.00	\$ 3,584,584.00	\$ 44,250,306.00		1.38%	0.14%	\$ 557.75
2008	45,815,976	3,642,439	42,173,537		1.34%	0.13%	534
2009	43,588,409	3,103,439	40,484,970		1.28%	0.12%	508
2010	42,235,353	3,381,797	38,853,556		1.24%	0.12%	492
2011	40,735,978	3,535,944	37,200,034		1.33%	0.11%	464
2012	39,078,460	3,447,455	35,631,005		1.27%	0.10%	445
2013	37,624,983	3,464,991	34,159,992		1.12%	0.09%	389
2014	35,987,312	3,493,640	32,493,672		1.06%	0.08%	370
2015	38,267,256	3,203,142	35,064,114		1.19%	N/A	399
2016	35,441,259	2,808,788	32,632,471		1.11%	N/A	371

Source: District Records

N/A - Information not available

Oak Hills Local School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2016
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Hamilton County	\$80,665,000	5.79%	\$4,670,504
City of Cincinnati	496,385,000	0.00%	0
Delhi Township	3,290,000	98.46%	3,239,334
Great Oaks Joint Vocational School	10,905,000	5.70%	621,585
Subtotal, Overlapping Debt	591,245,000		8,531,423
District Direct Debt	32,632,471	100.00%	32,632,471
Total Direct and Overlapping Debt	\$623,877,471		\$41,163,894

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value (1)	\$1,062,596,750
Debt limit (9% of assessed value)	95,633,708
Debt applicable to limit	32,632,471
Legal debt margin	<u>\$63,001,237</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$111,973,270	\$110,996,958	\$109,130,358	\$109,175,608	\$108,982,710	\$98,697,435	\$98,598,280	\$98,690,926	\$95,460,314	\$95,633,708
Total Net Debt Applicable to Limit	46,127,890	44,430,976	40,324,986	39,289,986	38,114,986	39,078,460	37,624,983	35,987,312	35,064,114	32,632,471
Legal Debt Margin	<u>\$65,845,380</u>	<u>\$66,565,982</u>	<u>\$68,805,372</u>	<u>\$69,885,622</u>	<u>\$70,867,724</u>	<u>\$59,618,975</u>	<u>\$60,973,297</u>	<u>\$62,703,614</u>	<u>\$60,396,200</u>	<u>\$63,001,237</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	42.07%	41.20%	40.03%	36.95%	35.99%	34.97%	39.59%	36.46%	36.73%	34.12%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2015 is calendar year 2014)

Oak Hills Local School District, Ohio
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2006	85,764	35,146,091	41,477	5.0%
2007	85,764	36,488,577	42,730	5.0%
2008	85,764	37,484,285	43,918	5.6%
2009	85,764	36,248,694	42,393	8.9%
2010	87,880	35,888,024	44,751	9.4%
2011	87,880	37,522,065	46,881	8.0%
2012	87,880	39,631,501	49,413	7.0%
2013	87,880	40,415,100	50,235	7.1%
2014	87,880	N/A	N/A	5.3%
2015	87,880	N/A	N/A	4.4%

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

N/A - Information not available.

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

2016			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Cincinnati Children's Hospital	Serv	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

2008			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Convergys Corp	Serv	(4)	(5)
Duke Energy Corp	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Hamilton County

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

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

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

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Classroom Teachers	393.0	393.0	389.3	394.0	388.5	381.0	375.0	377.0	381.0	381.0
Special Education Teachers and Tutors	90.0	90.7	89.0	76.0	75.0	77.0	73.0	81.5	81.0	81.0
Educational Aides	49.0	49.0	45.0	47.0	45.0	34.0	31.0	36.0	35.0	35.0
Special Education Aides and Attendants	70.0	72.0	70.0	77.0	75.0	77.0	74.0	78.0	79.0	79.0
Total Instruction	<u>602.0</u>	<u>604.7</u>	<u>593.3</u>	<u>594.0</u>	<u>583.5</u>	<u>569.0</u>	<u>553.0</u>	<u>572.5</u>	<u>576.0</u>	<u>576.0</u>
Support and Administration										
Support Personnel										
Librarians, Nurses, Counselors	32.0	32.0	32.0	26.0	25.0	24.0	24.0	23.0	22.0	22.0
Principals	20.0	20.0	20.0	20.0	19.0	19.0	19.0	19.0	19.0	19.0
Administration	24.0	24.0	24.0	29.0	19.0	19.0	19.0	17.0	21.0	21.0
Secretaries and Clerical	41.0	41.0	41.0	40.0	37.0	36.0	35.0	45.0	38.0	38.0
Technology Support	4.0	4.0	5.0	5.0	1.0	1.0	1.0	0.0	0.0	0.0
Auxiliary Services	5.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Transportation	59.0	59.0	58.0	55.0	47.0	52.0	51.0	64.0	63.0	63.0
Food Service	66.0	66.0	63.0	62.0	54.0	54.0	52.0	55.0	52.0	52.0
Custodial	65.0	65.0	65.0	62.0	58.0	52.0	50.0	53.0	53.0	53.0
Maintenance and Mechanics	11.0	11.0	13.0	13.0	11.0	11.0	11.0	11.0	10.0	10.0
Total Support and Administration	<u>327.0</u>	<u>327.0</u>	<u>326.0</u>	<u>315.0</u>	<u>274.0</u>	<u>271.0</u>	<u>265.0</u>	<u>290.0</u>	<u>281.0</u>	<u>281.0</u>
Total Employees	<u>929.0</u>	<u>931.7</u>	<u>919.3</u>	<u>909.0</u>	<u>857.5</u>	<u>840.0</u>	<u>818.0</u>	<u>862.5</u>	<u>857.0</u>	<u>857.0</u>

Source: District Records

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

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil	Percentage Change	Expenses (2)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2007	8,108	\$68,960,810	\$8,505	3.56%	\$73,092,429	\$9,015	2.89%	483.0	16.8	0.03%
2008	8,200	72,620,014	8,856	4.12%	75,717,194	9,234	2.44%	483.7	17.0	0.03%
2009	8,187	75,949,790	9,277	4.75%	78,879,770	9,635	4.35%	478.3	17.1	0.04%
2010	8,096	78,648,640	9,715	4.72%	81,466,158	10,063	4.45%	485.7	16.7	0.04%
2011	8,156	79,853,705	9,791	0.79%	82,996,899	10,176	1.14%	480.0	17.0	0.05%
2012	8,085	74,503,670	9,215	(5.88%)	77,527,675	9,589	(5.76%)	473.0	17.1	0.07%
2013	8,179	73,988,314	9,046	(1.83%)	76,974,589	9,411	(1.84%)	485.0	16.9	10.60%
2014	7,889	73,981,421	9,378	3.67%	77,521,897	9,827	4.42%	458.5	17.2	17.00%
2015	7,767	79,825,465	10,278	9.59%	78,723,290	10,136	3.15%	462.0	16.8	18.00%
2016	7,834	79,084,565	10,095	(1.78%)	82,659,593	10,551	4.11%	450.0	17.4	21.00%

Source: District Records

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

(2) - Expenses is Total Expenses from Schedule 2

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

School	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Oak Hills High School - 1959										
Square Feet	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074
Capacity	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Enrollment, Incl. JVS students	2,961	2,931	2,821	2,743	2,705	2,610	2,687	2,617	2,466	2,424
Bridgetown Middle School - 1939										
Square Feet	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	538	583	628	607	601	604	614	602	602	577
Delhi Middle School - 1926										
Square Feet	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	569	601	607	580	593	610	592	570	570	589
Rapid Run Middle School - 1999										
Square Feet	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733
Capacity	950	950	950	950	950	950	950	950	950	950
Enrollment	610	612	639	635	615	626	647	665	621	642
C.O. Harrison Elementary - 1961										
Square Feet	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	981	976	970	981	1,005	1,018	1,012	918	991	960
Deishire Elementary - 1970										
Square Feet	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	536	551	539	527	562	592	589	536	536	562
John Foster Dulles Elementary - 1961										
Square Feet	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	805	770	826	847	849	823	825	796	796	830

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

School	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Oakdale Elementary - 1969										
Square Feet	63,273	63,273	63,273	63,273	63,273	63,273	63,273	63,273	63,273	65,273
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	679	683	671	682	697	681	713	679	679	725
Springmyer Elementary - 1939										
Square Feet	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366
Capacity	480	480	480	480	480	480	480	480	480	480
Enrollment	429	493	486	494	529	521	500	506	506	525

Source: District Records

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Dave Yost • Auditor of State

OAK HILLS LOCAL SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 30, 2017