

West Geauga Local School District Gauga County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Prepared By:
Karen Penler, Treasurer and
Treasurer's Office Staff



Dave Yost • Auditor of State

Board of Education
West Geauga Local School District
8615 Cedar Road
Chesterland, Ohio 44026

We have reviewed the *Independent Auditor's Report* of the West Geauga Local School District, Geauga County, prepared by Ciuni & Panichi, 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 West Geauga Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

February 17, 2017

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INTRODUCTORY SECTION



West Geauga Local School District
Geauga County, Ohio
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December 21, 2016

Board of Education Members
West Geauga Local School District

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all school districts file annual audited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that the School District has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it for a complete analysis.

Profile of the School District

The West Geauga School District (School District) is one of 611 school districts in the State of Ohio and one of six school districts in Geauga County. The School District provides education to 1,951 students in grades preschool through twelve. It covers approximately 47 square miles and is located in western Geauga County. It includes all of Chester and Russell townships and portions of surrounding townships (Munson, South Russell and Hunting Valley). The School District operates two elementary schools (K-5), one middle school (6-8) and one high school (9-12). Westwood Elementary School was constructed in 1959 with additions in 1960 and 1996 and Robert B. Lindsey Elementary School was constructed in 1965 with additions in 1969 and 1996. West Geauga Middle School was constructed in 1962 with additions in 1963, 1964 and 1996. West Geauga High School was constructed in 1954 with additions in 1956, 1958, 1961, 1966, 1969 and 1996.

Chester and Russell townships are picturesque semi-rural residential communities with most of the residential areas zoned for three to five acre minimums in Russell Township and one to three acre minimums in Chester Township. Housing types range from modest homes selling for \$150,000 to multi-million dollar homes. West Geauga Local School District residents also enjoy the presence of two parks within the Geauga Parks District; Orchard Hills Park in Chester Township and The West Woods Park in Russell and Novelty. The School District includes small commercial districts located at the intersection of State Routes 306 and 87 in Russell Township and around the intersection of State Routes 306 and 322 in Chester Township.

Organization of the School District

The School District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the West Geauga Board of Education, consisting of five members elected at large for staggered four-year terms.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education, as provided in Division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide education services mandated by state and/or federal agencies.

Reporting Entity

West Geauga Local Schools reviewed its reporting entity definition in order to ensure conformance with general accepted accounting principles as defined by the Governmental Accounting Standards Board. In evaluating how to define the School District for financial reporting purposes, management has considered its relationship with all departments, boards, organizations and agencies that make up the School District. For West Geauga Local School District, this includes general operations, food service, community education and student related activities for the School District.

Excluded from the reporting entity because they are fiscally independent of the School District are West Geauga Athletic Boosters, Wolverine Gridiron Club, West Geauga Band Boosters, West Geauga Parent Teacher Organizations and the West Geauga Educational Foundation.

The School District is associated with three jointly governed organizations, one insurance purchasing pool and one consortium agreement. These organizations are Lake Geauga Computer Association, Ohio Schools Council, West Geauga Joint Recreation Council, Ohio School Boards Association Workers' Compensation Group Rating Plan and Ohio School Benefits Cooperative (OSBC) for healthcare insurance.

A complete discussion of the School District's reporting entity is provided in Note 1 and 2 to the general purpose financial statements.

Economic Condition and Future Outlook

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. This is a result of House Bill 920, which mandates that any reappraised property increases result in an approximately equal value decrease in millage. As a result, West Geauga Local Schools, as well as school districts throughout Ohio, must place operating funding issues on the ballot at regular intervals (usually every three to four years) to keep pace with inflation and mandated programming and services. With the current economic conditions, property valuations remained flat in many counties in Ohio. Geauga County's last general reappraisal was in calendar year 2011 resulting in a decrease of 5% in total property valuation in the West Geauga School District. A triennial update was performed in calendar year 2014 resulting in a 1% increase in property values over the three year period since the last reappraisal.

With relatively flat property tax revenue growth expected from current operating levies, West Geauga Local Schools continues to closely monitor its expenditures to ensure financial resources are sufficient to continue efficient and effective operations. During the past several years, the School District enacted several staff and expense reductions amounting to well over \$2.3 million while increasing investments in key areas to bolster instructional experiences for students. Additionally, with the decline of the School District's student residential enrollment, open enrollment continues to be a significant revenue source providing approximately \$758,000 in additional funding in fiscal year 2016.

Financial Information and Relevant Financial Policies

Long-Term Financial Planning

O.R.C. §5705.391 and O.A.C. 3301-92-04 require the School Board to submit a five-year projection of operational revenues and expenditures along with assumptions to the Department of Education prior to October 31 of each fiscal year and to update this forecast between April 1 and May 31 of each fiscal year. Responsibility for the preparation of the forecast rests with district administration and the School Board. The district is not able to enter into a contract unless it can demonstrate its ability to pay for it over the life of the contract. A district's five year forecast should enable the School Board to estimate the timing and amounts of necessary operating levies.

West Geauga Local Schools continues to have widespread financial support from its community. In addition to its continuing operating levies, the School District has two five-year emergency levies generating approximately \$2.35 million and \$3.7 million each year. Funds from emergency levies are used to maintain current programs in the School District. In May 2015, the voters renewed the \$2.35 million emergency levy for an additional five years. The second \$3.7 million emergency levy was approved by voters in November 2016 for a period of 10 years. While still benefiting from a healthy fund balance at the end of the 2016 fiscal year, the latest five year forecast indicates the School District will need to renew its \$2.35 million emergency levy in 2018 and ask residents to approve a new operating levy in 2020 to maintain current programming and services. Of the operating funds, the School District receives approximately 69 percent of its revenue from local taxes, 24 percent from the state, 1 percent from the federal government and 6 percent from other sources.

In November 2012, the community approved a 2.75 mill, five- year general permanent improvement levy to primarily repair/replace the roofs on all school buildings with the goal of providing a safe and secure environment for students and staff. A carefully designed plan for roofing replacement allowed the School District to manage approximately \$1.7 million dollars in collections each year and replace roofs at all four buildings under budget and a year early. The first roof replacement at Westwood Elementary was completed in August 2013. The second phase of the project, completed in September 2014, included additional roof replacements for Lindsey Elementary and part of the Middle School and High School. The final phase ended in August 2015 completing the Middle School and High school roofs. This past year, the School Board approved any excess funds from the permanent improvement levy to be used for significant capital improvements in areas such as: transportation, safety and security, technology and district-wide repairs and renovations to improve operating and energy efficiencies. The final year of collection for the permanent improvement levy is 2017.

Financial Policy

Pursuant to Statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with the financial report for the 1983 fiscal year.

Internal Accounting and Budgetary Control

In developing the School 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 the safeguarding of assets against loss from unauthorized use or disposition and 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 School District utilizes a fully automated accounting system as well as an automated system of controls for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

Prior to the beginning of each fiscal year, the board of education adopts an appropriations measure for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the county auditor of an amended certificate of estimated resources based on final assessed values and tax rates.

Annual appropriations may not exceed the Geauga County Budget Commission's official estimate of resources. The county auditor must certify that the board of education'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 by management at the object account level within a function and fund. The legal level of control has been established by the Board of Education at the fund level. All purchase order requests must be approved by the appropriate administrator and the superintendent and must be certified by the Treasurer. Necessary funds are then encumbered, and purchase orders are released to vendors. Those requests, which exceed the available appropriation, are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports, which detail fiscal year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each account administrator is provided with monthly reports showing the status of the budget accounts for which he/she is responsible. In addition, an online inquiry system is available at each administrative cost center.

The basis of accounting and the various funds utilized by West Geauga Local Schools are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Major Initiatives and Accomplishments

The mission of the West Geauga Local Schools is to help students reach their academic and career potential and pursue high ethical standards. To achieve this, traditional practices are blended with proven educational innovations, including technology, in an effort to achieve and maintain a standard of excellence. The primary focus of West Geauga Local Schools continues to be on improving educational programming. The School District's programming serves our students, parents and community in an effort to continuously improve instruction. This process involves assessing current programs, gathering measurable data and analyzing the results, identifying areas of improvement, developing options, and selecting best practices to improve programming.

In July, 2013 the Board of Education, working with the community, adopted a long range plan to guide the School District. The plan identified its top educational goal, "Top 5 in 5," as the desire to become one of the top five percent of schools in Ohio within five years. In order to achieve this objective, the Board of Education approved a comprehensive professional development plan for its certified staff and invested heavily in technology to replace computers and upgrade its network infrastructure to integrate technology in the classroom and improve operational efficiencies.

Two significant operational goals were achieved in 2016; one to increase the number of Advanced Placement (AP) offerings at the high school and the second to implement a new student information system. This school year, the district added five additional AP offerings for a total of 21 AP offerings at the high school. New courses include AP- World History, AP – Environmental Science, AP – Psychology and AP – Micro and Macroeconomics. A new student information system was implemented this year to improve state mandated reporting and improve communication between the district and parents. A new athletic compliance system was also integrated into the new student information system minimizing duplicate paperwork for parents and improving compliance reporting to the state.

In the 2016 school year, the School District achieved a performance index of 101.4 on its local report card to place 32nd out of 611 districts in the state. School District also scored an "A" on its Value Added measurement on its report card. In November, Ohio's State Board of Education issued the 2016 Momentum Award to three West Geauga Schools; Westwood Elementary School, Robert C. Lindsey Elementary School, and West Geauga Middle. The Momentum Award recognizes schools that have received A's on every value-added measure included on the 2016 Ohio School Report.

Both the high school and middle school are fully accredited by the North Central Association of Colleges and Secondary Schools. Approximately 85% of West Geauga High School graduates elect to continue their education; most pursue four-year degrees. West Geauga High School is a National Blue Ribbon School as recognized by the United States Department of Education and a recipient of the U.S. Department of Education's Green Ribbon Award. In 2016, Newsweek recognized the West Geauga High School as one of America's Top 500 High Schools.

Other Information

National Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The School District was awarded the Certificate of Achievement for the fiscal year 2015 report. We believe that our current report conforms to the award requirements, and we are submitting it to GFOA for consideration.

Additional Information

For a more in-depth discussion of the financial condition of the West Geauga Local School District, please refer to the Management's Discussion and Analysis and the Notes to the Basic Financial Statement of the Comprehensive Annual Financial Report.

Acknowledgements

The publication of this report significantly enhances the School District's accountability to the residents of the West Geauga Local School District. The preparation of this report would not have been possible without the work and support of Rea and Associates, Inc. In addition, the staff of the Treasurer's office, various administrators and staff members of the School District, the Geauga County Auditor's Office staff and other outside agencies made possible the fair presentation of statistical data.

Finally, sincere appreciation is extended to the members of the West Geauga Board of Education for their support.

Respectfully submitted,



Karen Penler, CFE, CPA
West Geauga Local School District Treasurer/CFO

*West Geauga Local School District
Geauga County, Ohio
Principal Officials
June 30, 2016*

Board of Education

Mr. Dan Thoreson	President
Dr. Thomas Phelps	Vice President
Mr. Tom Allen	Member
Mr. Ben Kotowski	Member
Ms. Kathy Leavenworth	Member

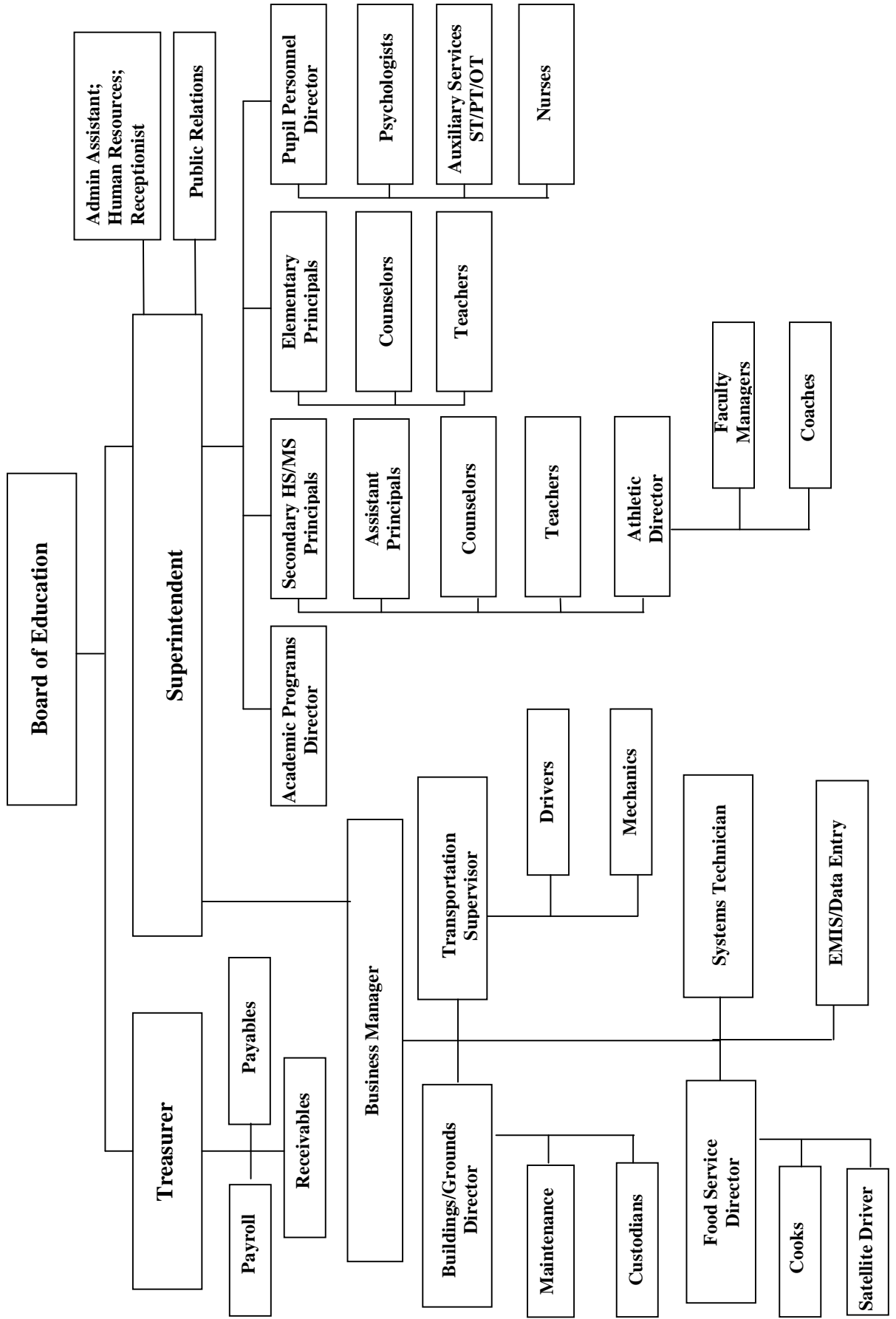
Treasurer

Ms. Karen Penler

Superintendent

Mr. Richard Markwardt

West Geauga Local School District





Government Finance Officers Association

**Certificate of
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Presented to

West Geauga Local School District

Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION



Independent Auditor's Report

Board of Education
West Geauga Local School District
Chesterland, Ohio

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 West Geauga 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As described in Note 2 to the basic financial statements, in fiscal year 2016, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. These changes were incorporated in the District's 2016 financial statements; however, there was no effect on beginning net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and the schedules of the District's proportionate share of the net pension liability and schedules of the District's contributions on pages 57 to 59 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.

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.

Board of Education
West Geauga Local School District

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 21, 2016 on our consideration of the District's internal control over financial reporting and on 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.

Cimini + Panichi, Inc.

Cleveland, Ohio
December 21, 2016

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West Geauga Local School District
Gauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

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

Financial Highlights

Key financial highlights for 2016 are as follows:

- Net position decreased \$1.0 million, which represents a 31 percent decrease from 2015.
- Capital assets decreased \$71,007 from fiscal year 2015. The School District began a classroom improvement project during the year with costs incurred to date recorded as construction in progress.
- During the year, outstanding debt decreased from \$0.7 million to \$0.6 million due to principal payments made by the School District.

Using this Comprehensive Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's most significant funds with all other nonmajor governmental funds presented in total in one column. In the case of the West Geauga Local School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016?" The Statement of Net Position and the Statement of Activities 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.

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities and non-instructional services, i.e., food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 18. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, debt service fund and permanent improvement fund.

Governmental Funds Most of the School 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 School 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.

Reporting the School District's Fiduciary Responsibilities

The School District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in agency funds. The School District's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities on page 23. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Because of the discussion below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows of resources and subtracting deferred outflows of resources related to pension and the net pension liability to the reported net position. Table 1 provides a summary of the School District's net position for 2016 compared to 2015:

Table 1
Net Position

	Governmental Activities	
	2016	2015
Assets		
Current and Other Assets	\$ 35,890,650	\$ 35,075,315
Capital Assets	15,524,509	15,595,516
<i>Total Assets</i>	<u>51,415,159</u>	<u>50,670,831</u>
Deferred Outflows of Resources		
Pension	4,002,225	2,217,113
<i>Deferred Outflows of Resources</i>	<u>4,002,225</u>	<u>2,217,113</u>
Liabilities		
Other Liabilities	2,903,475	3,256,289
Long-Term Liabilities:		
Due Within One Year	326,781	326,739
Due in More Than One Year		
Net Pension Liability	34,451,159	29,635,021
Other Amounts	2,177,838	2,292,865
<i>Total Liabilities</i>	<u>39,859,253</u>	<u>35,510,914</u>
Deferred Inflows of Resources		
Property Taxes	17,632,951	15,225,528
Pension	2,135,906	5,360,322
<i>Total Deferred Inflows of Resources</i>	<u>19,768,857</u>	<u>20,585,850</u>
Net Position		
Net Investment in Capital Assets	14,934,509	14,875,516
Restricted	2,396,064	2,504,109
Unrestricted	(21,541,299)	(20,588,445)
<i>Total Net Position</i>	<u>\$ (4,210,726)</u>	<u>\$ (3,208,820)</u>

West Geauga Local School District
Gauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

During 2015, the School District adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*, which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows. The School District is also reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

At year end, capital assets represented 30 percent of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets was \$14.9 million at June 30, 2016. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$2.4 million represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position was a deficit of \$21.5 million.

Deferred outflows of resources increased \$1.8 million due to differences in the actual compared to expected experience and the net pension liability increased \$4.8 million from fiscal year 2015. Other liabilities decreased \$0.4 million mainly due to the timing of billing for services compared to the prior year. Deferred inflows related to property taxes increased \$2.4 million from fiscal year 2015 which is due to property tax available for advance at year end which can fluctuate from year to year. Deferred inflows related to pension decreased \$3.2 million.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2016 and 2015.

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Table 2
Changes in Net Position

	Governmental Activities	
	2016	2015
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 1,939,978	\$ 2,428,595
Operating Grants	1,495,723	1,699,485
<i>Total Program Revenues</i>	<u>3,435,701</u>	<u>4,128,080</u>
<i>General Revenues:</i>		
Property Taxes	17,339,778	21,521,816
Grants and Entitlements Not Restricted	6,442,812	6,801,287
Other	124,453	110,178
<i>Total General Revenues</i>	<u>23,907,043</u>	<u>28,433,281</u>
<i>Total Revenues</i>	<u>27,342,744</u>	<u>32,561,361</u>
Program Expenses		
Instruction:		
Regular	10,439,965	10,582,136
Special	3,411,738	3,611,844
Vocational	349,064	488,752
Student Intervention Services	7,151	27,032
Other	915,955	676,889
Support Services:		
Pupils	2,089,554	1,930,123
Instructional Staff	873,905	875,905
Board of Education	88,286	85,977
Administration	1,887,437	1,862,573
Fiscal	734,655	700,010
Business	232,084	293,760
Operation and Maintenance of Plant	3,470,994	3,451,697
Pupil Transportation	2,015,219	1,830,477
Central	10,025	13,706
Operation of Non-Instructional Services:		
Food Service Operations	433,010	435,836
Community Services	575,929	601,428
Extracurricular Activities	779,979	788,442
Interest and Fiscal Charges	29,700	33,954
<i>Total Expenses</i>	<u>28,344,650</u>	<u>28,290,541</u>
<i>Increase in Net Position</i>	(1,001,906)	4,270,820
<i>Net Position at Beginning of Year</i>	<u>(3,208,820)</u>	<u>(7,479,640)</u>
<i>Net Position at End of Year</i>	<u>\$ (4,210,726)</u>	<u>\$ (3,208,820)</u>

West Geauga Local School District
Geauga County, Ohio
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For the Fiscal Year Ended June 30, 2016

Charges for services decreased \$0.5 million from fiscal year 2015 from decreases in open enrollment and special education tuition.

Property tax revenue decreased \$4.2 million over fiscal year 2015, mainly due to a decrease in taxes available for advance at year end.

Total expenses increased \$54,109 over fiscal year 2015.

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

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2016	2015	2016	2015
Instruction:				
Regular	\$ 10,439,965	\$ 10,582,136	\$ 9,366,757	\$ 9,182,367
Special	3,411,738	3,611,844	2,929,718	2,914,560
Vocational	349,064	488,752	342,085	481,539
Student Intervention Services	7,151	27,032	7,151	27,032
Other	915,955	676,889	915,955	676,889
Support Services:				
Pupils	2,089,554	1,930,123	1,679,378	1,550,540
Instructional Staff	873,905	875,905	830,424	872,468
Board of Education	88,286	85,977	88,286	85,977
Administration	1,887,437	1,862,573	1,869,878	1,803,506
Fiscal	734,655	700,010	723,106	689,527
Business	232,084	293,760	232,084	293,760
Operation and Maintenance of Plant	3,470,994	3,451,697	3,470,994	3,451,697
Pupil Transportation	2,015,219	1,830,477	1,924,118	1,722,620
Central	10,025	13,706	2,825	6,506
Operation of Non-Instructional Services:				
Food Service Operations	433,010	435,836	42,210	10,396
Community Services	575,929	601,428	(13,705)	50,024
Extracurricular Activities	779,979	788,442	467,985	309,099
Interest and Fiscal Charges	29,700	33,954	29,700	33,954
<i>Total Expenses</i>	\$ 28,344,650	\$ 28,290,541	\$ 24,908,949	\$ 24,162,461

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

The dependence upon general revenues for governmental activities is apparent. Over 87 percent of governmental activities are supported through taxes and other general revenues; such revenues are 87 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

Governmental Funds

Information about the School District's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. The net change in fund balances for the fiscal year was a decrease of \$1.2 million for all governmental funds with the most significant decrease in the general fund.

The general fund's net change in fund balance for fiscal year 2016 was a decrease of \$1.1 million from fiscal year 2015. Revenues decreased \$4.9 million from fiscal year 2015 mainly due to decreases in taxes available for advance from the County at year-end and open enrollment. Expenditures showed a decrease of \$0.9 million. The School District had expenditures for a turf installation project in fiscal year 2015, accounting for most of the decrease in fiscal year 2016.

The fund balance of the debt service fund taxes revenue equaled the principal and interest payments on outstanding debt in fiscal year 2016 leaving fund balance unchanged from the prior year.

The fund balance of the permanent improvement fund decreased by \$0.2 million from fiscal year 2015. Revenues decreased due to the decrease in taxes available for advance at year end and expenditures increased due to bus purchases and repair and maintenance costs.

General Fund Budgeting Highlights

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

During the course of fiscal year 2016, the School District amended its general fund budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was higher than the final budget basis revenue by \$6,179 and final budget basis revenue was \$0.4 million higher than original budgeted revenue. There is no individually significant line item accounting for these differences.

Final expenditure appropriations of \$26.2 million were \$1.2 million higher than the actual expenditures of \$25.0 million, as cost savings were recognized throughout the year. Original appropriations were \$1.3 million higher than final appropriations. Appropriations were reduced to account for the cost savings measures taken by the School District throughout the year.

There were no significant variances to discuss within other financing sources and uses.

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the School District had \$15.5 million invested in capital assets. Table 4 shows fiscal year 2016 balances compared with 2015.

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2016	2015
Land	\$ 366,380	\$ 366,380
Construction in Progress	116,551	0
Land Improvements	1,213,063	1,363,468
Buildings and Improvements	11,298,073	11,435,095
Furniture and Equipment	1,434,477	1,473,262
Vehicles	1,095,965	957,311
<i>Totals</i>	\$ 15,524,509	\$ 15,595,516

The \$71,007 decrease in capital assets was attributable to depreciation and disposals exceeding additional capital purchases. See Note 8 for more information about the capital assets of the School District.

Debt

At June 30, 2016, the School District had \$590,000 in debt outstanding. See Note 13 for additional details. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2016	2015
2005 Various Purpose Improvement Bonds	\$ 590,000	\$ 720,000

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Restrictions and Other Limitations

The first challenge is for management to ensure resources can be preserved as long as possible. Operating and capital budgets are being utilized by management to manage financial resources effectively.

The second challenge facing most school districts is based on resources received from the Federal and State governments. The State foundation formula has been determined for fiscal years 2016 and 2017.

West Geauga Schools are considered a suburban school district and are to receive the same foundation allocation as in fiscal year 2015. The total expected is \$3.4 million of which \$1.9 million is due to the "guarantee." The "guarantee" is an amount of money added to the formula to keep districts "whole." The Governor has verbalized that the guarantee is not financially sustainable and the funding formula/guarantee beyond fiscal year 2017 is questionable.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Karen Penler, Treasurer of West Geauga Local School District, 8615 Cedar Road, Chesterland, Ohio 44026 or call (440) 729-5900.

BASIC FINANCIAL STATEMENTS

West Geauga Local School District
Geauga County, Ohio
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 15,306,623
Receivables:	
Intergovernmental	248,896
Property Taxes	20,004,362
Prepaid Items	330,769
Nondepreciable Capital Assets	482,931
Depreciable Capital Assets (Net)	15,041,578
 <i>Total Assets</i>	 51,415,159
 Deferred Outflows of Resources	
Pension	4,002,225
 Liabilities	
Accounts Payable	154,637
Accrued Wages and Benefits	2,112,243
Contracts Payable	110,723
Intergovernmental Payable	426,241
Retainage Payable	5,828
Matured Compensated Absences Payable	93,803
Long Term Liabilities:	
Due Within One Year	326,781
Due In More Than One Year:	
Net Pension Liability (See Note 11)	34,451,159
Other Amounts Due in More Than One Year	2,177,838
 <i>Total Liabilities</i>	 39,859,253
 Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	17,632,951
Pension	2,135,906
 <i>Total Deferred Inflows of Resources</i>	 19,768,857
 Net Position	
Net Investment in Capital Assets	14,934,509
Restricted For:	
Capital Outlay	2,000,144
Debt Service	21,515
Extracurricular Activities	108,146
Auxiliary Services	48,992
Other Purposes	217,267
Unrestricted	(21,541,299)
 <i>Total Net Position</i>	 \$ (4,210,726)

See accompanying notes to the basic financial statements.

West Geauga Local School District
Geauga County, 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, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$ 10,439,965	\$ 1,052,644	\$ 20,564	\$ (9,366,757)
Special	3,411,738	266,375	215,645	(2,929,718)
Vocational	349,064	0	6,979	(342,085)
Student Intervention Services	7,151	0	0	(7,151)
Other	915,955	0	0	(915,955)
Support Services:				
Pupils	2,089,554	0	410,176	(1,679,378)
Instructional Staff	873,905	0	43,481	(830,424)
Board of Education	88,286	0	0	(88,286)
Administration	1,887,437	10,702	6,857	(1,869,878)
Fiscal	734,655	11,549	0	(723,106)
Business	232,084	0	0	(232,084)
Operation and Maintenance of Plant	3,470,994	0	0	(3,470,994)
Pupil Transportation	2,015,219	15,081	76,020	(1,924,118)
Central	10,025	0	7,200	(2,825)
Operation of Non-Instructional Services:				
Food Service Operations	433,010	303,324	87,476	(42,210)
Community Services	575,929	24,715	564,919	13,705
Extracurricular Activities	779,979	255,588	56,406	(467,985)
Debt Service:				
Interest and Fiscal Charges	29,700	0	0	(29,700)
Total	\$ 28,344,650	\$ 1,939,978	\$ 1,495,723	(24,908,949)

General Revenues

Property Taxes Levied for:

General Purposes	15,361,347
Debt Service	159,700
Capital Outlay	1,818,731
Grants and Entitlements Not Restricted to Specific Programs	6,442,812
Investment Earnings	58,972
Miscellaneous	65,481

Total General Revenues 23,907,043

Change in Net Position (1,001,906)

Net Position Beginning of Year (3,208,820)

Net Position End of Year \$ (4,210,726)

See accompanying notes to the basic financial statements.

West Geauga Local School District
Geauga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 12,823,574	\$ 21,515	\$ 2,125,489	\$ 336,045	\$ 15,306,623
Receivables:					
Intergovernmental	87,143	0	0	161,753	248,896
Property Taxes	17,730,965	162,950	2,110,447	0	20,004,362
Prepaid Items	318,420	0	0	12,349	330,769
<i>Total Assets</i>	<u>\$ 30,960,102</u>	<u>\$ 184,465</u>	<u>\$ 4,235,936</u>	<u>\$ 510,147</u>	<u>\$ 35,890,650</u>
Liabilities					
Accounts Payable	\$ 71,857	\$ 0	\$ 30,573	\$ 52,207	\$ 154,637
Accrued Wages and Benefits	2,047,559	0	0	64,684	2,112,243
Contracts Payable	0	0	110,723	0	110,723
Intergovernmental Payable	405,529	0	0	20,712	426,241
Retainage Payable	0	0	5,828	0	5,828
Matured Compensated Absences Payable	93,503	0	0	300	93,803
<i>Total Liabilities</i>	<u>2,618,448</u>	<u>0</u>	<u>147,124</u>	<u>137,903</u>	<u>2,903,475</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Fiscal Year	15,623,260	162,950	1,846,741	0	17,632,951
Unavailable Revenue - Delinquent Property Taxes	381,805	0	46,006	0	427,811
Unavailable Revenue - Other	0	0	0	128,203	128,203
<i>Total Deferred Inflows of Resources</i>	<u>16,005,065</u>	<u>162,950</u>	<u>1,892,747</u>	<u>128,203</u>	<u>18,188,965</u>
Fund Balances					
Nonspendable	318,420	0	0	12,349	330,769
Restricted	0	21,515	1,965,516	241,777	2,228,808
Committed	0	0	230,549	0	230,549
Assigned	1,882,684	0	0	0	1,882,684
Unassigned (Deficit)	10,135,485	0	0	(10,085)	10,125,400
<i>Total Fund Balances</i>	<u>12,336,589</u>	<u>21,515</u>	<u>2,196,065</u>	<u>244,041</u>	<u>14,798,210</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 30,960,102</u>	<u>\$ 184,465</u>	<u>\$ 4,235,936</u>	<u>\$ 510,147</u>	<u>\$ 35,890,650</u>

See accompanying notes to the basic financial statements.

West Geauga Local School District
Geauga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2016

Total Governmental Fund Balances		\$ 14,798,210
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,524,509
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	\$ 427,811	
Intergovernmental	<u>128,203</u>	556,014
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	4,002,225	
Deferred Inflows - Pension	(2,135,906)	
Net Pension Liability	<u>(34,451,159)</u>	(32,584,840)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	590,000	
Compensated Absences	<u>1,914,619</u>	<u>(2,504,619)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$ (4,210,726)</u></u>

See accompanying notes to the basic financial statements.

West Geauga Local School District
Geauga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Local Taxes	\$ 15,378,518	\$ 159,700	\$ 1,820,823	\$ 0	\$ 17,359,041
Intergovernmental	6,276,912	0	316,900	1,237,210	7,831,022
Investment Income	58,972	0	0	435	59,407
Tuition and Fees	1,290,234	0	0	0	1,290,234
Extracurricular Activities	100,541	0	0	212,866	313,407
Rentals	11,549	0	0	0	11,549
Charges for Services	21,156	0	0	303,324	324,480
Contributions and Donations	69,411	0	0	19,912	89,323
Miscellaneous	65,068	0	0	723	65,791
<i>Total Revenues</i>	<u>23,272,361</u>	<u>159,700</u>	<u>2,137,723</u>	<u>1,774,470</u>	<u>27,344,254</u>
Expenditures					
Current:					
Instruction:					
Regular	10,258,340	0	0	3,197	10,261,537
Special	3,229,582	0	0	156,644	3,386,226
Vocational	349,064	0	0	0	349,064
Student Intervention Services	1,109	0	0	0	1,109
Other	922,243	0	0	0	922,243
Support Services:					
Pupils	1,665,378	0	0	423,399	2,088,777
Instructional Staff	807,762	0	0	14,147	821,909
Board of Education	77,745	0	0	0	77,745
Administration	1,918,191	0	0	4,376	1,922,567
Fiscal	688,464	0	36,816	0	725,280
Business	226,431	0	0	0	226,431
Operation and Maintenance of Plant	2,000,852	0	687,106	19,515	2,707,473
Pupil Transportation	1,565,292	0	292,231	0	1,857,523
Central	9,977	0	0	0	9,977
Extracurricular Activities	546,141	0	0	222,593	768,734
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	388,747	388,747
Community Services	12,166	0	0	540,253	552,419
Capital Outlay	0	0	1,359,537	0	1,359,537
Debt Service:					
Principal Retirement	0	130,000	0	0	130,000
Interest and Fiscal Charges	0	29,700	0	0	29,700
<i>Total Expenditures</i>	<u>24,278,737</u>	<u>159,700</u>	<u>2,375,690</u>	<u>1,772,871</u>	<u>28,586,998</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,006,376)</u>	<u>0</u>	<u>(237,967)</u>	<u>1,599</u>	<u>(1,242,744)</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	8,192	0	0	0	8,192
Transfers In	0	0	0	64,769	64,769
Transfers Out	(64,769)	0	0	0	(64,769)
<i>Total Other Financing Sources (Uses)</i>	<u>(56,577)</u>	<u>0</u>	<u>0</u>	<u>64,769</u>	<u>8,192</u>
<i>Net Change in Fund Balance</i>	<u>(1,062,953)</u>	<u>0</u>	<u>(237,967)</u>	<u>66,368</u>	<u>(1,234,552)</u>
<i>Fund Balances Beginning of Year</i>	<u>13,399,542</u>	<u>21,515</u>	<u>2,434,032</u>	<u>177,673</u>	<u>16,032,762</u>
<i>Fund Balances End of Year</i>	<u>\$ 12,336,589</u>	<u>\$ 21,515</u>	<u>\$ 2,196,065</u>	<u>\$ 244,041</u>	<u>\$ 14,798,210</u>

See accompanying notes to the basic financial statements.

**West Geauga Local School District
Gauga County, Ohio**

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2016*

Net Change in Fund Balances - Total Governmental Funds	\$	(1,234,552)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 787,090	
Current Year Depreciation	<u>(842,841)</u>	(55,751)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(15,256)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(19,262)	
Intergovernmental	<u>14,542</u>	(4,720)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		130,000
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,949,983
Except for amount reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities		
		(1,756,595)
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		<u>(15,015)</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>(1,001,906)</u>

See accompanying notes to the basic financial statements.

West Geauga Local School District
Gauga County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 17,133,338	\$ 17,435,227	\$ 17,439,518	\$ 4,291
Intergovernmental	6,308,780	6,419,941	6,421,521	1,580
Investment Income	57,937	58,957	58,972	15
Tuition and Fees	1,044,856	1,063,266	1,063,528	262
Extracurricular Activities	41,708	42,443	42,453	10
Rentals	11,346	11,546	11,549	3
Charges for Services	20,785	21,151	21,156	5
Contributions and Donations	39,347	40,040	40,050	10
Miscellaneous	26,205	26,407	26,410	3
<i>Total Revenues</i>	<u>24,684,302</u>	<u>25,118,978</u>	<u>25,125,157</u>	<u>6,179</u>
Expenditures				
Current:				
Instruction:				
Regular	10,843,225	10,092,884	10,014,620	78,264
Special	4,547,316	4,151,642	3,734,140	417,502
Vocational	560,373	535,500	475,858	59,642
Student Intervention Services	2,150	2,268	1,109	1,159
Other	899,535	1,007,618	963,834	43,784
Support Services:				
Pupils	1,735,889	1,741,051	1,688,580	52,471
Instructional Staff	906,942	867,398	809,278	58,120
Board of Education	109,410	102,645	87,231	15,414
Administration	2,035,915	2,009,573	1,966,482	43,091
Fiscal	917,663	835,441	727,105	108,336
Business	278,357	251,076	235,342	15,734
Operation and Maintenance of Plant	2,308,631	2,200,454	2,096,985	103,469
Pupil Transportation	1,786,012	1,711,710	1,590,036	121,674
Central	28,459	43,020	10,017	33,003
Extracurricular Activities	558,569	637,260	574,614	62,646
<i>Total Expenditures</i>	<u>27,518,446</u>	<u>26,189,540</u>	<u>24,975,231</u>	<u>1,214,309</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,834,144)</u>	<u>(1,070,562)</u>	<u>149,926</u>	<u>1,220,488</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	8,192	8,192	8,192	0
Refund of Prior Year Expenditures	152,793	152,793	152,793	0
Refund of Prior Year Receipts	(62,500)	(161,322)	(161,322)	0
Advances In	96,836	96,836	96,836	0
Advances Out	(10,000)	(30,000)	0	30,000
Transfers Out	(65,000)	(64,769)	(64,769)	0
<i>Total Other Financing Sources (Uses)</i>	<u>120,321</u>	<u>1,730</u>	<u>31,730</u>	<u>30,000</u>
<i>Net Change in Fund Balance</i>	<u>(2,713,823)</u>	<u>(1,068,832)</u>	<u>181,656</u>	<u>1,250,488</u>
<i>Fund Balance Beginning of Year</i>	10,998,902	10,998,902	10,998,902	0
Prior Year Encumbrances Appropriated	933,913	933,913	933,913	0
<i>Fund Balance End of Year</i>	<u>\$ 9,218,992</u>	<u>\$ 10,863,983</u>	<u>\$ 12,114,471</u>	<u>\$ 1,250,488</u>

See accompanying notes to the basic financial statements.

West Geauga Local School District
Geauga County, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2016

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 47,252</u>
<i>Total Assets</i>	<u><u>\$ 47,252</u></u>
Liabilities	
Due to Students	<u>\$ 47,252</u>
<i>Total Liabilities</i>	<u><u>\$ 47,252</u></u>

See accompanying notes to the basic financial statements.

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West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1 - Description of The School District

The West Geauga Local School District (the "School District") operates under a locally elected five member Board form of government and provides educational services as authorized by State or Federal agencies. The Board controls the School District's four instructional facilities.

The School District is located in Geauga County, including all of Chesterland and Russell Townships and portions of Munson, South Russell, and Hunting Valley, Ohio. The School District operates two elementary schools (K-5), one middle school (6-8), and one high school (9-12).

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (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.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements of the School District are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For West Geauga Local School District, this includes general operations, food service, community education and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. The School District has no component units.

The School District participates in three jointly governed organizations. These organizations are the Lake Geauga Computer Association, the Ohio Schools Council, and the West Geauga Joint Recreation Council. These organizations are presented in Note 14 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local 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 School District's accounting policies are described below.

West Geauga Local School District
Gauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Basis of Presentation

The School 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.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The internal activities within "activity" types are eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Agency funds do not report a measurement focus as they do not report operations.

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and fiduciary.

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

West Geauga Local School District
Gauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

Debt Service Fund The debt service fund is used to account for the accumulation of property tax revenues for, and the payment of, school improvement general obligation bond, or principal, interest and related costs.

Permanent Improvement Fund The permanent improvement fund accounts for property taxes levied to be used for various capital improvements within the School District.

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed upon the use of the resources.

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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position.

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

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. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

West Geauga Local School District
Gauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 School District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). 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 fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School 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 fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred Inflows of Resources and Deferred Outflows 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 represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 11.

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 School District, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11).

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 on the statement of activities as an expense with a like amount reported within the “operating grants, contributions and interest” program revenue account.

West Geauga Local School District
Gauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation 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 amounts that the Board of Education (the "Board") may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The treasurer has been given authority to allocate board appropriations to the function and object levels within each fund.

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 in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2016.

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

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

During fiscal year 2016, investments were limited to STAR Ohio (the State Treasurer's Investment Pool) and Federated Government Obligations money market fund.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2016. Certificates of deposit and repurchase agreements are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$58,972, which includes \$10,000 assigned from other School District funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as "equity in pooled cash and cash equivalents." Investments with an original maturity of more than three months that are not made from the pool are reported as "investments."

Capital Assets

General capital assets are those assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the fund financial statements.

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 School District maintains a capitalization threshold of one thousand dollars. The School 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 capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land	N/A
Construction in Progress	N/A
Land Improvements	7 - 20 Years
Buildings and Improvements	10 - 100 Years
Furniture and Equipment	5 - 20 Years
Vehicles	5 - 15 Years

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified and "interfund receivables/payables." These amounts are eliminated in the statement of net position.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB 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 employer will compensate the employees for the benefits through paid time off or some other means. The School 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 termination method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits in the School District's termination policy. The School District reports a liability for accumulated unused sick leave for classified, certified and administrative employees who will be eligible to retire at the end of the fiscal year.

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

In governmental funds, the liability for unpaid compensated absences is the unused reimbursable leave still outstanding following an employee's resignation or retirement. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

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.

Accrued Liabilities and Long-term Obligations

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

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

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2016, there was no net position restricted by enabling legislation.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School 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 classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The School District Board of Education has by resolution authorized the treasurer to assign fund balance. The School District Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

West Geauga Local School District
Gauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In nonmajor governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

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.

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.

Changes in Accounting Principles

For the fiscal year ended June 30, 2016, the School 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 School 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 School District.

West Geauga Local School District
Gauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 School 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 School District.

Note 3 – Fund Balance

Fund balance can be 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 governmental funds.

The constraints placed on fund balance for the major governmental funds and all nonmajor governmental funds are presented as follows:

	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total
Nonspendable for:					
Prepays	\$ 318,420	\$ 0	\$ 0	\$ 12,349	\$ 330,769
Restricted for:					
Special Trusts	0	0	0	52,088	52,088
Education Foundation	0	0	0	4,321	4,321
Athletics	0	0	0	108,146	108,146
Auxiliary Services	0	0	0	48,992	48,992
State Grants	0	0	0	18,042	18,042
Federal Grants	0	0	0	9,216	9,216
Capital Improvements	0	0	1,965,516	972	1,966,488
Debt Service Payments	0	21,515	0	0	21,515
Total Restricted	0	21,515	1,965,516	241,777	2,228,808
Committed to:					
Permanent Improvements	0	0	230,549	0	230,549

(continued)

West Geauga Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total
Assigned for:					
Uniform School Supplies	64,518	0	0	0	64,518
Adult Education	12	0	0	0	12
Public School Support	32,920	0	0	0	32,920
Other Local Grants	16,789	0	0	0	16,789
Rotary	49,958	0	0	0	49,958
Subsequent Year Appropriations	1,235,913	0	0	0	1,235,913
Encumbrances:					
Instruction	323,742	0	0	0	323,742
Student Support	158,832	0	0	0	158,832
Total Assigned	1,882,684	0	0	0	1,882,684
Unassigned (Deficit)	10,135,485	0	0	(10,085) *	10,125,400
Total Fund Balance	\$ 12,336,589	\$ 21,515	\$ 2,196,065	\$ 244,041	\$ 14,798,210

* Unassigned fund balance included the following individual fund deficits:

	Fund Balance
Nonmajor Governmental Funds:	
Food Service	\$ 8,263
Title VI-B	592
Title I	1,230

The deficits in these nonmajor governmental funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

Note 4 - Budgetary Basis of Accounting

While the School 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 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, is presented for the general fund 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 that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

West Geauga Local School District
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For the Fiscal Year Ended June 30, 2016

2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

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

Net Change in Fund Balance

GAAP Basis	\$ (1,062,953)
Net Adjustment for Revenue Accruals	2,429,239
Net Adjustment for Expenditure Accruals	(628,421)
Funds Budgeted Elsewhere **	(18,292)
Adjustment for Encumbrances	<u>(537,917)</u>
 Budget Basis	 <u>\$ 181,656</u>

** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform supplies fund, the adult education fund, the rotary fund, the public school support fund and the other grants fund.

Note 5 - Deposits and Investments

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are 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. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts.

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Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), 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 monies deposited with the institution.

Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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Custodial credit risk for deposits is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Deposits At fiscal year-end, the carrying amount of the School District's deposits was \$4,049,732 and the bank balance was \$4,184,064. Of the bank balance:

1. \$3,473,000 of the bank balance was covered by depository insurance; and
2. \$711,064 was exposed to custodial credit risk as described above. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

S&P Global Rating	Investment	Measurement Amount	Investment Maturity (in months) 0 - 12	% Total Investments
AAAm	STAR Ohio	\$ 11,261,884	\$ 11,261,884	99.63%
N/A	Federated Government Obligations Money Market	42,259	42,259	0.37%
Totals		<u>\$ 11,304,143</u>	<u>\$ 11,304,143</u>	<u>100.00%</u>

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

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Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2016, is 49 days.

Credit Risk: The School District's investments at June 30, 2016 are rated as shown above by S&P Global Ratings. Federal money markets are exempt from ratings since explicitly guaranteed by a U.S. Government Agency. The School District's policy on Credit Risk allows only for those investments as stated within the Ohio Revised Code.

Concentration of Credit Risk: The School District places no limit on the amount the School District may invest in any one issuer. See investment percentages listed above. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Note 6 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Geauga County. The County Auditor periodically advances to the School 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 2016 operations. The amount available as an advance at June 30, 2016 in the general and permanent improvement funds was \$1,725,900 and \$217,700, respectively. The amount available for advance at June 30, 2015, in the general and permanent improvement funds was \$3,786,900 and \$469,100, respectively. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

West Geauga Local School District
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Notes to the Basic Financial Statements
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Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

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

	2015 Second Half Collections		2016 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 610,517,480	96.29%	\$612,204,090	96.12%
Public Utility Personal Property	23,555,380	3.71%	24,745,110	3.88%
	\$ 634,072,860	100.00%	\$ 636,949,200	100.00%
Tax rate per \$1,000 assessed valuation	\$ 55.60		\$ 55.55	

Note 7 - Receivables

Receivables at June 30, 2016, consisted of taxes and intergovernmental. 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 fiscal year guarantee of federal funds. Intergovernmental receivables consisted of \$87,143 in a student full-time equivalent adjustment receivable and \$161,753 in grants.

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West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 8 - Capital Assets

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

	Balance 6/30/15	Additions	Reductions	Balance 6/30/16
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 366,380	\$ 0	\$ 0	\$ 366,380
Construction in progress	0	116,551	0	116,551
Total Capital Assets, not being depreciated	366,380	116,551	0	482,931
<i>Capital Assets, being depreciated:</i>				
Land Improvements	3,760,571	0	0	3,760,571
Buildings and Improvements	19,914,909	156,528	0	20,071,437
Furniture and Equipment	5,875,628	221,781	(4,215)	6,093,194
Vehicles	2,376,511	292,230	(194,515)	2,474,226
Total Capital Assets, being depreciated	31,927,619	670,539	(198,730)	32,399,428
Less Accumulated Depreciation:				
Land Improvements	(2,397,103)	(150,405)	0	(2,547,508)
Buildings and Improvements	(8,479,814)	(293,550)	0	(8,773,364)
Furniture and Equipment	(4,402,366)	(260,479)	4,128	(4,658,717)
Vehicles	(1,419,200)	(138,407)	179,346	(1,378,261)
Total Accumulated Depreciation	(16,698,483)	(842,841)	183,474	(17,357,850)
Total Capital Assets being depreciated, net	15,229,136	(172,302)	(15,256)	15,041,578
Governmental Activities Capital Assets, Net	<u>\$ 15,595,516</u>	<u>\$ (55,751)</u>	<u>\$ (15,256)</u>	<u>\$ 15,524,509</u>

West Geauga Local School District
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Depreciation expense was charged as follows:

<i>Governmental Activities:</i>	
Instruction:	
Regular	\$ 339,290
Special	15,073
Support Services:	
Pupil	799
Instructional Staff	50,913
Board of Education	10,543
Administration	8,329
Fiscal	1,215
Business	3,499
Operation and Maintenance of Plant	189,834
Pupil Transportaion	140,217
Central Services	48
Food Service Operations	23,134
Community Services	31,683
Extracurricular Activities	28,264
Total Depreciation	\$ 842,841

Note 9 - Risk Management

Property and Liability

The School 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. Professional liability insurance is provided by a major carrier and has limits of \$6,000,000 for each occurrence and \$8,000,000 general aggregate coverage, including employee benefit liability limits, qualified school groups, and employers' liability.

Property and fleet insurance is provided by a major carrier. Property insurance includes boiler and machinery coverage as well as commercial inland marine coverage with a blanket limit of \$83,626,584 with a \$1,000 deductible. Fleet insurance has a limit of \$6,000,000 with a \$1,000 deductible for comprehensive and \$1,000 for collision coverage.

Settled claims have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

West Geauga Local School District
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Employee Group Health Insurance

The District participates in the Ohio School Benefits Cooperative, a claims servicing and group purchasing pool composed of thirty-five members. The Ohio School Benefits Cooperative (OSBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine member Board of Directors, all of whom must be local school district and/or educational service center administrators. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. The OSBC is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life, and/or other group insurance coverages for their employees and the eligible dependents, and designated beneficiaries of such employees. Participants pay a \$500 membership fee to OSBC.

The OSBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OSBC's third party administrator. The School District elected to participate in the joint insurance purchasing program. The OSBC's business and affairs are conducted by a nine member Board of Directors consisting of Educational Service Center superintendents elected by the members of the OSBC. Medical Mutual/Antares is the Administrator of the OSBC. Financial information can be obtained by writing to, Christine Wagner, Treasurer of the Muskingum Valley Educational Service Center, at 205 N. 7th Street, Zanesville, 43701.

Workers' Compensation

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 10 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty two days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and most administrators do not earn vacation time.

All certified and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made to classified employees for one-fourth of their accumulated sick leave with a maximum accumulation of 286 days. Classified employees are paid within 120 days of the retirement date. Upon retirement, payment is made to certified employees for one-fourth of their accumulated sick leave with a maximum accumulation of 300 days. Certified employees have the choice of their payout in one or two payments. The first payment will be within 120 days of the last day of employment and the second payment will be in the following year. Upon retirement, payment is made to administrators for a scheduled percentage based upon their years of service at the School District.

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Gauga County, Ohio
Notes to the Basic Financial Statements
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Note 11 - Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description – School 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.

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For the Fiscal Year Ended June 30, 2016

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 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 years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. 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 School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. SERS did not allocate any employer contributions to the Health Care Fund for fiscal year 2016.

The School District’s contractually required contribution to SERS was \$441,362 for fiscal year 2016. Of this amount, \$23,839 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School 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

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

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 will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The School 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 School District's contractually required contribution to STRS was \$1,508,621 for fiscal year 2016. Of this amount, \$252,025 is reported as an intergovernmental payable.

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For the Fiscal Year Ended June 30, 2016

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School 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 and pension expense:

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 28,160,364	\$ 6,290,795	\$ 34,451,159
Proportion of the Net Pension Liability	0.10189343%	0.11024690%	
Pension Expense	\$ 1,316,572	\$ 440,023	\$ 1,756,595

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

	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 1,279,894	\$ 100,063	\$ 1,379,957
Changes in proportion and differences between School District contributions and proportionate share of contributions	503,151	169,134	672,285
School District contributions subsequent to the measurement date	<u>1,508,621</u>	<u>441,362</u>	<u>1,949,983</u>
Total Deferred Outflows of Resources	<u>\$ 3,291,666</u>	<u>\$ 710,559</u>	<u>\$ 4,002,225</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$ 1,951,017</u>	<u>\$ 184,889</u>	<u>\$ 2,135,906</u>

\$1,949,983 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal 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:

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Fiscal Year Ending June 30:	STRS	SERS	Total
2017	\$ (307,786)	\$ (14,224)	\$ (322,010)
2018	(307,786)	(14,224)	(322,010)
2019	(307,786)	(14,687)	(322,473)
2020	755,386	127,442	882,828
	<u>\$ (167,972)</u>	<u>\$ 84,307</u>	<u>\$ (83,665)</u>

Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3.00 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.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
	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 School 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%)
School District's proportionate share of the net pension liability	\$ 8,723,072	\$ 6,290,795	\$ 4,242,617

West Geauga Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increase	2.75 percent at 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2.00 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year, for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date

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

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

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

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

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

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 39,116,869	\$ 28,160,364	\$ 18,895,004

Note 12 - Postemployment Benefits

School Employees Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, SERS did not allocate any employer contributions to the Health Care fund. 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.

West Geauga Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2016, 2015, and 2014 were \$56,301, \$85,267 and \$57,892, respectively. For fiscal year 2016, 95 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2015 and 2014.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$104,442, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

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West Geauga Local School District
Gauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 13 - Long - Term Obligations

The changes in the School District's long-term obligations during the year consist of the following:

	Outstanding 6/30/15	Additions	Reductions	Outstanding 6/30/16	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
2005 Various Improvement Bonds \$2,275,000 at 3.0% - 5.25%	\$ 720,000	\$ 0	\$ 130,000	\$ 590,000	\$ 140,000
Net Pension Liability:					
STRS	24,248,912	3,911,452	0	28,160,364	0
SERS	5,386,109	904,686	0	6,290,795	0
	<u>29,635,021</u>	<u>4,816,138</u>	<u>0</u>	<u>34,451,159</u>	<u>0</u>
Compensated Absences	<u>1,899,604</u>	<u>148,518</u>	<u>133,503</u>	<u>1,914,619</u>	<u>186,781</u>
Total Governmental Activities Long-Term Liabilities	<u>\$32,254,625</u>	<u>\$ 4,964,656</u>	<u>\$ 263,503</u>	<u>\$36,955,778</u>	<u>\$ 326,781</u>

2005 Various Purpose Improvement Bonds

In fiscal year 2005, the School District issued \$2,275,000 in various purpose improvement bonds. A portion of the bond proceeds paid off the various purpose improvement notes issued in fiscal year 2004. The monies will be used as part of the House Bill 264 energy conservation project at the School District. The bonds mature in December 2019.

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid, which is primarily the general fund. The School District pays obligations related to pension liability from the fund benefitting from their service.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2016 are as follows:

Fiscal Year Ending June 30,	Serial Bonds	
	Principal	Interest
2017	\$ 140,000	\$ 22,950
2018	145,000	15,825
2019	150,000	9,200
2020	<u>155,000</u>	<u>3,100</u>
Total	<u>\$ 590,000</u>	<u>\$ 51,075</u>

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 14 - Jointly Governed Organizations

Lake Geauga Computer Association

The Lake Geauga Computer Association (LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. The School District paid \$80,793 to LGCA during fiscal year 2016. Financial information can be obtained from Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among school districts. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2016, the School District paid \$1,914 in participation fees to the Council. Financial information can be obtained by contacting Dr. William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

West Geauga Joint Recreation Council

The West Geauga Joint Recreation Council (the Recreation Council) is a jointly governed organization. The School District appoints one member of the six-member board. The purpose of the Recreation Council is to further athletic and recreational opportunities. The School District did not contribute to the Recreation Council in fiscal year 2016. The School District's degree of control is limited to its representation on the board. The Recreation Council's continued existence is not dependent on the School District's continued participation. To obtain financial information, write to West Geauga Joint Recreational Board, P.O. Box 384, Chesterland, Ohio 44026.

Note 15 – Contingencies and Significant Commitments

Grants

The School 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 School District at June 30, 2016, if applicable, cannot be determined at this time.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Litigation

The School District is not party to any claims or lawsuits that would, in the School District’s opinion, have a material effect of the basic financial statements.

School District Funding

School 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 districts, 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 School 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 School District.

Contractual Commitments

As of June 30, 2016, the School District had an outstanding contractual commitment in the amount of \$533,778 for an improvement project.

Encumbrance Commitments

The School 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 School District’s commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General Fund	\$ 484,452
Permanent Improvement Fund	1,108,820
Nonmajor Governmental Funds	46,884
	\$ 1,640,156

Note 16 - Interfund Activity

Transfers

During the year, the general fund transferred \$51,084 to the food service fund, \$10,000 to the athletics fund, \$2,420 for the Title VI-B fund and \$1,265 to the Title I fund to cover deficits in the funds.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 17 - Set-Asides

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

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

	Capital Improvement Reserve
Set Aside Restricted Balance June 30, 2015	\$ 0
Current Year Set-Aside Requirement	336,829
Current Year Offsets	<u>(2,389,123)</u>
Total	<u>\$ (2,052,294)</u>
Balance Carried Forward to Fiscal Year 2017	<u>\$ 0</u>
Set Aside Balance June 30, 2016	<u>\$ 0</u>

Although the School District had offsets during the fiscal year that reduced the set-aside amount to below zero, this amount may not be used to reduce the set aside requirement for future years. The negative balance is, therefore, not presented as being carried forward to future years.

West Geauga Local School District
Geauga County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Three Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>State Teachers Retirement System (STRS)</i>			
School District's Proportion of the Net Pension Liability	0.10189343%	0.09969351%	0.09969351%
School District's Proportionate Share of the Net Pension Liability	\$ 28,160,364	\$ 24,248,912	\$ 28,885,145
School District's Covered-Employee Payroll	\$ 10,641,714	\$ 10,444,169	\$ 11,276,062
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	264.62%	232.18%	256.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%
<i>School Employees Retirement System (SERS)</i>			
School District's Proportion of the Net Pension Liability	0.11024690%	0.10642500%	0.10642500%
School District's Proportionate Share of the Net Pension Liability	\$ 6,290,795	\$ 5,386,109	\$ 6,328,753
School District's Covered-Employee Payroll	\$ 3,398,961	\$ 3,259,957	\$ 3,588,013
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	185.08%	165.22%	176.39%
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.

Note: The amounts presented for each fiscal year were determined as of the measurement date.

West Geauga Local School District
Geauga County, Ohio
Required Supplementary Information
Schedule of School District Contributions
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 1,508,621	\$ 1,489,840	\$ 1,357,742	\$ 1,465,888
Contributions in Relation to the Contractually Required Contribution	<u>(1,508,621)</u>	<u>(1,489,840)</u>	<u>(1,357,742)</u>	<u>(1,465,888)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered-Employee Payroll	\$ 10,775,864	\$ 10,641,714	\$ 10,444,169	\$ 11,276,062
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%
 <i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 441,362	\$ 447,983	\$ 451,830	\$ 496,581
Contributions in Relation to the Contractually Required Contribution	<u>(441,362)</u>	<u>(447,983)</u>	<u>(451,830)</u>	<u>(496,581)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered-Employee Payroll	\$ 3,152,586	\$ 3,398,961	\$ 3,259,957	\$ 3,588,013
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%

n/a - Information prior to 2008 is not available.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,411,995	\$ 1,415,455	\$ 1,449,210	\$ 1,384,292	\$ 1,354,971	\$ 1,388,229
<u>(1,411,995)</u>	<u>(1,415,455)</u>	<u>(1,449,210)</u>	<u>(1,384,292)</u>	<u>(1,354,971)</u>	<u>(1,388,229)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 10,861,500	\$ 10,888,115	\$ 11,147,769	\$ 10,648,400	\$ 10,422,854	\$ 10,678,685
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$ 569,450	\$ 431,523	\$ 538,807	\$ 299,569	\$ 351,029	n/a
<u>(569,450)</u>	<u>(431,523)</u>	<u>(538,807)</u>	<u>(299,569)</u>	<u>(351,029)</u>	n/a
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	n/a
\$ 4,233,829	\$ 3,432,959	\$ 3,979,372	\$ 3,044,400	\$ 3,574,633	n/a
13.45%	12.57%	13.54%	9.84%	9.82%	n/a



*Combining Statements for
Nonmajor Governmental Funds
and
Individual Fund Schedules for
Governmental Funds*

West Geauga Local School District
Geauga County, Ohio
Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. With the implementation of GASB No. 54, the uniform school supplies, adult education, rotary, public school support and other grants special revenue funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budgets. As a result, an Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for these funds. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

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

Special Trust Fund This fund accounts for monies from local donations for the purpose of scholarships for students.

Education Foundation Fund This fund accounts for local monies received for specific grant requests made by staff members to the Educational Foundation.

District Managed Activities Fund This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

Auxiliary Services Fund This fund accounts for State monies used to provide services and materials for pupils attending non-public schools within the School District.

Data Communications Fund This fund accounts for State monies appropriated for Ohio Educational Computer Network Connections.

Miscellaneous State Grants Fund This fund accounts for other State Grants which are not required to be accounted for in a separate fund.

Race to the Top Fund To account for federal funds received as part of a competitive process authorized under the American Recovery and Reinvestment Act of 2009 and designed to encourage and reward districts that are creating the foundations for education innovation and reform designed to significantly improve student achievement.

Title VI-B Fund This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

West Geauga Local School District
Geauga County, Ohio
Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds (continued)

Title III Limited English Proficiency Fund To account for funds used 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. These programs provide structured English language instruction, with respect to the years of study to which the program is applicable, and instruction in the child's native language to the extent necessary to allow a child to achieve competence in English. The instruction must incorporate the cultural heritage of these children and of other children in American society. The instruction must be, to the extent necessary, in all courses or subjects of study which will allow a child to meet grade promotion and graduation standards.

Title I Fund To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Classroom Reduction Fund This fund accounts for Federal monies to hire additional classroom teachers in grades 1-3, so that the number of students per teacher will be reduced.

Uniform School Supplies Fund To account for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the School District.

Adult Education Fund This fund accounts for transactions made in connection with adult education classes.

Rotary Fund This fund accounts for monies from local sources which provides for field trips for the students.

Public School Support Fund This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

Other Grants Fund This fund accounts for monies received to promote community involvement and to support activities between the School District and community.

West Geauga Local School District
Gauga County, Ohio
Combining Statements – Nonmajor Funds

Nonmajor Capital Project Fund

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

SchoolNet Fund To account for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

West Geauga Local School District
Geauga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Nonmajor Special Revenue Funds	SchoolNet Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 335,073	\$ 972	\$ 336,045
Receivables:			
Intergovernmental	161,753	0	161,753
Prepaid Items	12,349	0	12,349
<i>Total Assets</i>	<u>\$ 509,175</u>	<u>\$ 972</u>	<u>\$ 510,147</u>
Liabilities			
Accounts Payable	\$ 52,207	\$ 0	\$ 52,207
Accrued Wages and Benefits	64,684	0	64,684
Intergovernmental Payable	20,712	0	20,712
Matured Compensated Absences Payable	300	0	300
<i>Total Liabilities</i>	<u>137,903</u>	<u>0</u>	<u>137,903</u>
Deferred Inflows of Resources			
Other	128,203	0	128,203
Fund Balances (Deficit)			
Nonspendable	12,349	0	12,349
Restricted	240,805	972	241,777
Unassigned (Deficit)	(10,085)	0	(10,085)
<i>Total Fund Balances</i>	<u>243,069</u>	<u>972</u>	<u>244,041</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 509,175</u>	<u>\$ 972</u>	<u>\$ 510,147</u>

West Geauga Local School District
Geauga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	SchoolNet Fund	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 1,237,210	\$ 0	\$ 1,237,210
Investment Income	435	0	435
Extracurricular Activities	212,866	0	212,866
Charges for Services	303,324	0	303,324
Contributions and Donations	19,912	0	19,912
Miscellaneous	723	0	723
<i>Total Revenues</i>	<u>1,774,470</u>	<u>0</u>	<u>1,774,470</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,197	0	3,197
Special	156,644	0	156,644
Support Services:			
Pupils	423,399	0	423,399
Instructional Staff	14,147	0	14,147
Administration	4,376	0	4,376
Operation and Maintenance of Plant	19,515	0	19,515
Extracurricular Activities	222,593	0	222,593
Operation of Non-Instructional Services:			
Food Service Operations	388,747	0	388,747
Community Services	540,253	0	540,253
<i>Total Expenditures</i>	<u>1,772,871</u>	<u>0</u>	<u>1,772,871</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,599	0	1,599
Other Financing Sources (Uses):			
Transfers In	64,769	0	64,769
<i>Net Change in Fund Balance</i>	66,368	0	66,368
<i>Fund Balance at Beginning of Year</i>	<u>176,701</u>	<u>972</u>	<u>177,673</u>
<i>Fund Balance at End of Year</i>	<u>\$ 243,069</u>	<u>\$ 972</u>	<u>\$ 244,041</u>

West Geauga Local School District
Geauga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Food Service Fund	Special Trust Fund	Education Foundation Fund	District Managed Activities Fund
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 21,091	\$ 52,088	\$ 4,321	\$ 108,765
Intergovernmental Receivable	0	0	0	0
Prepaid Items	5,130	0	0	0
<i>Total Assets</i>	<u>\$ 26,221</u>	<u>\$ 52,088</u>	<u>\$ 4,321</u>	<u>\$ 108,765</u>
Liabilities				
Accounts Payable	\$ 150	\$ 0	\$ 0	\$ 560
Accrued Wages and Benefits	20,781	0	0	0
Intergovernmental Payable	8,123	0	0	59
Matured Compensated Absences Payable	300	0	0	0
<i>Total Liabilities</i>	<u>29,354</u>	<u>0</u>	<u>0</u>	<u>619</u>
Deferred Inflows of Resources				
Other	0	0	0	0
Fund Balances (Deficit)				
Nonspendable	5,130	0	0	0
Restricted	0	52,088	4,321	108,146
Unassigned (Deficit)	(8,263)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(3,133)</u>	<u>52,088</u>	<u>4,321</u>	<u>108,146</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 26,221</u>	<u>\$ 52,088</u>	<u>\$ 4,321</u>	<u>\$ 108,765</u>

(continued)

West Geauga Local School District
Geauga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Auxiliary Services Fund	Data Communications Fund	Miscellaneous State Grants Fund	Race to the Top Fund
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 91,514	\$ 18,000	\$ 42	\$ 0
Intergovernmental Receivable	0	0	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$ 91,514</u>	<u>\$ 18,000</u>	<u>\$ 42</u>	<u>\$ 0</u>
Liabilities				
Accounts Payable	\$ 40,244	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	364	0	0	0
Intergovernmental Payable	1,914	0	0	0
Matured Compensated Absences Payable	0	0	0	0
<i>Total Liabilities</i>	<u>42,522</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources				
Other	0	0	0	0
Fund Balances (Deficit)				
Nonspendable	0	0	0	0
Restricted	48,992	18,000	42	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>48,992</u>	<u>18,000</u>	<u>42</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 91,514</u>	<u>\$ 18,000</u>	<u>\$ 42</u>	<u>\$ 0</u>

(continued)

West Geauga Local School District
Gauga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Title VI-B Fund	Title III Limited English Proficiency Fund	Title I Fund	Classroom Reduction Fund	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 25,719	\$ 8,150	\$ 3,480	\$ 1,903	\$ 335,073
Intergovernmental Receivable	95,318	0	24,267	42,168	161,753
Prepaid Items	5,958	0	1,261	0	12,349
<i>Total Assets</i>	<u>\$ 126,995</u>	<u>\$ 8,150</u>	<u>\$ 29,008</u>	<u>\$ 44,071</u>	<u>\$ 509,175</u>
Liabilities:					
Accounts Payable	\$ 10,416	\$ 0	\$ 0	\$ 837	\$ 52,207
Accrued Wages and Benefits	27,382	0	16,157	0	64,684
Intergovernmental Payable	8,513	0	2,103	0	20,712
Matured Compensated Absences Payable	0	0	0	0	300
<i>Total Liabilities</i>	<u>46,311</u>	<u>0</u>	<u>18,260</u>	<u>837</u>	<u>137,903</u>
Deferred Inflows of Resources					
Other	75,318	0	10,717	42,168	128,203
Fund Balances (Deficit)					
Nonspendable	5,958	0	1,261	0	12,349
Restricted	0	8,150	0	1,066	240,805
Unassigned (Deficit)	(592)	0	(1,230)	0	(10,085)
<i>Total Fund Balances (Deficit)</i>	<u>5,366</u>	<u>8,150</u>	<u>31</u>	<u>1,066</u>	<u>243,069</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 126,995</u>	<u>\$ 8,150</u>	<u>\$ 29,008</u>	<u>\$ 44,071</u>	<u>\$ 509,175</u>

West Geauga Local School District
Geauga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

	Food Service Fund	Special Trust Fund	Education Foundation Fund	District Managed Activities Fund
Revenues:				
Intergovernmental	\$ 87,425	\$ 0	\$ 0	\$ 0
Investment Income	52	95	0	0
Extracurricular Activities	0	0	0	212,866
Charges for Services	303,324	0	0	0
Contributions and Donations	0	1,527	2,881	15,504
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>390,801</u>	<u>1,622</u>	<u>2,881</u>	<u>228,370</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	3,197	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	2,725	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	19,515	0	0	0
Extracurricular Activities	0	0	0	222,593
Operation of Non-Instructional Services:				
Food Service Operations	388,747	0	0	0
Community Services	0	3,157	0	0
<i>Total Expenditures</i>	<u>408,262</u>	<u>5,882</u>	<u>3,197</u>	<u>222,593</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(17,461)	(4,260)	(316)	5,777
Other Financing Sources (Uses):				
Transfers In	51,084	0	0	10,000
<i>Net Change in Fund Balance</i>	33,623	(4,260)	(316)	15,777
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(36,756)</u>	<u>56,348</u>	<u>4,637</u>	<u>92,369</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ (3,133)</u>	<u>\$ 52,088</u>	<u>\$ 4,321</u>	<u>\$ 108,146</u>

(continued)

West Geauga Local School District
Geauga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

	Auxiliary Services Fund	Data Communications Fund	Miscellaneous State Grants Fund	Race to the Top Fund
Revenues:				
Intergovernmental	\$ 525,539	\$ 7,200	\$ 0	\$ 11,501
Investment Income	288	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	24	699
<i>Total Revenues</i>	<u>525,827</u>	<u>7,200</u>	<u>24</u>	<u>12,200</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	14,713
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Extracurricular Activities	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	506,860	0	0	0
<i>Total Expenditures</i>	<u>506,860</u>	<u>0</u>	<u>0</u>	<u>14,713</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	18,967	7,200	24	(2,513)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
<i>Net Change in Fund Balance</i>	18,967	7,200	24	(2,513)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>30,025</u>	<u>10,800</u>	<u>18</u>	<u>2,513</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 48,992</u>	<u>\$ 18,000</u>	<u>\$ 42</u>	<u>\$ 0</u>

(continued)

West Geauga Local School District
Geauga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

	Title VI-B Fund	Title III Limited English Proficiency Fund	Title I Fund	Classroom Reduction Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Intergovernmental	\$ 472,425	\$ 0	\$ 121,955	\$ 11,165	\$ 1,237,210
Investment Income	0	0	0	0	435
Extracurricular Activities	0	0	0	0	212,866
Charges for Services	0	0	0	0	303,324
Contributions and Donations	0	0	0	0	19,912
Miscellaneous	0	0	0	0	723
<i>Total Revenues</i>	<u>472,425</u>	<u>0</u>	<u>121,955</u>	<u>11,165</u>	<u>1,774,470</u>
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	3,197
Special	23,988	0	117,943	0	156,644
Support Services:					
Pupils	423,399	0	0	0	423,399
Instructional Staff	0	0	1,371	10,051	14,147
Administration	4,376	0	0	0	4,376
Operation and Maintenance of Plant	0	0	0	0	19,515
Extracurricular Activities	0	0	0	0	222,593
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	0	388,747
Community Services	30,236	0	0	0	540,253
<i>Total Expenditures</i>	<u>481,999</u>	<u>0</u>	<u>119,314</u>	<u>10,051</u>	<u>1,772,871</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(9,574)	0	2,641	1,114	1,599
Other Financing Sources (Uses):					
Transfers In	2,420	0	1,265	0	64,769
<i>Net Change in Fund Balance</i>	(7,154)	0	3,906	1,114	66,368
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>12,520</u>	<u>8,150</u>	<u>(3,875)</u>	<u>(48)</u>	<u>176,701</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 5,366</u>	<u>\$ 8,150</u>	<u>\$ 31</u>	<u>\$ 1,066</u>	<u>\$ 243,069</u>

GOVERNMENTAL FUNDS

***Individual Fund Schedules of Revenues,
Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual***

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

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 17,435,227	\$ 17,439,518	\$ 4,291
Intergovernmental	6,419,941	6,421,521	1,580
Investment Income	58,957	58,972	15
Tuition and Fees	1,063,266	1,063,528	262
Extracurricular Activities	42,443	42,453	10
Rentals	11,546	11,549	3
Charges for Services	40,040	40,050	10
Gifts and Donations	21,151	21,156	5
Miscellaneous	26,407	26,410	3
<i>Total Revenues</i>	<u>25,118,978</u>	<u>25,125,157</u>	<u>6,179</u>
Expenditures:			
Current:			
Instruction:			
Regular	10,092,884	10,014,620	78,264
Special	4,151,642	3,734,140	417,502
Vocational	535,500	475,858	59,642
Student Intervention Services	2,268	1,109	1,159
Other	1,007,618	963,834	43,784
Support Services:			
Pupils	1,741,051	1,688,580	52,471
Instructional Staff	867,398	809,278	58,120
Board of Education	102,645	87,231	15,414
Administration	2,009,573	1,966,482	43,091
Fiscal	835,441	727,105	108,336
Business	251,076	235,342	15,734
Operation and Maintenance of Plant	2,200,454	2,096,985	103,469
Pupil Transportation	1,711,710	1,590,036	121,674
Central	43,020	10,017	33,003
Extracurricular Activities	637,260	574,614	62,646
<i>Total Expenditures</i>	<u>26,189,540</u>	<u>24,975,231</u>	<u>1,214,309</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,070,562)</u>	<u>149,926</u>	<u>1,220,488</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Assets	8,192	8,192	0
Refund of Prior Year Expenditures	152,793	152,793	0
Refund of Prior Year Receipts	(161,322)	(161,322)	0
Advances In	96,836	96,836	0
Advances Out	(30,000)	0	30,000
Transfers Out	(64,769)	(64,769)	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,730</u>	<u>31,730</u>	<u>30,000</u>
<i>Net Change in Fund Balance</i>	(1,068,832)	181,656	1,250,488
<i>Fund Balance at Beginning of Year</i>	10,998,902	10,998,902	0
Prior Year Encumbrances Appropriated	933,913	933,913	0
<i>Fund Balance at End of Year</i>	<u>\$ 10,863,983</u>	<u>\$ 12,114,471</u>	<u>\$ 1,250,488</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 159,700	\$ 159,700	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	130,000	130,000	0
Interest and Fiscal Charges	29,700	29,700	0
<i>Total Expenditures</i>	<u>159,700</u>	<u>159,700</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>21,515</u>	<u>21,515</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$ 21,515</u></u>	<u><u>\$ 21,515</u></u>	<u><u>\$ 0</u></u>

West Geauga Local School District
Gauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 2,072,224	\$ 2,072,223	\$ (1)
Intergovernmental	316,900	316,900	0
<i>Total Revenues</i>	<u>2,389,124</u>	<u>2,389,123</u>	<u>(1)</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	237,956	237,956	0
Fiscal	37,998	36,816	1,182
Operation and Maintenance of Plant	706,188	699,415	6,773
Pupil Transportation	542,231	533,740	8,491
Central	4,376	4,376	0
Capital Outlay	<u>2,197,301</u>	<u>2,194,448</u>	<u>2,853</u>
<i>Total Expenditures</i>	<u>3,726,050</u>	<u>3,706,751</u>	<u>19,299</u>
<i>Net Change in Fund Balance</i>	(1,336,926)	(1,317,628)	19,298
<i>Fund Balance at Beginning of Year</i>	794,552	794,552	0
Prior Year Encumbrances Appropriated	<u>1,400,371</u>	<u>1,400,371</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 857,997</u>	<u>\$ 877,295</u>	<u>\$ 19,298</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 87,419	\$ 87,425	\$ 6
Interest	52	52	0
Charges for Services	303,302	303,324	22
<i>Total Revenues</i>	<u>390,773</u>	<u>390,801</u>	<u>28</u>
Expenditures:			
Current:			
Support Services			
Operation and Maintenance of Plant	19,617	19,515	102
Operation of Non-Instructional Services:			
Food Service Operations	398,135	395,506	2,629
<i>Total Expenditures</i>	<u>417,752</u>	<u>415,021</u>	<u>2,731</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(26,979)	(24,220)	2,759
Other Financing Sources (Uses):			
Advances Out	(51,084)	(51,084)	0
Transfers In	51,084	51,084	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(26,979)	(24,220)	2,759
<i>Fund Balance at Beginning of Year</i>	40,608	40,608	0
Prior Year Encumbrances Appropriated	4,706	4,706	0
<i>Fund Balance at End of Year</i>	<u>\$ 18,335</u>	<u>\$ 21,094</u>	<u>\$ 2,759</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 92	\$ 95	\$ 3
Gifts and Donations	1,478	1,527	49
<i>Total Revenues</i>	<u>1,570</u>	<u>1,622</u>	<u>52</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	2,725	2,725	0
Operation of Non-Instructional Services:			
Community Services	3,657	3,157	500
<i>Total Expenditures</i>	<u>6,382</u>	<u>5,882</u>	<u>500</u>
<i>Net Change in Fund Balance</i>	(4,812)	(4,260)	552
<i>Fund Balance at Beginning of Year</i>	56,298	56,298	0
Prior Year Encumbrances Appropriated	50	50	0
<i>Fund Balance at End of Year</i>	<u>\$ 51,536</u>	<u>\$ 52,088</u>	<u>\$ 552</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Education Foundation Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Gifts and Donations	\$ 2,881	\$ 2,881	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	5,026	3,307	1,719
<i>Net Change in Fund Balance</i>	(2,145)	(426)	1,719
<i>Fund Balance at Beginning of Year</i>	2,602	2,602	0
Prior Year Encumbrances Appropriated	2,144	2,144	0
<i>Fund Balance at End of Year</i>	<u>\$ 2,601</u>	<u>\$ 4,320</u>	<u>\$ 1,719</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
District Managed Activities Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 214,728	\$ 212,866	\$ (1,862)
Gifts and Donations	15,640	15,504	(136)
<i>Total Revenues</i>	<u>230,368</u>	<u>228,370</u>	<u>(1,998)</u>
Expenditures:			
Current:			
Extracurricular Activities	242,546	224,682	17,864
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,178)</u>	<u>3,688</u>	<u>15,866</u>
Other Financing Sources (Uses):			
Transfers In	10,000	10,000	0
<i>Net Change in Fund Balance</i>	(2,178)	13,688	15,866
<i>Fund Balance at Beginning of Year</i>	76,728	76,728	0
Prior Year Encumbrances Appropriated	16,532	16,532	0
<i>Fund Balance at End of Year</i>	<u>\$ 91,082</u>	<u>\$ 106,948</u>	<u>\$ 15,866</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 528,717	\$ 528,877	\$ 160
Investment Income	288	288	0
<i>Total Revenues</i>	<u>529,005</u>	<u>529,165</u>	<u>160</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services	588,114	569,323	18,791
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(59,109)</u>	<u>(40,158)</u>	<u>18,951</u>
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	0	(3,338)	(3,338)
<i>Net Change in Fund Balance</i>	(59,109)	(43,496)	15,613
<i>Fund Balance at Beginning of Year</i>	762	762	0
Prior Year Encumbrances Appropriated	58,398	58,398	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 51</u>	<u>\$ 15,664</u>	<u>\$ 15,613</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 7,200	\$ 7,200	\$ 0
<i>Net Change in Fund Balance</i>	7,200	7,200	0
<i>Fund Balance at Beginning of Year</i>	10,800	10,800	0
<i>Fund Balance at End of Year</i>	\$ 18,000	\$ 18,000	\$ 0

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Miscellaneous	\$ 0	\$ 24	\$ 24
<i>Net Change in Fund Balance</i>	0	24	24
<i>Fund Balance at Beginning of Year</i>	\$ 18	\$ 18	\$ 0
<i>Fund Balance at End of Year</i>	<u>\$ 18</u>	<u>\$ 42</u>	<u>\$ 24</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Race to the Top Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 11,501	\$ 11,501	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	2,907	2,453	454
Special	14,311	14,713	(402)
Support Services:			
Instructional Staff	3,369	3,421	(52)
<i>Total Expenditures</i>	<u>20,587</u>	<u>20,587</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,086)</u>	<u>(9,086)</u>	<u>0</u>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	699	699	0
<i>Net Change in Fund Balance</i>	(8,387)	(8,387)	0
<i>Fund Balance at Beginning of Year</i>	2,108	2,108	0
Prior Year Encumbrances Appropriated	6,279	6,279	0
<i>Fund Balance at End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 498,095	\$ 498,095	\$ 0
Expenditures:			
Current:			
Instruction:			
Special	39,986	39,986	0
Support Services:			
Pupils	419,547	416,101	3,446
Administration	3,898	3,941	(43)
Operation of Non-Instructional Services:			
Community Services	30,226	30,226	0
<i>Total Expenditures</i>	493,657	490,254	3,403
<i>Excess of Revenues Over (Under) Expenditures</i>	4,438	7,841	3,403
Other Financing Sources (Uses):			
Advances Out	(32,344)	(32,344)	0
Transfers In	2,420	2,420	0
<i>Total Other Financing Sources (Uses)</i>	(29,924)	(29,924)	0
<i>Net Change in Fund Balance</i>	(25,486)	(22,083)	3,403
<i>Fund Balance at Beginning of Year</i>	30,386	30,386	0
<i>Fund Balance at End of Year</i>	\$ 4,900	\$ 8,303	\$ 3,403

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title III Limited English Proficiency Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
<i>Fund Balance at Beginning of Year</i>	\$ 8,150	\$ 8,150	\$ 0
<i>Fund Balance at End of Year</i>	\$ 8,150	\$ 8,150	\$ 0

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 109,214	\$ 109,214	\$ 0
Expenditures:			
Current:			
Instruction:			
Special	105,157	102,854	2,303
Support Services:			
Instructional Staff	1,641	1,371	270
Operation of Non-Instructional Services:			
Community Services	7,037	0	7,037
<i>Total Expenditures</i>	113,835	104,225	9,610
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,621)	4,989	9,610
Other Financing Sources (Uses):			
Advances Out	0	(6,209)	(6,209)
Transfers In	1,265	1,265	0
<i>Total Other Financing Sources (Uses)</i>	1,265	(4,944)	(6,209)
<i>Net Change in Fund Balance</i>	(3,356)	45	3,401
<i>Fund Balance at Beginning of Year</i>	2,601	2,601	0
Prior Year Encumbrances Appropriated	834	834	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 79	\$ 3,480	\$ 3,401

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Classroom Reduction Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 16,500	\$ 16,500	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	3,305	3,305	0
Support Services:			
Instructional Staff	11,166	11,166	0
<i>Total Expenditures</i>	14,471	14,471	0
<i>Excess of Revenues Over (Under) Expenditures</i>	2,029	2,029	0
Other Financing Sources (Uses):			
Advances Out	(7,199)	(7,199)	0
<i>Total Other Financing Sources (Uses)</i>	(7,199)	(7,199)	0
<i>Net Change in Fund Balance</i>	(5,170)	(5,170)	0
<i>Fund Balance at Beginning of Year</i>	5,170	5,170	0
<i>Fund Balance at End of Year</i>	\$ 0	\$ 0	\$ 0

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Tuition and Fees	\$ 207,006	\$ 207,006	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	201,567	193,085	8,482
<i>Net Change in Fund Balance</i>	5,439	13,921	8,482
<i>Fund Balance at Beginning of Year</i>	46,290	46,290	0
Prior Year Encumbrances Appropriated	4,105	4,105	0
<i>Fund Balance at End of Year</i>	<u>\$ 55,834</u>	<u>\$ 64,316</u>	<u>\$ 8,482</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
<i>Fund Balance at Beginning of Year</i>	\$ 12	\$ 12	\$ 0
<i>Fund Balance at End of Year</i>	\$ 12	\$ 12	\$ 0

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

	Final Budget	Actual	Variance
Revenues:			
Tuition and Fees	\$ 19,700	\$ 19,700	\$ 0
Extracurricular	35,105	35,105	0
Gifts and Donations	0	0	0
<i>Total Revenues</i>	<u>54,805</u>	<u>54,805</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	58,160	45,763	12,397
Support Services:			
Administration	4,750	6,007	(1,257)
Operation of Non-Instructional Services			
Enterprise Operations	1,200	860	340
<i>Total Expenditures</i>	<u>64,110</u>	<u>52,630</u>	<u>11,480</u>
<i>Net Change in Fund Balance</i>	(9,305)	2,175	11,480
<i>Fund Balance at Beginning of Year</i>	39,521	39,521	0
Prior Year Encumbrances Appropriated	7,675	7,675	0
<i>Fund Balance at End of Year</i>	<u>\$ 37,891</u>	<u>\$ 49,371</u>	<u>\$ 11,480</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 18,147	\$ 18,147	\$ 0
Gifts and Donations	14,161	14,161	0
Miscellaneous	12,659	12,659	0
<i>Total Revenues</i>	<u>44,967</u>	<u>44,967</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	37,698	37,285	413
Support Services:			
Administration	9,197	8,637	560
Pupil Transportation	284	274	10
<i>Total Expenditures</i>	<u>47,179</u>	<u>46,196</u>	<u>983</u>
<i>Net Change in Fund Balance</i>	(2,212)	(1,229)	983
<i>Fund Balance at Beginning of Year</i>	32,070	32,070	0
Prior Year Encumbrances Appropriated	1,583	1,583	0
<i>Fund Balance at End of Year</i>	<u>\$ 31,441</u>	<u>\$ 32,424</u>	<u>\$ 983</u>

West Geauga Local School District
Geauga County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Other Grants Fund
For the Fiscal Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 4,836	\$ 4,836	\$ 0
Gifts and Donations	15,200	15,200	0
<i>Total Revenues</i>	<u>20,036</u>	<u>20,036</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	8,529	8,529	0
Operation of Non-Instructional Services:			
Community Services	11,142	11,142	0
Extracurricular	1,176	1,176	0
<i>Total Expenditures</i>	<u>20,847</u>	<u>20,847</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(811)	(811)	0
<i>Fund Balance at Beginning of Year</i>	17,152	17,152	0
Prior Year Encumbrances Appropriated	610	610	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 16,951</u>	<u>\$ 16,951</u>	<u>\$ 0</u>

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

	Final Budget	Actual	Variance
<i>Fund Balance at Beginning of Year</i>	\$ 972	\$ 972	\$ 0
<i>Fund Balance at End of Year</i>	\$ 972	\$ 972	\$ 0

West Geauga Local School District
Gauga County, Ohio
Combining Statements – Agency Fund

Agency Fund

Agency funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following is the School District's agency fund:

Student Activities Fund - This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program.

West Geauga Local School District
Gauga County, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2016

	Beginning Balance 7/1/15	Additions	Deductions	Ending Balance 6/30/16
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 44,233	\$ 76,007	\$ 72,988	\$ 47,252
Liabilities				
Due to Students	\$ 44,233	\$ 76,007	\$ 72,988	\$ 47,252



STATISTICAL SECTION



Statistical Section

This part of the West Geauga Local School 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 School District's overall financial health.

Contents

Page(s)

Financial Trends

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

S-2 - S-13

Revenue Capacity

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

S-14 - S-19

Debt Capacity

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

S-20 - S-25

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.

S-26 - S-27

Operating Information

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

S-28 - S-34

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

NOTE:

With the implementation of GASB No. 54 for fiscal year 2011, there have been minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes). Prior year amounts have not been adjusted to reflect this change.

With the implementation of GASB No. 68 in fiscal year 2014, the calculation of pension expense has changed, however, government-wide expenses for 2014 and prior fiscal years were not restated to reflect this change.

West Geauga Local School District
Geauga County, Ohio
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2015	Restated 2014	2013
Governmental Activities:				
Net Investment in Capital Assets	\$ 14,934,509	\$ 14,875,516	\$ 14,635,407	\$ 14,864,667
Restricted	2,396,064	2,504,109	1,897,960	1,227,166
Unrestricted	(21,541,299)	(20,588,445)	(24,013,007)	7,250,386
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ (4,210,726)</u>	<u>\$ (3,208,820)</u>	<u>\$ (7,479,640)</u>	<u>\$ 23,342,219</u>
Business-Type Activities:				
Net Investment in Capital Assets	N/A	N/A	N/A	N/A
Unrestricted	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Primary Government:				
Net Investment in Capital Assets	\$ 14,934,509	\$ 14,875,516	\$ 14,635,407	\$ 14,864,667
Restricted	2,396,064	2,504,109	1,897,960	1,227,166
Unrestricted	(21,541,299)	(20,588,445)	(24,013,007)	7,250,386
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$ (4,210,726)</u>	<u>\$ (3,208,820)</u>	<u>\$ (7,479,640)</u>	<u>\$ 23,342,219</u>

	2012	2011	2010	2009	2008	2007
\$	13,251,326	\$ 11,425,167	\$ 8,359,303	\$ 5,900,292	\$ 3,745,774	\$ 2,092,443
	1,387,178	2,209,131	2,295,568	2,348,020	2,744,398	2,878,517
	5,632,628	4,004,346	2,605,747	2,743,598	1,928,583	1,418,626
\$	<u>20,271,132</u>	<u>\$ 17,638,644</u>	<u>\$ 13,260,618</u>	<u>\$ 10,991,910</u>	<u>\$ 8,418,755</u>	<u>\$ 6,389,586</u>
	N/A	N/A	\$ 1,200,169	\$ 1,204,409	\$ 1,228,371	\$ 1,252,455
	N/A	N/A	(26,444)	78,433	153,221	150,458
	<u>N/A</u>	<u>N/A</u>	<u>\$ 1,173,725</u>	<u>\$ 1,282,842</u>	<u>\$ 1,381,592</u>	<u>\$ 1,402,913</u>
\$	13,251,326	\$ 11,425,167	\$ 9,559,472	\$ 7,104,701	\$ 4,974,145	\$ 3,344,898
	1,387,178	2,209,131	2,295,568	2,348,020	2,744,398	2,878,517
	5,632,628	4,004,346	2,579,303	2,822,031	2,081,804	1,569,084
\$	<u>20,271,132</u>	<u>\$ 17,638,644</u>	<u>\$ 14,434,343</u>	<u>\$ 12,274,752</u>	<u>\$ 9,800,347</u>	<u>\$ 7,792,499</u>

West Geauga Local School District
Geauga County, Ohio
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2015	2014 (1)	2013
Expenses:				
Governmental Activities:				
Regular Instruction	\$ 10,439,965	\$ 10,582,136	\$ 10,814,046	\$ 10,677,700
Special Instruction	3,411,738	3,611,844	3,690,196	3,822,518
Vocational Instruction	349,064	488,752	571,774	347,411
Student Intervention Services	7,151	27,032	28,794	54,238
Other Instruction	915,955	676,889	768,083	495,618
Pupil Support	2,089,554	1,930,123	1,720,535	1,779,194
Instructional Staff Support	873,905	875,905	1,172,723	889,090
Board of Education	88,286	85,977	114,353	64,690
Administration	1,887,437	1,862,573	1,771,680	1,821,255
Fiscal	734,655	700,010	606,375	619,927
Business	232,084	293,760	287,875	302,471
Operation and Maintenance of Plant	3,470,994	3,451,697	2,638,136	2,370,163
Pupil Transportation	2,015,219	1,830,477	2,090,161	1,959,575
Central	10,025	13,706	22,989	23,062
Food Service Operations	433,010	435,836	439,938	398,563
Community Services	575,929	601,428	503,723	552,263
Enterprise Operations	0	0	0	0
Extracurricular Activities	779,979	788,442	853,304	806,416
Interest and Fiscal Charges	29,700	33,954	44,054	93,215
<i>Total Governmental Activities Expenses</i>	<u>28,344,650</u>	<u>28,290,541</u>	<u>28,138,739</u>	<u>27,077,369</u>
Business-Type Activities:				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities Expenses</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government Expenses</i>	<u>\$ 28,344,650</u>	<u>\$ 28,290,541</u>	<u>\$ 28,138,739</u>	<u>\$ 27,077,369</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Regular Instruction	\$ 1,052,644	\$ 1,334,447	\$ 1,668,936	\$ 1,476,021
Special Instruction	266,375	510,719	685,649	582,794
Other Instruction	0	0	0	0
Instructional Staff Support	0	0	0	0
Administration	10,702	7,352	3,963	0
Fiscal	11,549	10,483	6,558	8,282
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	15,081	28,504	22,278	35,847
Central	0	0	0	0
Food Service Operations	303,324	295,054	276,289	258,986
Community Services	24,715	20,099	22,431	0
Extracurricular Activities	255,588	221,937	252,345	246,676
Operating Grants and Contributions:				
Regular Instruction	20,564	65,322	60,872	85,792
Special Instruction	215,645	186,565	230,680	179,636
Vocational Instruction	6,979	7,213	6,750	0
Student Intervention Services	0	0	0	0
Other Instruction	0	0	0	0
Pupil Support	410,176	379,583	371,517	357,822
Instructional Staff Support	43,481	3,437	29,334	100,642

	2012	2011	2010	2009	2008	2007
\$	11,306,827	\$ 11,011,297	\$ 10,066,334	\$ 10,694,447	\$ 10,540,611	\$ 10,353,894
	3,873,958	3,493,129	3,538,688	3,077,259	2,528,956	2,679,904
	332,260	309,061	289,587	214,889	201,165	180,952
	64,113	42,900	24,156	15,000	0	0
	406,071	502,297	505,827	425,899	411,484	375,634
	1,923,647	1,974,773	2,008,819	2,264,365	2,143,840	1,919,449
	942,218	833,666	833,338	804,471	830,321	784,377
	127,610	56,094	70,832	68,921	60,464	48,817
	1,789,418	1,797,465	1,886,260	1,840,520	1,770,671	1,835,968
	850,572	686,250	674,803	585,951	636,471	779,457
	324,808	323,354	356,402	332,112	201,183	187,079
	2,415,953	2,245,054	2,270,317	2,544,297	2,715,582	2,426,892
	2,045,889	2,066,693	2,007,110	2,048,743	1,914,042	1,919,444
	16,349	80,608	82,197	83,631	85,407	91,810
	494,548	678,763	0	0	0	0
	457,134	461,489	455,226	524,520	479,862	516,393
	400	1,001	1,257	100	0	0
	922,831	928,726	960,079	897,337	838,562	779,025
	203,746	280,273	405,754	518,186	620,617	630,801
	<u>28,498,352</u>	<u>27,772,893</u>	<u>26,436,986</u>	<u>26,940,648</u>	<u>25,979,238</u>	<u>25,509,896</u>
	N/A	N/A	764,410	710,305	688,011	666,096
	<u>N/A</u>	<u>N/A</u>	<u>259,829</u>	<u>271,611</u>	<u>249,160</u>	<u>242,615</u>
	N/A	N/A	1,024,239	981,916	937,171	908,711
\$	<u>28,498,352</u>	<u>\$ 27,772,893</u>	<u>\$ 27,461,225</u>	<u>\$ 27,922,564</u>	<u>\$ 26,916,409</u>	<u>\$ 26,418,607</u>
\$	1,359,364	\$ 948,008	\$ 766,165	\$ 642,853	\$ 429,548	\$ 276,947
	553,016	509,556	212,462	156,787	0	0
	0	0	0	0	0	0
	0	2,126	0	0	0	0
	0	13,394	0	7,501	10,325	7,227
	6,886	0	0	0	0	0
	0	10,264	5,702	6,291	8,371	7,696
	24,667	7,028	8,282	12,084	8,090	12,654
	0	1,455	0	0	0	0
	285,356	297,398	0	0	0	0
	0	5,043	0	0	0	0
	280,290	336,726	366,967	338,371	313,654	274,319
	134,408	90,843	71,549	99,134	219,384	202,659
	156,359	435,538	569,738	147,990	151,317	58,104
	0	0	0	20,615	0	0
	3,567	19,997	16,256	0	0	0
	0	190,527	133,592	0	0	0
	421,447	546,963	305,580	421,047	486,236	413,498
	130,176	178,321	186,537	14,374	20,407	17,415

(continued)

West Geauga Local School District
Geauga County, Ohio
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2015	2014 (1)	2013
Administration	6,857	51,715	37,597	39,445
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	2,896
Pupil Transportation	76,020	79,353	83,636	0
Central	7,200	7,200	7,200	7,200
Food Service Operations	87,476	130,386	140,905	92,203
Community Services	564,919	531,305	531,508	483,959
Enterprise Operations	0	0	0	0
Extracurricular Activities	56,406	257,406	28,390	16,090
Capital Grants and Contributions:				
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Community Services	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>3,435,701</u>	<u>4,128,080</u>	<u>4,466,838</u>	<u>3,974,291</u>
Business-Type Activities:				
Charges for Services:				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
Operating Grants and Contributions:				
Food Service	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities Program Revenues</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government Program Revenues</i>	<u>3,435,701</u>	<u>4,128,080</u>	<u>4,466,838</u>	<u>3,974,291</u>
Net (Expense) Revenue:				
Governmental Activities	(24,908,949)	(24,162,461)	(23,671,901)	(23,103,078)
Business-Type Activities	N/A	N/A	N/A	N/A
<i>Total Primary Government Net Expense</i>	<u>\$ (24,908,949)</u>	<u>\$ (24,162,461)</u>	<u>\$ (23,671,901)</u>	<u>\$ (23,103,078)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 15,361,347	\$ 19,070,265	\$ 17,255,454	\$ 17,139,804
Debt Service	159,700	211,975	189,535	1,030,208
Capital Projects	1,818,731	2,239,576	1,987,488	1,334,558
Grants and Entitlements not Restricted to Specific Programs	6,442,812	6,801,287	6,698,639	6,579,325
Investment Earnings	58,972	26,468	44,117	63,355
Miscellaneous	65,481	83,710	79,135	26,915
Capital Contributions	0	0	0	0
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	<u>23,907,043</u>	<u>28,433,281</u>	<u>26,254,368</u>	<u>26,174,165</u>
Business-Type Activities:				
Miscellaneous	N/A	N/A	N/A	N/A
Transfers	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government</i>	<u>\$ 23,907,043</u>	<u>\$ 28,433,281</u>	<u>\$ 26,254,368</u>	<u>\$ 26,174,165</u>
Change in Net Position				
Governmental Activities	\$ (1,001,906)	\$ 4,270,820	\$ 2,582,467	\$ 3,071,087
Business-Type Activities	N/A	N/A	N/A	N/A
<i>Total Primary Government</i>	<u>\$ (1,001,906)</u>	<u>\$ 4,270,820</u>	<u>\$ 2,582,467</u>	<u>\$ 3,071,087</u>

(1) Certain foundation payments for special education and transportation were reclassified to program revenue from general revenue in fiscal year 2015. For comparability purposes, fiscal year 2014 was updated but no years prior to fiscal 2014 reflect this change.

2012	2011	2010	2009	2008	2007
0	47,808	21,954	62,613	60,333	65,699
112,675	0	0	0	0	0
5,940	0	0	0	0	0
0	0	0	6,188	80,122	0
32,667	0	0	0	0	0
7,200	9,100	9,145	12,000	12,000	12,000
124,941	133,017	0	0	0	0
472,026	409,968	416,932	470,048	463,219	446,464
0	0	0	800	0	0
21,724	59,601	36,760	39,136	22,699	11,467
0	19,270	1,450	0	0	0
0	0	0	23,466	13,050	26,427
0	0	5,120	0	0	0
<u>4,132,709</u>	<u>4,271,951</u>	<u>3,134,191</u>	<u>2,481,298</u>	<u>2,298,755</u>	<u>1,832,576</u>
N/A	N/A	379,598	384,312	389,662	410,561
N/A	N/A	229,868	249,259	231,307	235,142
N/A	N/A	90,590	79,026	65,566	65,453
N/A	N/A	700,056	712,597	686,535	711,156
<u>4,132,709</u>	<u>4,271,951</u>	<u>3,834,247</u>	<u>3,193,895</u>	<u>2,985,290</u>	<u>2,543,732</u>
(24,365,643)	(23,500,942)	(23,302,795)	(24,459,350)	(23,680,483)	(23,677,320)
N/A	N/A	(324,183)	(269,319)	(250,636)	(197,555)
<u>\$ (24,365,643)</u>	<u>\$ (23,500,942)</u>	<u>\$ (23,626,978)</u>	<u>\$ (24,728,669)</u>	<u>\$ (23,931,119)</u>	<u>\$ (23,874,875)</u>
\$ 17,773,567	\$ 12,081,806	\$ 11,452,809	\$ 16,814,672	\$ 15,513,341	\$ 17,873,911
2,126,810	2,195,812	2,413,096	2,807,697	2,750,325	2,978,363
303,437	5,561,466	4,980,626	285,059	300,056	303,448
6,663,911	6,742,781	6,790,611	7,049,554	6,853,798	6,597,341
81,413	89,044	118,459	237,115	508,802	443,321
48,893	34,434	23,654	8,977	12,645	102,527
0	0	7,314	0	0	0
0	0	(215,066)	(170,569)	(229,315)	(206,798)
<u>26,998,031</u>	<u>26,705,343</u>	<u>25,571,503</u>	<u>27,032,505</u>	<u>25,709,652</u>	<u>28,092,113</u>
N/A	N/A	0	0	0	0
N/A	N/A	215,066	170,569	229,315	206,798
N/A	N/A	215,066	170,569	229,315	206,798
<u>\$ 26,998,031</u>	<u>\$ 26,705,343</u>	<u>\$ 25,786,569</u>	<u>\$ 27,203,074</u>	<u>\$ 25,938,967</u>	<u>\$ 28,298,911</u>
\$ 2,632,388	\$ 3,204,401	\$ 2,268,708	\$ 2,573,155	\$ 2,029,169	\$ 4,414,793
N/A	N/A	(109,117)	(98,750)	(21,321)	9,243
<u>\$ 2,632,388</u>	<u>\$ 3,204,401</u>	<u>\$ 2,159,591</u>	<u>\$ 2,474,405</u>	<u>\$ 2,007,848</u>	<u>\$ 4,424,036</u>

West Geauga Local School District
Geauga County, Ohio
Program Revenues by Function/Program
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2015	2014 (1)	2013
Governmental Activities				
Instruction:				
Regular	\$ 1,073,208	\$ 1,399,769	\$ 1,729,808	\$ 1,561,813
Special	482,020	697,284	916,329	762,430
Vocational	6,979	7,213	6,750	0
Student Intervention Services	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupil	410,176	379,583	371,517	357,822
Instructional	43,481	3,437	29,334	100,642
Administration	17,559	59,067	41,560	39,445
Fiscal	11,549	10,483	6,558	8,282
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	2,896
Pupil Transportation	91,101	107,857	105,914	35,847
Central	7,200	7,200	7,200	7,200
Food Service Operations	390,800	425,440	417,194	351,189
Community Services	589,634	551,404	553,939	483,959
Enterprise Operations	0	0	0	0
Extracurricular Activities	311,994	479,343	280,735	262,766
<i>Total Governmental Activities</i>	<u>3,435,701</u>	<u>4,128,080</u>	<u>4,466,838</u>	<u>3,974,291</u>
Business-Type Activities				
Food Service	N/A	N/A	N/A	N/A
Uniform School Supplies	N/A	N/A	N/A	N/A
<i>Total Business-Type Activities</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<i>Total Primary Government</i>	<u>\$ 3,435,701</u>	<u>\$ 4,128,080</u>	<u>\$ 4,466,838</u>	<u>\$ 3,974,291</u>

(1) Certain foundation payments for special education and transportation were reclassified to program revenue from general revenue in fiscal year 2015. For comparability purposes, fiscal year 2014 was updated but no years prior to fiscal 2014 reflect this change.

	2012	2011	2010	2009	2008	2007
\$	1,493,772	\$ 1,038,851	\$ 837,714	\$ 741,987	\$ 648,932	\$ 479,606
	709,375	945,094	782,200	304,777	151,317	58,104
	0	0	0	20,615	0	0
	3,567	19,997	16,256	0	0	0
	0	190,527	133,592	0	0	0
	421,447	546,963	305,580	421,047	486,236	413,498
	130,176	180,447	186,537	14,374	20,407	17,415
	112,675	61,202	21,954	70,114	70,658	72,926
	6,886	0	0	0	0	0
	5,940	0	0	0	0	0
	0	29,534	7,152	12,479	88,493	7,696
	57,334	7,028	8,282	35,550	21,140	39,081
	7,200	10,555	9,145	12,000	12,000	12,000
	410,297	430,415	0	0	0	0
	472,026	415,011	422,052	470,048	463,219	446,464
	0	0	0	800	0	0
	302,014	396,327	403,727	377,507	336,353	285,786
	4,132,709	4,271,951	3,134,191	2,481,298	2,298,755	1,832,576
	N/A	N/A	470,188	633,571	455,228	476,014
	N/A	N/A	229,868	79,026	231,307	235,142
	N/A	N/A	700,056	712,597	686,535	711,156
\$	4,132,709	\$ 4,271,951	\$ 3,834,247	\$ 3,193,895	\$ 2,985,290	\$ 2,543,732

West Geauga Local School District
Geauga County, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved (Deficit)	N/A	N/A	N/A	N/A
Nonspendable	\$ 318,420	\$ 276,942	\$ 252,379	\$ 0
Restricted	0	0	0	0
Assigned	1,882,684	2,395,585	1,547,094	789,734
Unassigned	10,135,485	10,727,015	8,636,069	7,563,675
<i>Total General Fund</i>	<u>12,336,589</u>	<u>13,399,542</u>	<u>10,435,542</u>	<u>8,353,409</u>
All Other Governmental Funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, Reported in:				
Special Revenue Funds	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A
Nonspendable	12,349	10,338	10,581	0
Restricted	2,228,808	2,353,516	1,749,450	1,126,941
Committed	230,549	315,651	165,340	235,643
Unassigned (Deficit)	(10,085)	(46,285)	(38,127)	(21,258)
<i>Total All Other Governmental Funds</i>	<u>2,461,621</u>	<u>2,633,220</u>	<u>1,887,244</u>	<u>1,341,326</u>
<i>Total Governmental Funds</i>	<u>\$ 14,798,210</u>	<u>\$ 16,032,762</u>	<u>\$ 12,322,786</u>	<u>\$ 9,694,735</u>

For fiscal year 2011, the School District implemented GASB 54 which changes governmental fund classifications. The School District has elected not to restate fund balance amounts for fiscal years prior to implementation.

2012	2011	2010	2009	2008	2007
N/A	N/A	\$ 2,612,539	\$ 2,864,189	\$ 2,803,465	\$ 3,603,609
N/A	N/A	1,653,481	1,969,909	1,979,817	1,296,585
\$ 0	\$ 30,390	N/A	N/A	N/A	N/A
0	783,137	N/A	N/A	N/A	N/A
1,305,498	3,506,373	N/A	N/A	N/A	N/A
5,375,973	1,485,144	N/A	N/A	N/A	N/A
6,681,471	5,805,044	4,266,020	4,834,098	4,783,282	4,900,194
N/A	N/A	371,341	301,107	307,426	622,410
N/A	N/A	268,934	223,732	290,162	152,776
N/A	N/A	1,053,366	1,394,564	1,450,719	1,503,541
N/A	N/A	41,241	72,744	484,082	655,543
0	11,213	N/A	N/A	N/A	N/A
1,252,910	1,405,669	N/A	N/A	N/A	N/A
256,555	249,724	N/A	N/A	N/A	N/A
(45,114)	(124,848)	N/A	N/A	N/A	N/A
1,464,351	1,541,758	1,734,882	1,992,147	2,532,389	2,934,270
\$ 8,145,822	\$ 7,346,802	\$ 6,000,902	\$ 6,826,245	\$ 7,315,671	\$ 7,834,464

West Geauga Local School District
Geauga County, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (1)
(Modified Accrual Basis of Accounting)

	2016	2015	2014	2013
Revenues:				
Property and Other Local Taxes	\$ 17,359,041	\$ 21,644,202	\$ 19,403,464	\$ 19,505,485
Intergovernmental	7,831,022	8,196,674	8,092,147	7,882,291
Investment Earnings	59,407	26,810	44,455	63,891
Tuition and Fees	1,290,234	1,840,191	2,374,116	2,036,527
Extracurricular Activities	313,407	262,510	287,687	282,086
Rentals	11,549	10,483	6,558	8,282
Charges for Services	324,480	315,153	294,989	279,047
Contributions and Donations	89,323	290,292	92,145	128,049
Miscellaneous	65,791	83,968	79,478	27,785
<i>Total Revenues</i>	<u>27,344,254</u>	<u>32,670,283</u>	<u>30,675,039</u>	<u>30,213,443</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,261,537	10,306,025	10,016,991	10,236,637
Special	3,386,226	3,659,100	3,684,238	3,789,319
Vocational	349,064	488,752	571,774	347,411
Student Intervention Services	1,109	4,779	2,897	53,619
Other	922,243	690,965	768,083	495,618
Support Services:				
Pupils	2,088,777	1,950,776	1,746,208	1,771,516
Instructional Staff	821,909	824,429	1,148,504	851,840
Board of Education	77,745	75,842	103,810	54,147
Administration	1,922,567	1,926,162	1,753,638	1,783,789
Fiscal	725,280	698,778	626,813	617,164
Business	226,431	294,228	283,899	295,461
Operation and Maintenance of Plant	2,707,473	3,034,943	2,363,714	2,199,894
Pupil Transportation	1,857,523	1,739,532	1,910,844	1,820,031
Central	9,977	13,609	22,892	22,810
Extracurricular Activities	768,734	775,850	804,038	773,821
Operation of Non-Instructional Services:				
Food Service Operations	388,747	409,877	412,247	373,597
Community Services	552,419	575,888	421,392	531,028
Enterprise Operations	0	0	0	521,019
Capital Outlay	1,359,537	1,282,738	1,196,371	0
Debt Service:				
Principal Retirement	130,000	180,000	170,000	2,025,077
Interest and Fiscal Charges	29,700	37,450	44,925	110,592
<i>Total Expenditures</i>	<u>28,586,998</u>	<u>28,969,723</u>	<u>28,053,278</u>	<u>28,674,390</u>
<i>Excess (Deficiency) of Revenue Over (Under) Expenditures</i>	<u>(1,242,744)</u>	<u>3,700,560</u>	<u>2,621,761</u>	<u>1,539,053</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	8,192	9,416	6,290	9,860
Transfers In	64,769	13,663	0	45,000
Transfers Out	(64,769)	(13,663)	0	(45,000)
<i>Total Financing Sources and (Uses)</i>	<u>8,192</u>	<u>9,416</u>	<u>6,290</u>	<u>9,860</u>
<i>Net Change in Fund Balance</i>	<u>\$ (1,234,552)</u>	<u>\$ 3,709,976</u>	<u>\$ 2,628,051</u>	<u>\$ 1,548,913</u>
Debt Service as a Percentage of Noncapital Expenditures	0.57%	0.78%	78.00%	7.58%

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

	2012	2011	2010	2009	2008	2007
\$	20,220,677	\$ 19,825,970	\$ 18,889,263	\$ 19,593,926	\$ 18,622,281	\$ 21,079,961
	7,992,179	8,778,508	8,471,553	8,273,526	8,163,764	7,853,819
	82,212	89,996	119,598	240,153	513,410	451,737
	1,873,355	1,411,363	750,821	639,967	296,717	143,728
	330,765	407,287	512,437	482,883	433,306	395,267
	6,886	10,264	5,702	6,291	8,533	7,536
	301,358	319,525	13,746	16,310	17,438	16,393
	170,424	102,492	77,474	121,684	181,553	61,962
	49,219	47,004	43,924	28,217	26,352	43,735
	31,027,075	30,992,409	28,884,518	29,402,957	28,263,354	30,054,138
	10,855,577	10,512,559	9,542,008	10,237,068	10,112,374	9,926,219
	3,840,509	3,466,303	3,507,252	3,054,767	2,488,878	2,662,670
	332,260	309,061	289,587	214,889	201,165	180,952
	62,115	42,900	24,156	15,000	0	0
	406,750	501,618	505,827	425,899	411,484	375,634
	1,909,158	1,993,589	2,004,415	2,260,011	2,111,677	1,900,344
	1,064,845	810,116	806,586	786,011	795,902	748,915
	117,067	45,551	60,289	58,378	49,921	38,274
	1,771,424	1,797,065	1,854,627	1,843,252	1,776,370	1,910,087
	846,987	694,901	661,796	582,198	630,507	774,986
	324,547	317,122	348,028	327,419	199,100	189,169
	2,408,034	2,160,890	2,168,602	2,416,580	2,641,474	2,477,775
	1,986,343	1,947,501	1,862,795	1,894,539	1,754,442	1,794,955
	16,097	84,487	77,592	77,600	76,574	80,327
	888,648	894,287	926,430	865,225	805,064	751,647
	470,048	656,787	0	0	0	0
	439,968	442,267	414,139	478,797	405,634	441,561
	400	1,001	1,257	100	0	0
	59,681	552,606	1,329,590	1,097,567	958,172	1,813,796
	2,219,776	2,124,948	2,688,069	2,554,119	2,500,580	2,432,431
	220,416	294,843	421,750	532,395	633,514	730,266
	30,240,650	29,650,402	29,494,795	29,721,814	28,552,832	29,230,008
	786,425	1,342,007	(610,277)	(318,857)	(289,478)	824,130
	12,595	0	0	0	0	0
	154,000	225,056	2,387	0	207,459	215,783
	(154,000)	(225,056)	(217,453)	(170,569)	(436,774)	(422,581)
	12,595	0	(215,066)	(170,569)	(229,315)	(206,798)
\$	799,020	\$ 1,342,007	\$ (825,343)	\$ (489,426)	\$ (518,793)	\$ 617,332
	8.22%	8.32%	11.04%	10.78%	11.36%	11.54%

West Geauga Local School District
Geauga County, Ohio
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection Years

<u>Collection Year</u>	<u>Real Property (1)</u>		<u>Public Utility (2)</u>		<u>Tangible Personal Property (3)</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
2016	\$ 612,204,090	\$ 1,749,154,543	\$ 24,745,110	\$ 28,119,443	\$ 0	\$ 0
2015	610,517,480	1,744,335,657	23,555,380	26,767,477	0	0
2014	609,217,530	1,740,621,514	22,167,580	25,190,432	0	0
2013	607,686,610	1,736,247,457	20,295,250	23,062,784	0	0
2012	608,760,220	1,739,314,914	18,522,470	21,048,261	0	0
2011	646,667,530	1,847,621,514	18,047,880	20,508,955	0	0
2010	647,578,970	1,850,225,629	17,645,940	20,052,205	0	0
2009	648,413,770	1,852,610,771	16,380,570	18,614,284	0	0
2008	645,288,850	1,843,682,429	15,485,390	17,597,034	2,321,190	3,713,904
2007	640,836,780	1,830,962,229	17,516,110	19,904,670	2,478,680	20,234,122

- (1) Real property is reappraised every six years with a State mandated update of the current market value in the third year following each appraisal.
- (2) The assessed value of real property (including public utility real property) is 35% 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% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment. General business inventory tangible personal property tax was phased out beginning 2006. The listing percentage is 12.5% for 2007, 6.25% for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was in 2010).
- (3) The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, the 2 1/2% and the homestead exemptions before being billed.

Source: Geauga County Auditor. Data is presented on calendar year basis because that is the manner in which the information is maintained by the County Auditor.

Total				
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	<u>Direct Rate</u>
\$	636,949,200	\$ 1,777,273,986	35.84%	\$ 55.55
	634,072,860	1,771,103,134	35.80%	55.60
	631,385,110	1,765,811,946	35.76%	55.70
	627,981,860	1,759,310,241	35.69%	55.70
	627,282,690	1,760,363,175	35.63%	55.84
	664,715,410	1,868,130,469	35.58%	55.84
	665,224,910	1,870,277,834	35.57%	54.68
	664,794,340	1,871,225,055	35.53%	55.50
	663,095,430	1,864,993,367	35.55%	55.50
	660,831,570	1,871,101,021	35.32%	55.70

West Geauga Local School District
Geauga County, Ohio
Property Tax Rates - All Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Collection Years

Year	Direct Rates				Overlapping Rates				Total Levy
	Operating Millage	Permanent Improvement Millage	Debt Service Millage	Total School District	Recreation District	Russell Township	Library	Geauga County Levy	
2016	\$ 51.80	\$ 3.75	\$ 0	\$ 55.55	\$ 0.20	\$ 22.85	\$ 2.00	\$ 15.10	\$ 95.70
2015	51.85	3.75	0	55.60	0.20	22.85	2.00	15.10	95.75
2014	51.95	3.75	0	55.70	0.20	22.85	2.00	15.10	95.85
2013	51.95	3.75	0	55.70	0.20	22.85	2.00	15.10	95.85
2012	51.95	1.00	2.89	55.84	0.20	22.85	2.00	15.10	95.99
2011	51.41	1.00	3.41	55.82	0.20	22.85	2.00	15.10	95.97
2010	51.39	1.00	2.29	54.68	0.20	22.85	1.00	15.10	93.83
2009	51.50	1.00	3.00	55.50	0.20	22.85	1.00	15.10	94.65
2008	51.50	1.00	3.00	55.50	0.20	22.10	1.00	15.10	93.90
2007	51.60	1.00	3.10	55.70	0.20	22.10	1.00	15.10	94.10

Source: Geauga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

West Geauga Local School District
Geauga County, Ohio
Property Tax Levies and Collections, Real, Public Utility Tax and Tangible Personal Property (1)
Last Ten Collection Years

Year (2)	Total Tax Levy	Delinquent Levy (3)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection (4)	Percent of Total Tax Collections to Tax Levy
2015	\$ 22,534,594	\$ 1,161,215	\$ 23,695,809	\$ 22,092,499	98.04%	\$ 627,704	\$ 22,720,203	100.82%
2014	22,478,771	983,089	23,461,860	22,002,833	97.88%	465,611	22,468,444	99.95%
2013	22,280,839	1,017,840	23,298,679	21,817,368	97.92%	515,316	22,332,684	100.23%
2012	22,275,922	1,161,093	23,437,015	21,705,731	97.44%	639,365	22,345,096	100.31%
2011	22,833,880	920,694	23,754,574	22,273,893	97.55%	509,552	22,783,445	99.78%
2010	22,038,272	1,930,908	23,969,180	21,400,605	97.11%	621,893	22,022,498	99.93%
2009	22,545,996	533,122	23,079,118	21,922,546	97.23%	541,041	22,463,587	99.63%
2008	22,648,059	590,588	23,238,647	21,724,249	95.92%	522,292	22,246,541	98.23%
2007	22,928,324	794,327	23,722,651	22,153,206	96.62%	201,715	22,354,921	97.50%
2006	22,969,920	684,742	23,654,662	21,989,239	95.73%	487,531	22,476,770	97.85%

Source: Geauga County Auditor.

Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditors.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2016 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.
- (4) This amount includes penalties and interest. The amounts are not easily accessible to report at this time.

Note: Geauga County collects property taxes on a calendar year basis, therefore, the above data has been presented on a calendar year basis. The county does not identify delinquent collections by the year for which the tax was levied. Thus the "total collection" represents the total collections for the year instead of total collections of a particular tax year. As a result, "Percent of total tax collections to total levy" can exceed 100% in any particular year.

The County and School District requires additional time to identify and implement an efficient system to report these amounts. This system will consider the value and need of providing these amounts to the users of the Financial Statements, materiality and compliance in accordance with the GASB.

West Geauga Local School District
Geauga County, Ohio
Principal Taxpayers
Real Estate Tax
December 31, 2015 and December 31, 2006

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
December 31, 2015		
Petronzio Management	\$ 1,617,790	0.26%
Lucia S. Nash	1,461,130	0.24%
West Geauga Plaza	1,320,620	0.22%
Enger Family LLC, IV	1,039,660	0.17%
Angelo and Anna Cianci	935,880	0.15%
David Miller	865,690	0.14%
Armand and Maria DiNardo, Trustees	833,680	0.14%
Robert Vadas and Bonnie Young	784,180	0.13%
Allen Denzina	713,310	0.12%
Michael and Rosa Albino	709,540	0.12%
Totals	<u>\$ 10,281,480</u>	<u>1.69%</u>
Total Assessed Valuation	<u>\$ 612,204,090</u>	
December 31, 2006		
Petronzio Management	\$ 1,663,080	0.26%
Consolidated Investment	1,621,010	0.25%
Lucia S. Nash	1,407,290	0.22%
West Geauga Plaza LLC	1,396,500	0.22%
Angelo and Anna Cianci	1,259,940	0.20%
TGUJ Ltd.	1,154,290	0.18%
Robert J. Vadas	969,720	0.15%
Pitorak & Coenen	966,560	0.15%
David Paul Miller	962,220	0.15%
Gary Waxman	940,910	0.15%
Totals	<u>\$ 12,341,520</u>	<u>1.93%</u>
Total Assessed Valuation	<u>\$ 640,836,780</u>	

Source: Geauga County Auditor.

(1) Assessed values are for the 2016 collection year for 2015 and the 2007 collection year for 2006.

West Geauga Local School District
Geauga County, Ohio
Principal Taxpayers
Public Utility Property Tax
December 31, 2015 and December 31, 2006

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
December 31, 2015		
Cleveland Electric Illuminating Company	\$ 16,956,140	72.00%
American Transmission Systems, Inc.	4,440,210	18.85%
Dominion East Ohio Gas Company	2,136,940	9.07%
Orwell Natural Gas Co, Inc.	19,320	0.08%
Totals	<u>\$ 23,552,610</u>	<u>100.00%</u>
Total Assessed Valuation	<u>\$ 24,745,110</u>	
December 31, 2006		
Cleveland Electric Illuminating Company	\$ 10,666,674	63.43%
American Transmission Systems, Inc.	3,382,610	20.11%
Ohio Bell Telephone	1,218,882	7.25%
East Ohio Gas Company	810,670	4.82%
Western Reserve Telephone Company	737,972	4.39%
Totals	<u>\$ 16,816,808</u>	<u>100.00%</u>
Total Assessed Valuation	<u>\$ 16,065,980</u>	

Source: Geauga County Auditor.

(1) Assessed values are for the 2016 collection year for 2015 and the 2007 collection year for 2006.

West Geauga Local School District
Geauga County, Ohio
Computation of Legal Debt Margin
June 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed Valuation (2)	<u>\$ 612,204,090</u>	<u>\$ 610,517,480</u>	<u>\$ 609,217,530</u>	<u>\$ 607,686,610</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 55,098,368	\$ 54,946,573	\$ 54,829,578	\$ 54,691,795
Outstanding debt:				
General Obligation Bonds	590,000	720,000	900,000	1,070,000
Less Amount Available in Debt Service Fund	<u>(21,515)</u>	<u>(21,515)</u>	<u>(26,990)</u>	<u>(52,380)</u>
Amount of Debt Subject to Debt Limit:	<u>568,485</u>	<u>698,485</u>	<u>873,010</u>	<u>1,017,620</u>
Overall Debt Margin	<u>\$ 54,529,883</u>	<u>\$ 54,248,088</u>	<u>\$ 53,956,568</u>	<u>\$ 53,674,175</u>
Bonded Debt Limit - .1% of Assessed Value (1)	\$ 612,204	\$ 610,517	\$ 609,218	\$ 607,687
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$ 612,204</u>	<u>\$ 610,517</u>	<u>\$ 609,218</u>	<u>\$ 607,687</u>
Additional Limit for Unvoted Energy Conservation Conservation Bonds:				
Debt Limit - .9% of Assessed Valuation	<u>\$ 5,509,837</u>	<u>\$ 5,494,657</u>	<u>\$ 5,482,958</u>	<u>\$ 5,469,179</u>

Sources: Geauga County Auditor and School District Financial Records.

(1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

(2) Beginning in fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

2012	2011	2010	2009	2008	2007
<u>\$ 608,760,220</u>	<u>\$ 646,667,530</u>	<u>\$ 647,578,970</u>	<u>\$ 648,413,770</u>	<u>\$ 645,288,850</u>	<u>\$ 640,836,780</u>
\$ 54,788,420	\$ 58,200,078	\$ 58,282,107	\$ 58,357,239	\$ 58,075,997	\$ 57,675,310
2,870,000 (1,017,110)	4,875,000 (1,159,526)	6,795,000 (1,181,443)	8,700,000 (1,659,364)	10,480,000 (1,706,882)	12,215,000 (1,901,724)
<u>1,852,890</u>	<u>3,715,474</u>	<u>5,613,557</u>	<u>7,040,636</u>	<u>8,773,118</u>	<u>10,313,276</u>
<u>\$ 52,935,530</u>	<u>\$ 54,484,604</u>	<u>\$ 52,668,550</u>	<u>\$ 51,316,603</u>	<u>\$ 49,302,879</u>	<u>\$ 47,362,034</u>
\$ 608,760 0	\$ 646,668 0	\$ 647,579 0	\$ 648,414 0	\$ 645,289 0	\$ 640,837 0
<u>\$ 608,760</u>	<u>\$ 646,668</u>	<u>\$ 647,579</u>	<u>\$ 648,414</u>	<u>\$ 645,289</u>	<u>\$ 640,837</u>
<u>\$ 5,478,842</u>	<u>\$ 5,820,008</u>	<u>\$ 5,828,211</u>	<u>\$ 5,835,724</u>	<u>\$ 5,807,600</u>	<u>\$ 5,767,531</u>

West Geauga Local School District
Geauga County, Ohio
Computation of Direct & Overlapping General Obligation Bonded Debt
as of June 30, 2016

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Application to School District
Direct:			
West Geauga Local School District	\$ 590,000	100.00%	\$ 590,000
Overlapping:			
Geauga County	7,959,742	20.75%	1,651,646
Hunting Valley Village	5,250,000	11.28%	592,200
Russell Township	1,130,000	95.74%	1,081,862
Geauga-Trumbull Jt. Solid Waste	550,000	10.12%	55,660
Total Overlapping	14,889,742		3,381,368
Total	\$ 15,479,742		\$ 3,971,368

Source: Ohio Municipal Advisory Council.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2014 collection year.

West Geauga Local School District
Geauga County, Ohio
*Ratio of Net General Obligation Bonded Debt
to Assessed Value and Bonded Debt per Capita
Last Ten Fiscal Years*

Fiscal Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Bonded Debt to Assessed Value	Net Debt Bonded Debt Per Capita
2016	\$ 590,000	\$ 612,204,090	15,911	0.10%	\$ 37.08
2015	720,000	610,517,480	15,911	0.12%	45.25
2014	900,000	609,217,530	15,911	0.15%	56.56
2013	1,070,000	607,686,610	15,970	0.18%	67.00
2012	1,852,890	608,760,220	15,944	0.30%	116.21
2011	3,715,474	646,667,530	16,841	0.57%	220.62
2010	5,613,557	647,578,970	16,841	0.87%	333.33
2009	7,040,636	648,413,770	16,841	1.09%	418.07
2008	8,773,118	645,288,850	16,841	1.36%	520.94
2007	10,313,276	640,836,780	16,841	1.61%	612.39

Source:

- (1) School District Records. Also, See page S-20 - S-21 for the amount of resources restricted by an outside party for the repayment of debt.
- (2) Beginning in fiscal year 2006, HB530 changed the assessed valuation utilized to exclude tangible personal property as well as railroad and telephone tangible property.
- (3) U.S. Census of Population.

West Geauga Local School District
Geauga County, Ohio
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Tax Anticipation Notes	Lease Purchase Agreements	Total Primary Government	West Geauga LSD Area Personal Income (1)
2016	\$ 590,000	\$ 0	\$ 0	\$ 590,000	\$ 881,533,044
2015	720,000	0	0	720,000	880,944,337
2014	900,000	0	0	900,000	858,716,670
2013	1,070,000	0	0	1,070,000	813,160,460
2012	2,870,000	0	225,077	3,095,077	762,601,520
2011	4,875,000	0	439,853	5,314,853	N/A
2010	6,795,000	0	644,801	7,439,801	N/A
2009	8,700,000	587,500	840,370	10,127,870	657,001,092
2008	10,480,000	1,175,000	1,026,989	12,681,989	781,455,959
2007	12,215,000	1,762,500	1,205,069	15,182,569	877,303,040

Source: School District Records

(1) Personal income calculated on S-27

N/A - Information not available.

Percentage of Personal Income		Net Debt Per Capita
0.07%	\$	37
0.08%		45
0.10%		56
0.13%		67
0.41%		194
N/A		316
N/A		442
1.54%		601
1.62%		753
1.73%		902

West Geauga Local School District
Geauga County, Ohio
Principal Employers
2015 and 2006

		2015(1)		
Employer	Nature of Business	Established Date	Number of Employees	Percentage of Total Employment
Kraftmaid Cabinetry Inc./Masco Corp.	Manufacturer	1969	1,184	2.40%
University Hospital Health Systems	Hospital/Health Care	1930	954	1.93%
Geauga County	Government	1806	875	1.77%
WalMart	(a) Retailer	1962*	715	1.45%
Kenston Local School District	School District	---	674	1.36%
Chardon Local School District	School District	1985	644	1.30%
Great Lakes Cheese	Cheese Packager	1958	632	1.28%
Giant Eagle	(b) Retailer	1931*	457	0.93%
Dillen Products	Manufacturer	---	411	0.83%
West Geauga Local School District	School District	---	319	0.65%
Total			<u>6,865</u>	<u>13.90%</u>
Total County Civilian Workforce			<u>49,400</u>	
		2006		
Employer	Nature of Business	Established Date	Number of Employees	Percentage of Total Employment
Kraftmaid, Inc.	Manufacturer	1969	2,879	5.69%
Geauga Lake and Wildwater Kingdom	Amusement Park	(2) 1890	1,728	3.42%
Geauga County	Government	1806	1,086	2.15%
University Hospital Health System	Hospital/Health Care	1936	745	1.47%
Great Lakes Cheese	Cheese Packager	1958	542	1.07%
Kenston Local School District	School District	---	535	1.06%
Chardon Local School District	School District	---	427	0.84%
Dillen Products	Manufacturer	1985	408	0.81%
Johnson Rubber	Manufacturer	---	341	0.67%
Walmart - Middlefield	Retailer	2005	321	0.63%
Total			<u>9,012</u>	<u>17.81%</u>
Total County Civilian Workforce			<u>50,600</u>	

(a) Includes Bainbridge, Chardon and Middlefield locations.

(b) Includes Bainbridge, Chardon, Chesterland and Middlefield locations.

(1) 2016 information is not yet available.

(2) Includes seasonal employees. Cedar fair purchased Six Flags in 2004 and turned it into a waterpark.

* Indicates date national entity began.

Principal employers listed are the largest employers within the County. The top employers within the School District are not available.

West Geauga Local School District
Geauga County, Ohio
Demographic and Economic Statistics
Last Ten Years

Fiscal Year	Geauga County Population (1)	Geauga County Personal Income Per Capita (2)	West Geauga LSD Area Population	West Geauga LSD Area Personal Income (3)	West Geauga LSD Enrollment (4)	Unemployment Rate (5)
2016	93,389	\$ 55,404	15,911	\$ 881,533,044	2,002	4.0%
2015	94,295	55,367	15,911	880,944,337	2,016	5.1%
2014	93,972	53,970	15,911	858,716,670	2,199	5.0%
2013	93,680	50,918	15,970	813,160,460	2,238	6.0%
2012	93,228	47,830	15,944	762,601,520	2,262	5.7%
2011	95,676	N/A	11,617	N/A	2,278	6.6%
2010	95,676	N/A	11,514	N/A	2,245	7.3%
2009	95,676	39,012	16,841	657,001,092	2,186	7.9%
2008	95,676	46,402	16,841	781,456,082	2,249	6.3%
2007	95,676	52,093	16,841	877,298,213	2,427	4.3%

Source:

- (1) Estimated Figure from Ohio Department of Development
- (2) U.S. Census Bureau.
 Fiscal Year 2007-2011 is presented for Chesterland.
 Fiscal Year 2012-2016 is presented for Geauga County.
- (3) Estimated using West Geauga LSD population multiplied by Geauga County per capita income.
 Information for fiscal years 2010 and 2011 not available.
- (4) School District Records.
- (5) Ohio Department of Job and Family Services for Geauga County.

West Geauga Local School District
Geauga County, Ohio
Building Capacity
Fiscal Years 2016 and 2007

Fiscal Year 2016			
School Buildings:	<u>Number of Students</u>	<u>Building Capacity</u>	<u>Percent of Capacity</u>
Lindsey Elementary School	336	534	62.9%
Westwood Elementary School	410	575	71.3%
West Geauga Middle School	474	727	65.2%
West Geauga High School	<u>645</u>	<u>1,003</u>	64.3%
	<u><u>1,865</u></u>	<u><u>2,839</u></u>	

Fiscal Year 2007			
School Buildings:	<u>Number of Students</u>	<u>Building Capacity</u>	<u>Percent of Capacity</u>
Lindsey Elementary School	476	534	89.1%
Westwood Elementary School	431	575	75.0%
West Geauga Middle School	656	727	90.2%
West Geauga High School	<u>925</u>	<u>1,003</u>	92.2%
	<u><u>2,488</u></u>	<u><u>2,839</u></u>	

Source: School District Records

West Geauga Local School District
Geauga County, Ohio
Per Pupil Cost
Last Ten Fiscal Years

Year	Government Wide Expenditures	Average Daily Student Enrollment (1)	Per Pupil Cost	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Students Receiving Reduced or No Cost Lunches	% Students Receiving Reduced or No Cost Lunches
2016	\$ 28,344,650	2,002	\$ 14,158	0.89%	127	15.76	227	11.34%
2015	28,290,541	2,016	14,033	9.67%	129	15.63	281	13.94%
2014	28,138,739	2,199	12,796	5.76%	129	17.05	297	13.51%
2013	27,077,369	2,238	12,099	-3.97%	129	17.35	297	13.27%
2012	28,498,352	2,262	12,599	3.34%	131	17.27	321	14.19%
2011	27,772,893	2,278	12,192	-0.33%	132	17.26	266	11.68%
2010	27,461,225	2,245	12,232	-4.24%	137	16.39	213	9.49%
2009	27,922,564	2,186	12,773	6.73%	140	15.61	137	6.27%
2008	26,916,409	2,249	11,968	9.95%	146	15.40	110	4.89%
2007	26,418,607	2,427	10,885	21.69%	144	16.85	135	5.56%

Source: School District Financial Records, Ohio Department of Education

(1) 2007 - 2014 Information is based on EMIS information provided by the Ohio Department of Education.
2015 - 2016 Information is based on the October headcount.

West Geauga Local School District
Geauga County, Ohio
School District Employees by Function/Program
Last Ten Fiscal Years

Function	2016	2015	2014	2013	2012
Regular Instruction					
Teachers	110.00	108.00	108.00	118.00	120.50
Special Instruction					
Teachers	17.00	20.00	20.00	16.00	17.00
Tutors	0.00	1.00	1.00	1.00	1.00
Pupil Support Services					
Guidance counselors	5.00	5.00	5.00	5.00	5.00
Nurses	3.00	3.00	1.00	1.00	1.50
Psychologists	2.00	2.00	2.00	2.00	2.00
Speech/language pathologists	3.00	3.00	3.00	3.00	3.00
Non-teaching support staff	23.50	23.50	26.00	30.00	28.00
Admin - central	1.00	1.00	1.00	1.00	1.00
Instructional Support Service					
Librarians	1.00	1.00	1.00	1.00	1.00
Non-teaching support staff	2.00	2.00	2.00	2.00	2.00
Admin - central	1.00	1.00	1.00	1.00	1.00
Administration					
Admin - elementary	2.00	2.00	2.00	2.00	2.00
Admin - middle school	2.00	2.00	2.00	2.00	2.00
Admin - high school	3.00	2.00	2.00	2.00	2.00
Staff - central/schools	3.00	11.00	2.00	1.00	1.00
Admin - central	3.00	3.00	4.00	5.00	5.50
Fiscal					
Staff - central	2.50	2.00	2.00	3.00	3.00
Admin - central	1.00	1.00	1.00	1.00	1.00
Business - central staff	1.00	1.00	2.00	2.00	2.00
Operation of plant					
Custodial department	15.00	17.00	15.50	15.00	16.00
Maintenance department	3.00	3.00	3.00	3.00	3.00
Admin - central	1.00	1.00	3.00	0.00	0.00
Support services - transportation					
Bus drivers/van drivers	24.00	25.00	25.00	27.00	31.00
Bus aides	1.00	1.50	1.50	2.00	2.00
Mechanics	2.00	2.00	2.00	2.00	2.00
Admin	1.00	1.00	1.00	1.00	1.00
Food Service Program					
Support services	8.50	8.50	8.50	9.00	11.00
Admin	1.00	1.00	1.00	1.00	1.00
Extracurricular-athletic department	1.00	1.00	1.00	1.00	1.00
Totals	243.50	255.50	249.50	260.00	269.50

Source: School District Records.

Method: Using 1.0 for each full-time employee and .50 for each part-time and seasonal employee.

2011	2010	2009	2008	2007
124.50	127.00	127.00	127.00	127.00
16.00	16.00	16.00	17.00	17.00
1.00	1.00	1.00	1.00	1.00
6.00	6.00	6.00	6.00	6.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00
26.00	26.00	27.00	29.00	30.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
2.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
6.50	7.00	7.00	6.00	6.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
16.00	17.00	17.00	17.00	16.00
3.00	3.00	3.00	3.00	3.00
0.00	1.00	1.00	1.00	1.00
34.00	34.00	35.00	35.00	34.00
3.00	2.00	2.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	2.00	2.00
16.00	17.00	16.00	16.00	16.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
283.00	289.00	290.00	292.00	291.00

West Geauga Local School District
Geauga County, Ohio
Teacher Salaries
Last Ten Fiscal Years

Year	West Geauga LSD Average Salary	Statewide Average Salary
2016	\$ 66,842	\$ 57,154
2015	64,181	55,242
2014	61,824	55,916
2013	64,126	57,966
2012	64,779	58,120
2011	63,109	56,715
2010	60,465	55,958
2009	59,468	54,656
2008	57,829	53,410
2007	57,531	53,536

Source: Ohio Department of Education Local Report Card

N/A - Information not currently available

West Geauga Local School District
Geauga County, Ohio
Enrollment Statistics
Last Ten Fiscal Years

Year	Elementary School	Middle School	High School	Total
2016	746	474	782	2,002
2015	751	488	777	2,016
2014	824	540	835	2,199
2013	841	538	859	2,238
2012	852	531	879	2,262
2011	849	540	889	2,278
2010	833	547	865	2,245
2009	761	579	846	2,186
2008	806	588	855	2,249
2007	841	619	891	2,351

Source: School District Records

West Geauga Local School District
Geauga County, Ohio
Attendance and Graduation Rates
Last Ten School Years

Fiscal Year	West Geauga LSD Attendance Rate	State Average	West Geauga LSD Graduation Rate	State Average
2016	95.1%	94.1%	N/A	N/A
2015	95.0	94.1	94.9%	83.0%
2014	96.1	94.3	93.8	82.2
2013	95.6	94.2	93.3	82.2
2012	95.8	94.5	96.0	81.3
2011	95.4	94.5	94.8	79.7
2010	95.2	94.3	99.6	84.3
2009	>95	94.3	97.7	83.0
2008	95.4	94.2	98.6	84.6
2007	95.3	94.1	97.7	86.9

Source: Ohio Department of Education Local Report Cards

N/A - Information not currently available

West Geauga Local School District

**Single Audit
For the Year Ended June 30, 2016**

West Geauga Local School District

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For the Year Ended June 30, 2016

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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Education
West Geauga Local School District
Chesterland, Ohio

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 West Geauga 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 21, 2016, wherein we noted that the District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. These changes were incorporated in the District's 2016 financial statements; however, there was no effect on beginning net position.

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 District'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.

Board of Education
West Geauga Local School District

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ciuni + Panichi, Inc.

Cleveland, Ohio
December 21, 2016

**Independent Auditor’s Report on Compliance for Each Major Program;
Report on Internal Control over Compliance Required by the Uniform Guidance;
and Report on the Schedule of Expenditures of Federal Awards Required by the
Uniform Guidance**

Board of Education
West Geauga Local School District
Chesterland, Ohio

Report on Compliance for Each Major Federal Program

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

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the 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.

Board of Education
West Geauga Local School District

Report on the 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 21, 2016, which contained unmodified opinions on those financial statements, wherein we noted that the District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. These changes were incorporated in the District's 2016 financial statements; however, there was no effect on beginning net position. 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.

Cimini + Panichi, Inc.

Cleveland, Ohio
December 21, 2016

West Geauga Local School District

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Year	Receipts	Disbursements
U.S. Department of Agriculture:				
Passed-Through Ohio Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	2016	\$ <u>87,425</u>	\$ <u>115,356</u>
Total Child Nutrition Cluster			<u>87,425</u>	<u>115,356</u>
Total U.S. Department of Agriculture			<u>87,425</u>	<u>115,356</u>
U.S. Department of Education:				
Passed-Through Ohio Department of Education:				
Title I, Part A Cluster:				
Title I, Grants to Local Educational Agencies	84.010	2015/2016	<u>110,479</u>	<u>110,433</u>
Total Title I, Part A Cluster			<u>110,479</u>	<u>110,433</u>
Special Education Cluster:				
Special Education Grants to States	84.027	2015/2016	<u>500,515</u>	<u>505,182</u>
Total Special Education Cluster			<u>500,515</u>	<u>505,182</u>
Improving Teacher Quality State Grants	84.367	2015/2016	16,500	19,765
ARRA - Race to the Top	84.395	2015/2016	<u>12,202</u>	<u>20,586</u>
Total U.S. Department of Education			<u>639,696</u>	<u>655,966</u>
Total Expenditures of Federal Awards			\$ <u><u>727,121</u></u>	\$ <u><u>771,322</u></u>

The accompanying notes are an integral part of this schedule

West Geauga Local School District

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Note 1: Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Child Nutrition Cluster

Cash receipts from the U.S. Department of Agriculture are commingled with state grants. It is assumed that federal monies are expended first.

Note 2: Indirect Cost Rate

No indirect costs were charged to federal grants; therefore, no indirect cost rate was established.

West Geauga Local School District

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2016

1. Summary of Auditor's Results

(d)(I)(i)	Type of Financial Statement Opinion	Unmodified
(d)(I)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(I)(vi)	Are there any reportable findings under Section .510(a)?	No
(d)(I)(vii)	Major Programs	Special Education Cluster: CFDA # 84.027 National School Lunch Program: CFDA # 10.555
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS

None noted

3. Findings for Federal Awards

None noted



Dave Yost • Auditor of State

WEST GEAUGA LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 2, 2017**