

West Geauga Local School District Gauga County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

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

OHIO AUDITOR OF STATE **KEITH FABER**



January 24, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

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

Keith Faber
Auditor of State
Columbus, Ohio

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OHIO AUDITOR OF STATE KEITH FABER



Board of Education
West Geauga Local School District
8615 Cedar Rd
Chesterland, OH 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, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Ohio Auditor of State

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

January 14, 2019

INTRODUCTORY SECTION



West Geauga Local School District
Geauga County, Ohio
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WEST GEAUGA LOCAL SCHOOLS

EXCELLENCE THROUGH TRADITION AND INNOVATION

December 19, 2018

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, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls 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 610 school districts in the State of Ohio and one of six school districts in Geauga County. The School District provides education to over 2,000 students in grades preschool through twelve. It covers approximately 47 square miles and is located in western Geauga County. All of Chester and Russell townships and portions of surrounding townships (Munson, South Russell and Hunting Valley) are located in the district boundaries. 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, 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 increased slightly in many counties in Ohio. Geauga County underwent a general reappraisal for calendar year 2017 with property valuations increasing approximately 3% percent for the reappraisal. The next triennial update is due in calendar year 2020. As of January 1, 2018, the Federal income tax deduction for state and local taxes was capped at \$10,000. As a result, several taxpayers paid their property taxes early to take advantage of the 2017 tax deduction. Additional property taxes of approximately \$550,000 were collected in fiscal year 2018 and a corresponding drop in collections is expected for fiscal year 2019.

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 current and future operations. During the past several years, the School District enacted several staff and expenditure reductions amounting to well over \$2.5 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 \$810,000 in additional revenues in fiscal year 2018.

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 continue to have strong financial support from its community. In addition to its continuing operating levies, the School District has two emergency levies generating approximately \$2.35 million and \$3.7 million each year. Funds from emergency levies are used to maintain current operating programs in the School District. In May 2015, the voters renewed the \$2.35 million emergency levy for an additional five years. The \$3.7 million emergency levy was approved by voters in November 2016 for a period of 10 years. While still demonstrating a healthy fund balance at the end of fiscal year 2018, the latest five year forecast indicates the School District will need to renew its \$2.35 million emergency levy by 2020 and ask residents to approve a new operating levy by 2022 to maintain current programming and services. Of the general operating funds, the School District received approximately 65 percent of its revenue from local taxes, 25 percent from the state and Federal government and 10 percent from other sources. As an indication of its strong financial position and community support, the District retained its Moody's Investor Services Aa2 credit rating.

In November 2012, the community approved a 2.75 mil, 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 School Board approved the remaining excess funds from the permanent improvement levy to be used for significant capital improvements and purchases in areas such as: transportation, safety and security, technology and district-wide repairs or renovations to improve operating and energy efficiencies. The final year of collection for the permanent improvement levy was 2017. At June 30, 2018, the balance remaining from the expired permanent improvement levy was \$1.97 million.

The District is currently undergoing a Master Facility Plan to determine the future needs of the District. Upon its conclusion, the Board will determine the future need for and timing of any major construction and its long-term financing.

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

West Geauga Local Schools' mission is to help students reach their academic goals 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. In keeping with its mission, the School District strives to maximize educational programming and services to meet the individual needs of all of its students.

In 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. To achieve this objective, the Board of Education approved a comprehensive professional development plan for its certified staff, invested heavily in classroom technology and upgraded its network infrastructure to enhance instruction, communications and productivity. In FY 2018, the District achieved its goal and was ranked 26th in the state out of 610 districts and 8th in Northeast Ohio based upon its performance index on the state report card. The School District was one of only 28 districts in Ohio to score an overall "A" as a composite grade on its report card, meeting 23 out of the 24 state standards.

In recognition of last year's report card, the Ohio's Department of Education and the State Board of Education issued the 2017 Momentum Award to Westwood Elementary School. The Momentum Award recognizes schools that have achieved above expected academic growth in a given school year. Westwood is one of the 216 individual schools in Ohio to receive this award.

Our students enjoy a wide variety of academic and social programs providing each student the opportunity to become responsible, ethical and productive members of society. At the high school, students can take advantage of over 130 academic offerings including 21 Advanced Placement (AP) classes. Students may seek to begin their college experience by enrolling at the local community and four year colleges through the College Credit Plus program. College Credit Plus allows student to obtain credits that count for both college and high school. The School District also participates in an eleven district consortium which gives students the opportunity to study a variety of career fields and in some cases, acquire specific career licensure, before graduation. Over twenty-seven offerings are available in our career technical programming with several having college career pathways. We understand each student learns differently and deserves an individual approach to their education.

Our district programming is not limited to academics. The School District offers a host of extracurricular opportunities that include athletics, music and drama. Students participate in over 30 clubs and 20 varsity sports with swimming being added in 2019. Along with high school and middle school band and choir programs, both elementary schools offer students kindergarten through grade five the chance to participate in musical productions. Band is offered to every child beginning in the fifth grade and continuing through twelfth grade. Our district music program involves 10 performing groups and over 400 students.

The School District expanded its career technical programming to its middle school students in 2018. Trimester offerings include technology classes in Visual Design and Interactive Media. Eighth graders have the chance to explore engineering through an introduction to 3D printers and modeling.

The High School was recognized in *U.S. News and World Report* rankings of America's High Schools as a Silver Medal Award winner. It was listed as one of the top 500 national high schools by *Newsweek Magazine* and named by *Cleveland Magazine* as one of Northeast Ohio's top school districts.

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 2017 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 continued support.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Karen Penler". The signature is fluid and cursive, with a large initial "K" and "P".

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

*West Geauga Local School District
Gauga County, Ohio
Principal Officials
June 30, 2018*

Board of Education

Ms. Kathy Leavenworth	President
Mr. Ben Kotowski	Vice President
Mr. William Beers	Member
Mr. Chet Ramey	Member
Mr. Dan Thoreson	Member

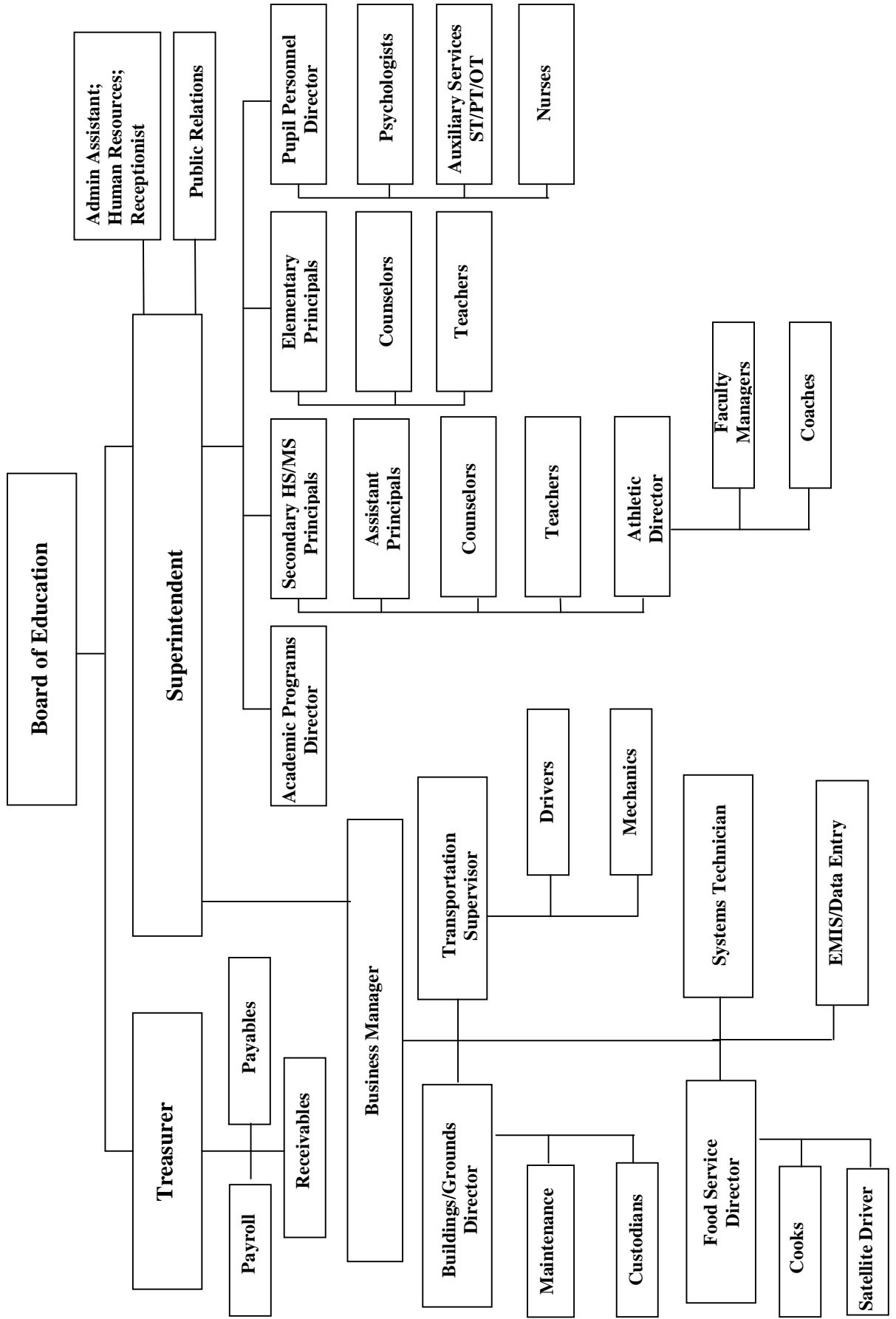
Treasurer

Ms. Karen Penler

Superintendent

Mr. Richard Markwardt

West Geauga Local School District





Government Finance Officers Association

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

Presented to

West Geauga Local School District

Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

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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, 2018, 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, 2018, 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

Implementation of New Accounting Standards

As described in Note 2 to the basic financial statements, in 2018, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and as a result restated their June 30, 2017 net position of the governmental activities. Our opinion is 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 and required schedules on pensions and other postemployment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Board of Education
West Geauga Local School District

combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018, 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 solely 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 the effectiveness of the District's 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 + Panzani, PC

Cleveland, Ohio
December 19, 2018

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West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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, 2018. 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 2018 are as follows:

- Net position increased \$13.6 million over fiscal year 2017 mainly due to a decrease in the pension liability.
- Capital assets decreased \$0.3 million with depreciation expense exceeding acquisitions in fiscal year 2018.
- During the year, outstanding debt decreased from \$0.5 million to \$0.3 million due to principal payments made by the School District.
- The School District implemented GASB 75, which reduced beginning net position as previously reported by \$8.4 million.

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 2018?" 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, 2018

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, 2018

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 2018 compared to 2017:

Table 1
Net Position

	Governmental Activities	
	2018	Restated 2017
Assets		
Current and Other Assets	\$ 38,215,689	\$ 36,689,942
Capital Assets	16,623,707	16,956,177
<i>Total Assets</i>	<u>54,839,396</u>	<u>53,646,119</u>
Deferred Outflows of Resources		
Pension & OPEB	9,000,222	7,908,396
<i>Deferred Outflows of Resources</i>	<u>9,000,222</u>	<u>7,908,396</u>
Liabilities		
Other Liabilities	2,790,321	2,723,960
Long-Term Liabilities:		
Due Within One Year	387,014	397,277
Due in More Than One Year		
Pension & OPEB	35,386,199	49,675,417
Other Amounts	1,835,966	1,966,616
<i>Total Liabilities</i>	<u>40,399,500</u>	<u>54,763,270</u>
Deferred Inflows of Resources		
Property Taxes	14,630,138	14,619,267
Pension & OPEB	3,681,300	668,806
<i>Total Deferred Inflows of Resources</i>	<u>18,311,438</u>	<u>15,288,073</u>
Net Position		
Net Investment in Capital Assets	16,318,707	16,506,177
Restricted	2,832,946	3,083,969
Unrestricted	(14,022,973)	(28,086,974)
<i>Total Net Position</i>	<u>\$ 5,128,680</u>	<u>\$ (8,496,828)</u>

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

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

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

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

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

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

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

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

As a result of implementing GASB 75, the School District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from a deficit of \$67,933 to a deficit of \$8,496,828.

A portion of the School District's net position, \$2.8 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 \$14.0 million.

Deferred outflows of resources increased \$1.1 million due to differences in the actual compared to expected experience and the net pension and OPEB liabilities decreased \$12.4 million and \$1.9 million, respectively from fiscal year 2017 primarily due to change in benefit terms by STRS, reducing the COLA to zero. Deferred inflows related to pension and OPEB increased \$2.0 million and \$1.0 million, respectively.

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 2018 and 2017.

Table 2
Changes in Net Position

	Governmental Activities	
	2018	2017
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 2,465,764	\$ 1,863,534
Operating Grants	1,205,721	1,590,625
Total Program Revenues	3,671,485	3,454,159
<i>General Revenues:</i>		
Property Taxes	19,368,024	22,302,356
Grants and Entitlements Not Restricted	6,466,571	6,721,044
Other	349,310	191,653
Total General Revenues	26,183,905	29,215,053
Total Revenues	29,855,390	32,669,212

(continued)

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

	Governmental Activities	
	2018	2017
<i>Program Expenses</i>		
Instruction:		
Regular	3,259,197	11,568,716
Special	3,186,054	4,662,464
Vocational	502,626	518,452
Student Intervention Services	6,083	1,330
Other	294,461	270,325
Support Services:		
Pupils	505,108	1,617,569
Instructional Staff	629,949	798,072
Board of Education	128,056	100,840
Administration	1,051,391	2,180,870
Fiscal	692,451	830,383
Business	257,245	236,977
Operation and Maintenance of Plant	2,645,140	2,066,600
Pupil Transportation	1,825,932	1,666,326
Central	43,720	15,102
Operation of Non-Instructional Services:		
Food Service Operations	449,643	478,906
Community Services	196,653	569,233
Extracurricular Activities	540,348	921,304
Interest and Fiscal Charges	15,825	22,950
<i>Total Expenses</i>	<u>\$ 16,229,882</u>	<u>\$ 28,526,419</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$57,946 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$1,046,403. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 Program Expenses under GASB 75	\$ 16,229,882
Negative OPEB Expense under GASB 75	1,046,403
2018 Contractually Required Contribution	<u>75,076</u>
Adjusted 2018 Program Expenses	17,351,361
Total 2017 Program Expenses under GASB 45	<u>28,526,419</u>
Decrease in Program Expenses not Related to OPEB	<u>\$ (11,175,058)</u>

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Charges for services showed an increase of \$0.6 million over fiscal year 2017 mainly due to an increase in special education tuition and open enrollment while State grants for auxiliary services decreased \$0.4 million from fiscal year 2017. Property tax revenue decreased \$2.9 million from fiscal year 2017 primarily due to a permanent improvement levy that expired at the end of 2017.

The pension and OPEB liabilities decreased \$14.3 million from fiscal year 2017 substantially decreasing instructional and several support services impacted by STRS change in benefit terms. The increase in operation and maintenance expense can be mainly attributed to restroom and weight room renovations and paving projects done during fiscal year 2018.

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	
	2018	2017	2018	2017
Instruction:				
Regular	\$ 3,259,197	\$ 11,568,716	\$ 1,793,127	\$ 10,523,106
Special	3,186,054	4,662,464	2,384,565	4,047,524
Vocational	502,626	518,452	493,340	509,251
Student Intervention Services	6,083	1,330	6,083	1,330
Other	294,461	270,325	294,461	270,325
Support Services:				
Pupils	505,108	1,617,569	295,675	1,360,831
Instructional Staff	629,949	798,072	469,655	739,554
Board of Education	128,056	100,840	90,857	67,159
Administration	1,051,391	2,180,870	1,043,960	2,171,776
Fiscal	692,451	830,383	668,982	805,214
Business	257,245	236,977	257,245	236,977
Operation and Maintenance of Plant	2,645,140	2,066,600	2,645,140	2,066,600
Pupil Transportation	1,825,932	1,666,326	1,737,443	1,582,698
Central	43,720	15,102	36,520	7,902
Operation of Non-Instructional Services:				
Food Service Operations	449,643	478,906	12,023	91,950
Community Services	196,653	569,233	10,733	(38,365)
Extracurricular Activities	540,348	921,304	302,763	605,478
Interest and Fiscal Charges	15,825	22,950	15,825	22,950
<i>Total Expenses</i>	\$ 16,229,882	\$ 28,526,419	\$ 12,558,397	\$ 25,072,260

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The dependence upon general revenues for governmental activities is apparent. Over 77 percent of governmental activities are supported through taxes and other general revenues; such revenues are 88 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 an increase of \$1.5 million for all governmental funds with the most significant increase in the general fund.

The general fund's net change in fund balance for fiscal year 2018 was an increase of \$1.6 million from fiscal year 2017. Revenues decreased \$1.1 million from fiscal year 2017 mainly due to the fluctuation in taxes available for advance. Expenditures also decreased \$0.4 million. Regular instruction increased \$0.4 million due to standard increases in salaries and benefits offset by decreases in other instructional and support service expenditures.

The fund balance of the debt service fund taxes revenue equaled the principal and interest payments on outstanding debt in fiscal year 2018 leaving fund balance unchanged from the prior year.

The fund balance of the permanent improvement fund decreased by \$0.2 million from fiscal year 2017. A permanent improvement levy expired in 2017, contributing to the decrease in tax revenue.

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 2018, 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 lower than the final budget basis revenue by \$3,992 and final budget basis revenue was \$2.0 million higher than original budgeted revenue. Taxes were originally budgeted lower as the second half included the change in valuation.

Final expenditure appropriations of \$25.7 million were \$0.5 million higher than the actual expenditures of \$25.2 million, as cost savings were recognized throughout the year. Original appropriations were \$1.4 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, 2018

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the School District had \$16.6 million in capital assets. Table 4 shows fiscal year 2018 balances compared with 2017.

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

	Governmental Activities	
	2018	2017
Land	\$ 366,380	\$ 366,380
Construction in Progress	215,009	0
Land Improvements	953,167	1,078,420
Buildings and Improvements	12,268,831	12,490,957
Furniture and Equipment	1,666,059	1,740,039
Vehicles	1,154,261	1,280,381
<i>Totals</i>	\$ 16,623,707	\$ 16,956,177

The \$0.3 million decrease in capital assets was attributable to depreciation and disposals exceeding capital asset additions. See Note 8 for more information about the capital assets of the School District.

Debt

At June 30, 2018, the School District had \$305,000 in debt outstanding. The School District maintains an Aa2 rating from Moody's for general obligation debt, which did not change from prior year. See Note 13 for additional details. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2018	2017
2005 Various Purpose Improvement Bonds	\$ 305,000	\$ 450,000

West Geauga Local School District
Geauga County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Restrictions and Other Limitations

The School District continues to maintain a strong financial position, but it is not without challenges in the future. The majority of the School District's funding continues to rely on local property taxes for operations. Even though the School District has successfully extended existing tax levies by aggressively managing its operating and capital budgets, current financial forecasts indicate the need for new tax monies by fiscal year 2023. While the West Geauga community continues to renew its two existing emergency levies, new operating tax levies are a challenge to approve.

Another significant challenge facing the School District and other similar districts is the leveling off or decrease in state funding. The School District is considered a wealthy suburban school district under the current state formula and, as such, received similar levels of funding in fiscal year 2018 as it did for the last five years. Total state funding received in fiscal year 2018 was \$3.6 million, of which \$2.0 million was due to the "guarantee." The "guarantee" is the amount of money added to the state funding formula to keep a district from reducing its basic state aid.

The 2018-19 biennium budget implemented a new guarantee calculation that considered a school district's changes in total Average Daily Membership (ADM) over a five-year period. Districts with a decline of five percent (5%) in total ADM over the last five years had its guarantee base decline up to five percent (5%) depending on its percentage decline of total ADM over the five-year period. School districts with a five-year total ADM decline between zero and up to five percent (5%) did not experience a decline in their guarantee base. The School District's ADM decline did not exceed the five percent (5%) limit and, as a result, state funding will remain flat for the next two years. Given the current governor and legislature's desire to reduce the guarantee base, the state funding formula guarantee beyond fiscal year 2019 is uncertain.

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, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 18,858,996
Receivables:	
Accounts	22,370
Intergovernmental	272,092
Property Taxes	18,702,074
Prepaid Items	360,157
Nondepreciable Capital Assets	581,389
Depreciable Capital Assets (Net)	16,042,318
<i>Total Assets</i>	54,839,396
Deferred Outflows of Resources	
Pension	8,711,633
OPEB	288,589
<i>Total Deferred Outflows of Resources</i>	9,000,222
Liabilities	
Accounts Payable	70,525
Accrued Wages and Benefits	2,199,058
Contracts Payable	50,783
Intergovernmental Payable	415,544
Matured Compensated Absences Payable	54,411
Long Term Liabilities:	
Due Within One Year	387,014
Due In More Than One Year:	
Net Pension Liability	28,818,370
Net OPEB Liability	6,567,829
Other Amounts Due in More Than One Year	1,835,966
<i>Total Liabilities</i>	40,399,500
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	14,630,138
Pension	2,653,124
OPEB	1,028,176
<i>Total Deferred Inflows of Resources</i>	18,311,438
Net Position	
Net Investment in Capital Assets	16,318,707
Restricted For:	
Capital Outlay	2,460,200
Debt Service	21,515
Extracurricular Activities	113,611
Auxiliary Services	25,822
Other Purposes	211,798
Unrestricted	(14,022,973)
<i>Total Net Position</i>	\$ 5,128,680

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, 2018

	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	\$ 3,259,197	\$ 1,417,450	\$ 48,620	\$ (1,793,127)
Special	3,186,054	449,961	351,528	(2,384,565)
Vocational	502,626	0	9,286	(493,340)
Student Intervention Services	6,083	0	0	(6,083)
Other	294,461	0	0	(294,461)
Support Services:				
Pupils	505,108	0	209,433	(295,675)
Instructional Staff	629,949	0	160,294	(469,655)
Board of Education	128,056	0	37,199	(90,857)
Administration	1,051,391	7,017	414	(1,043,960)
Fiscal	692,451	23,469	0	(668,982)
Business	257,245	0	0	(257,245)
Operation and Maintenance of Plant	2,645,140	0	0	(2,645,140)
Pupil Transportation	1,825,932	23,726	64,763	(1,737,443)
Central	43,720	0	7,200	(36,520)
Operation of Non-Instructional Services:				
Food Service Operations	449,643	312,938	124,682	(12,023)
Community Services	196,653	5,852	180,068	(10,733)
Extracurricular Activities	540,348	225,351	12,234	(302,763)
Debt Service:				
Interest and Fiscal Charges	15,825	0	0	(15,825)
Total	\$ 16,229,882	\$ 2,465,764	\$ 1,205,721	(12,558,397)

General Revenues

Property Taxes Levied for:

General Purposes	18,272,308
Debt Service	160,825
Capital Outlay	934,891
Grants and Entitlements Not Restricted to Specific Programs	6,466,571
Investment Earnings	253,351
Miscellaneous	95,959

Total General Revenues 26,183,905

Change in Net Position 13,625,508

Net Position Beginning of Year, Restated (See Note 2) (8,496,828)

Net Position End of Year \$ 5,128,680

See accompanying notes to the basic financial statements.

West Geauga Local School District
Geauga County, Ohio
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 15,546,547	\$ 21,515	\$ 2,942,107	\$ 348,827	\$ 18,858,996
Receivables:					
Accounts	22,370	0	0	0	22,370
Interfund	5,000	0	0	0	5,000
Intergovernmental	157,162	0	0	114,930	272,092
Property Taxes	17,961,673	159,200	581,201	0	18,702,074
Prepaid Items	346,746	0	0	13,411	360,157
<i>Total Assets</i>	<u>\$ 34,039,498</u>	<u>\$ 180,715</u>	<u>\$ 3,523,308</u>	<u>\$ 477,168</u>	<u>\$ 38,220,689</u>
Liabilities					
Accounts Payable	\$ 26,809	\$ 0	\$ 29,056	\$ 14,660	\$ 70,525
Accrued Wages and Benefits	2,133,367	0	0	65,691	2,199,058
Contracts Payable	0	0	50,783	0	50,783
Intergovernmental Payable	389,279	0	0	26,265	415,544
Matured Compensated Absences Payable	54,411	0	0	0	54,411
Interfund Payable	0	0	0	5,000	5,000
<i>Total Liabilities</i>	<u>2,603,866</u>	<u>0</u>	<u>79,839</u>	<u>111,616</u>	<u>2,795,321</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Fiscal Year	14,022,397	159,200	448,541	0	14,630,138
Unavailable Revenue - Delinquent Property Taxes	286,076	0	9,460	0	295,536
Unavailable Revenue - Other	37,137	0	0	74,363	111,500
<i>Total Deferred Inflows of Resources</i>	<u>14,345,610</u>	<u>159,200</u>	<u>458,001</u>	<u>74,363</u>	<u>15,037,174</u>
Fund Balances					
Nonspendable	346,746	0	0	13,411	360,157
Restricted	0	21,515	2,449,768	278,800	2,750,083
Committed	0	0	535,700	0	535,700
Assigned	6,217,025	0	0	0	6,217,025
Unassigned (Deficit)	10,526,251	0	0	(1,022)	10,525,229
<i>Total Fund Balances</i>	<u>17,090,022</u>	<u>21,515</u>	<u>2,985,468</u>	<u>291,189</u>	<u>20,388,194</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 34,039,498</u>	<u>\$ 180,715</u>	<u>\$ 3,523,308</u>	<u>\$ 477,168</u>	<u>\$ 38,220,689</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, 2018

Total Governmental Fund Balances		\$ 20,388,194
 <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.		16,623,707
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	\$ 295,536	
Tuition	37,137	
Intergovernmental	74,363	407,036
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the funds:		
Deferred Outflows - Pension	8,711,633	
Deferred Outflows - OPEB	288,589	
Net Pension Liability	(28,818,370)	
Net OPEB Liability	(6,567,829)	
Deferred Inflows - Pension	(2,653,124)	
Deferred Inflows - OPEB	(1,028,176)	(30,067,277)
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	305,000	
Compensated Absences	1,917,980	(2,222,980)
<i>Net Position of Governmental Activities</i>		\$ 5,128,680

See accompanying notes to the basic financial statements.

West Geauga Local School District
Gauga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Local Taxes	\$ 18,278,970	\$ 160,825	\$ 960,879	\$ 0	\$ 19,400,674
Intergovernmental	6,397,267	0	317,520	947,431	7,662,218
Investment Income	251,847	0	0	1,503	253,350
Tuition and Fees	1,825,271	0	0	0	1,825,271
Extracurricular Activities	79,868	0	0	180,581	260,449
Rentals	23,469	0	0	0	23,469
Charges for Services	13,852	0	0	304,939	318,791
Contributions and Donations	5,430	0	0	54,441	59,871
Miscellaneous	96,607	0	0	0	96,607
<i>Total Revenues</i>	<u>26,972,581</u>	<u>160,825</u>	<u>1,278,399</u>	<u>1,488,895</u>	<u>29,900,700</u>
Expenditures					
Current:					
Instruction:					
Regular	10,905,308	0	0	19,724	10,925,032
Special	4,028,862	0	0	299,788	4,328,650
Vocational	502,626	0	0	0	502,626
Student Intervention Services	6,083	0	0	0	6,083
Other	294,461	0	0	0	294,461
Support Services:					
Pupils	1,351,603	0	0	219,930	1,571,533
Instructional Staff	877,831	0	4,900	46,194	928,925
Board of Education	117,513	0	0	0	117,513
Administration	1,939,858	0	0	38,880	1,978,738
Fiscal	710,773	0	20,127	0	730,900
Business	287,155	0	0	0	287,155
Operation and Maintenance of Plant	2,167,153	0	321,340	23,916	2,512,409
Pupil Transportation	1,477,071	0	216,969	0	1,694,040
Central	35,020	0	0	8,700	43,720
Extracurricular Activities	597,366	0	0	192,565	789,931
Operation of Non-Instructional Services:					
Food Service Operations	8,000	0	0	452,932	460,932
Community Services	984	0	0	160,488	161,472
Capital Outlay	0	0	914,606	0	914,606
Debt Service:					
Principal Retirement	0	145,000	0	0	145,000
Interest and Fiscal Charges	0	15,825	0	0	15,825
<i>Total Expenditures</i>	<u>25,307,667</u>	<u>160,825</u>	<u>1,477,942</u>	<u>1,463,117</u>	<u>28,409,551</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,664,914</u>	<u>0</u>	<u>(199,543)</u>	<u>25,778</u>	<u>1,491,149</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	2,676	0	0	0	2,676
Transfers In	0	0	0	87,000	87,000
Transfers Out	(87,000)	0	0	0	(87,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(84,324)</u>	<u>0</u>	<u>0</u>	<u>87,000</u>	<u>2,676</u>
<i>Net Change in Fund Balance</i>	1,580,590	0	(199,543)	112,778	1,493,825
<i>Fund Balances Beginning of Year</i>	<u>15,509,432</u>	<u>21,515</u>	<u>3,185,011</u>	<u>178,411</u>	<u>18,894,369</u>
<i>Fund Balances End of Year</i>	<u>\$ 17,090,022</u>	<u>\$ 21,515</u>	<u>\$ 2,985,468</u>	<u>\$ 291,189</u>	<u>\$ 20,388,194</u>

See accompanying notes to the basic financial statements.

West Geauga Local School District
Geauga 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, 2018*

Net Change in Fund Balances - Total Governmental Funds	\$	1,493,825
 <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	\$ 581,798	
Current Year Depreciation	<u>(845,904)</u>	(264,106)
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.		
		(68,364)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(32,650)	
Intergovernmental	<u>(49,797)</u>	(45,310)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		145,000
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,003,535	
OPEB	<u>75,076</u>	2,078,611
Except for amount reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension and OPEB expense in the statement of activities.		
Pension	9,243,536	
OPEB	<u>1,046,403</u>	10,289,939
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>(4,087)</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u><u>13,625,508</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 Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 17,095,636	\$ 18,500,730	\$ 18,497,970	\$ (2,760)
Intergovernmental	5,889,814	6,373,899	6,372,948	(951)
Investment Income	254,234	275,130	275,089	(41)
Tuition and Fees	1,489,220	1,611,619	1,611,379	(240)
Extracurricular Activities	41,376	44,770	44,770	0
Rentals	14,758	15,969	15,969	0
Charges for Services	5,408	5,852	5,852	0
Contributions and Donations	1,155	1,250	1,250	0
Miscellaneous	4,545	4,918	4,918	0
<i>Total Revenues</i>	<u>24,796,146</u>	<u>26,834,137</u>	<u>26,830,145</u>	<u>(3,992)</u>
Expenditures				
Current:				
Instruction:				
Regular	11,002,409	10,638,082	10,590,725	47,357
Special	4,516,048	4,143,959	4,086,539	57,420
Vocational	590,517	502,820	502,626	194
Student Intervention Services	7,741	7,648	6,083	1,565
Other	472,649	302,235	295,424	6,811
Support Services:				
Pupils	1,337,763	1,339,414	1,324,870	14,544
Instructional Staff	985,625	913,308	890,075	23,233
Board of Education	116,263	134,555	134,516	39
Administration	2,115,807	2,018,970	1,993,224	25,746
Fiscal	1,073,407	891,020	762,728	128,292
Business	388,509	296,788	287,452	9,336
Operation and Maintenance of Plant	2,317,282	2,276,442	2,208,582	67,860
Pupil Transportation	1,595,619	1,553,256	1,532,029	21,227
Central	25,751	37,845	35,020	2,825
Extracurricular Activities	552,126	669,446	609,472	59,974
Capital Outlay	0	63	63	0
<i>Total Expenditures</i>	<u>27,097,516</u>	<u>25,725,851</u>	<u>25,259,428</u>	<u>466,423</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,301,370)</u>	<u>1,108,286</u>	<u>1,570,717</u>	<u>462,431</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	2,676	2,676	2,676	0
Refund of Prior Year Expenditures	89,840	89,840	89,840	0
Refund of Prior Year Receipts	(2,000)	(2,000)	0	2,000
Advances In	0	0	4,000	4,000
Advances Out	(15,000)	(15,000)	(6,000)	9,000
Transfers Out	(75,000)	(87,000)	(87,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>516</u>	<u>(11,484)</u>	<u>3,516</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	<u>(2,300,854)</u>	<u>1,096,802</u>	<u>1,574,233</u>	<u>477,431</u>
<i>Fund Balance Beginning of Year</i>	13,373,180	13,373,180	13,373,180	0
Prior Year Encumbrances Appropriated	220,263	220,263	220,263	0
<i>Fund Balance End of Year</i>	<u>\$ 11,292,589</u>	<u>\$ 14,690,245</u>	<u>\$ 15,167,676</u>	<u>\$ 477,431</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, 2018

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 55,704</u>
<i>Total Assets</i>	<u><u>\$ 55,704</u></u>
Liabilities	
Due to Students	<u>\$ 55,704</u>
<i>Total Liabilities</i>	<u><u>\$ 55,704</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, 2018

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 Community Joint Recreation Council. These organizations are presented in Note 14 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The most significant of the School District's accounting policies are described below.

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.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 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. The School District has 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:

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.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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.

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.

West Geauga Local School District
Gauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources 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 and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

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 until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 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, grants and entitlements and other miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position. (See Notes 11 and 12).

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.

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.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 2018.

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 2018, investments were limited to STAR Ohio (the State Treasurer's Investment Pool), certificates of deposit 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.

During the year 2018, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

For the fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2018 amounted to \$251,847, which includes \$45,301 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 acquisition value 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, 2018

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 and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense; information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the respective retirement plans. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. The retirement plans 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, net pension/OPEB 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. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018, 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.

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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.

Implementation of New Accounting Principles and Restatement of Net Position

For the fiscal year ended June 30, 2018, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits other than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017* and GASB Statement No. 86, *Certain Debt Extinguishments*.

GASB Statement No. 75 requires recognition of the entire net postemployment benefits other than pensions (other postemployment benefits or OPEB) liability and a more comprehensive measure of postemployment benefits expense for OPEB provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 75 resulted in the inclusion of net OPEB liability and OPEB expense components on the accrual financial statements. The effect on net position as previously reported is as follows:

Net Position, June 30, 2017	\$	(67,933)
Adjustments:		
Net OPEB Liability		(8,486,841)
Deferred Outflow-Payments Subsequent to Measurement Date		57,946
Restated Net Position, July 1, 2017	\$	<u>(8,496,828)</u>

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

GASB Statement No. 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, it requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires that a government recognize revenue when the resources become applicable to the reporting period. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the School District.

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

GASB Statement No. 86 addresses the reporting and disclosure requirements of certain debt extinguishments including in-substance defeasance transactions and prepaid insurance associated with debt that is extinguished. The implementation of GASB Statement No. 86 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:

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	General Fund	Debt Service Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total
Nonspendable for:					
Prepays	\$ 346,746	\$ 0	\$ 0	\$ 13,411	\$ 360,157
Restricted for:					
Special Trusts	0	0	0	67,648	67,648
Education Foundation	0	0	0	14,354	14,354
Athletics	0	0	0	113,611	113,611
Auxiliary Services	0	0	0	25,822	25,822
Food Service	0	0	0	8,628	8,628
State Grants	0	0	0	23,742	23,742
Federal Grants	0	0	0	24,023	24,023
Capital Improvements	0	0	2,449,768	972	2,450,740
Debt Service Payments	0	21,515	0	0	21,515
Total Restricted	<u>0</u>	<u>21,515</u>	<u>2,449,768</u>	<u>278,800</u>	<u>2,750,083</u>
Committed to:					
Permanent Improvements	<u>0</u>	<u>0</u>	<u>535,700</u>	<u>0</u>	<u>535,700</u>
Assigned for:					
Uniform School Supplies	77,006	0	0	0	77,006
Adult Education	12	0	0	0	12
Public School Support	11,343	0	0	0	11,343
Other Local Grants	12,951	0	0	0	12,951
Rotary	28,590	0	0	0	28,590
Subsequent Year Appropriations	5,823,564	0	0	0	5,823,564
Encumbrances:					
Instruction	64,805	0	0	0	64,805
Student Support	198,691	0	0	0	198,691
Capital Outlay	63	0	0	0	63
Total Assigned	<u>6,217,025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,217,025</u>
Unassigned (Deficit)	<u>10,526,251</u>	<u>0</u>	<u>0</u>	<u>(1,022) *</u>	<u>10,525,229</u>
Total Fund Balance	<u>\$ 17,090,022</u>	<u>\$ 21,515</u>	<u>\$ 2,985,468</u>	<u>\$ 291,189</u>	<u>\$ 20,388,194</u>

* Fund balance included a fund deficit of \$1,022 in the classroom reduction fund.

This deficit in the nonmajor governmental fund resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund 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:

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1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
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	\$ 1,580,590
Net Adjustment for Revenue Accruals	220,894
Net Adjustment for Expenditure Accruals	(11,608)
Funds Budgeted Elsewhere **	4,620
Adjustment for Encumbrances	<u>(220,263)</u>
Budget Basis	<u><u>\$ 1,574,233</u></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.

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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.

Protection of the 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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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);
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.

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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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year-end, the District held a book balance of \$893,251 and a bank balance of \$966,183. Of the bank balance, \$500,000 was covered by federal depository insurance while the remaining \$466,183 was collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the District's name.

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

S&P Global Rating	Investment	Measurement Amount	Investment Maturity (in years)		% Total Investments
			Less than 1	1 - 3	
	Net Asset Value (NAV):				
AAAm	STAR Ohio	\$ 12,948,917	\$ 12,948,917	\$ 0	71.85%
AAAm	Federated Government Obligations Money Market	340,573	340,573	0	1.89%
	Fair Value:				
**	Negotiable Certificates of Deposit	4,731,959	1,661,359	3,070,600	26.26%
	Totals	<u>\$ 18,021,449</u>	<u>\$ 14,950,849</u>	<u>\$ 3,070,600</u>	<u>100.00%</u>

** Fully Insured Under FDIC

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, 2018. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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.

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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, 2018, is 49 days.

Credit Risk: The School District's investments at June 30, 2018 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 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, 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 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017 and are collected in 2018 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, 2018, are available to finance fiscal year 2018 operations. 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.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018, 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.

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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 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 613,643,240	95.61%	\$632,212,110	95.58%
Public Utility Personal Property	28,182,380	4.39%	29,248,830	4.42%
	<u>\$ 641,825,620</u>	<u>100.00%</u>	<u>\$ 661,460,940</u>	<u>100.00%</u>
Tax rate per \$1,000 assessed valuation	\$ 55.48		\$ 52.46	

Note 7 - Receivables

Receivables at June 30, 2018, consisted of taxes, accounts, interfund 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 \$57,763 in a student full-time equivalent adjustment, \$48,131 in a workers' compensation refund, \$114,470 in grants and \$51,728 in other receivables.

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Note 8 - Capital Assets

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

	Balance 6/30/17	Additions	Reductions	Balance 6/30/18
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 366,380	\$ 0	\$ 0	\$ 366,380
Construction in progress	0	215,009	0	215,009
Total Capital Assets, not being depreciated	366,380	215,009	0	581,389
<i>Capital Assets, being depreciated:</i>				
Land Improvements	3,741,813	5,800	0	3,747,613
Buildings and Improvements	21,634,551	106,225	0	21,740,776
Furniture and Equipment	6,644,932	170,673	(64,159)	6,751,446
Vehicles	2,489,046	84,091	(135,151)	2,437,986
Total Capital Assets, being depreciated	34,510,342	366,789	(199,310)	34,677,821
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(2,663,393)	(131,053)	0	(2,794,446)
Buildings and Improvements	(9,143,594)	(328,351)	0	(9,471,945)
Furniture and Equipment	(4,904,893)	(243,325)	62,831	(5,085,387)
Vehicles	(1,208,665)	(143,175)	68,115	(1,283,725)
Total Accumulated Depreciation	(17,920,545)	(845,904)	130,946	(18,635,503)
Total Capital Assets being depreciated, net	16,589,797	(479,115)	(68,364)	16,042,318
Governmental Activities Capital Assets, Net	\$ 16,956,177	\$ (264,106)	\$ (68,364)	\$ 16,623,707

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Depreciation expense was charged as follows:

<i>Governmental Activities:</i>	
Instruction:	
Regular	\$ 274,459
Special	15,422
Support Services:	
Pupil	734
Instructional Staff	77,722
Board of Education	10,543
Administration	7,896
Fiscal	992
Business	3,450
Operation and Maintenance of Plant	230,716
Pupil Transportaion	142,365
Food Service Operations	20,202
Community Services	33,423
Extracurricular Activities	<u>27,980</u>
Total Depreciation	<u><u>\$ 845,904</u></u>

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 \$87,877,283 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.

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Employee Group Health Insurance

The School 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 300 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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Note 11 – Defined Benefit 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 statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor 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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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 year of service; 2.2 percent for the first 30 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.

When a benefit recipient has received benefits for 12 months, an annual COLA is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a three percent simple annual COLA. For those retiring after January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at three percent.

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, 2018, the allocation to pension, death benefits, and Medicare B was 14 percent. SERS allocated 0.5 percent of employer contributions to the Health Care Fund for fiscal year 2018.

The School District’s contractually required contribution to SERS was \$483,159 for fiscal year 2018. Of this amount, \$23,278 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.

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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 was 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 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, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS 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 to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, plan members were required to contribute 14 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 2018 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$1,520,376 for fiscal year 2018. Of this amount, \$260,478 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's employer allocation percentage of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.10541980%	0.09479927%	
Prior Measurement Date	<u>0.11110570%</u>	<u>0.09875616%</u>	
Change in Proportionate Share	<u>-0.00568590%</u>	<u>-0.00395689%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 6,298,600	\$ 22,519,770	\$ 28,818,370
Pension Expense	\$ (271,825)	\$ (8,971,711)	\$ (9,243,536)

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 271,071	\$ 869,607	\$ 1,140,678
Changes of Assumptions	325,705	4,925,321	5,251,026
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	64,819	251,575	316,394
School District Contributions Subsequent to the Measurement Date	<u>483,159</u>	<u>1,520,376</u>	<u>2,003,535</u>
Total Deferred Outflows of Resources	<u>\$ 1,144,754</u>	<u>\$ 7,566,879</u>	<u>\$ 8,711,633</u>

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	SERS	STRS	Total
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 0	\$ 181,501	\$ 181,501
Net Difference between Projected and Actual Earnings on Pension Plan Investments	29,900	743,179	773,079
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	257,023	1,441,521	1,698,544
Total Deferred Inflows of Resources	\$ 286,923	\$ 2,366,201	\$ 2,653,124

\$2,003,535 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2019	\$ 207,106	\$ 737,159	\$ 944,265
2020	290,455	1,748,133	2,038,588
2021	23,946	1,036,582	1,060,528
2022	(146,835)	158,428	11,593
	\$ 374,672	\$ 3,680,302	\$ 4,054,974

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 terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates among active members were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015. The assumed rate of inflation, payroll growth assumption and assumed real wage growth were reduced in the most recent actuarial valuation. The rates of withdrawal, retirement and disability updated to reflect recent experience and mortality rates were also updated.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute.

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Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the 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 School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's Proportionate Share of the Net Pension Liability	\$ 8,740,820	\$ 6,298,600	\$ 4,252,743

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent effective July 1, 2017

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

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

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

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

*The target allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. 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. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

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 as of June 30, 2017, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current assumption:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net Pension Liability	\$ 32,281,324	\$ 22,519,770	\$ 14,297,124

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Assumption Changes since the Prior Measurement Date

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

Benefit Term Changes since the Prior Measurement Date

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

Note 12 - Defined Benefit OPEB Plans

Net OPEB Liability

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

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

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

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

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

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Plan Description - School Employees Retirement System (SERS)

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the School District's surcharge obligation was \$57,181.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$75,076 for fiscal year 2018. Of this amount \$58,043 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B

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premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Current Measurement Date	0.10690730%	0.09479927%	
Prior Measurement Date	<u>0.11245334%</u>	<u>0.09875616%</u>	
Change in Proportionate Share	<u>-0.00554604%</u>	<u>-0.00395689%</u>	
Proportionate Share of the Net OPEB Liability	\$ 2,869,111	\$ 3,698,718	\$ 6,567,829
OPEB Expense	\$ 112,477	\$ (1,158,880)	\$ (1,046,403)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 0	\$ 213,513	\$ 213,513
School District Contributions Subsequent to the Measurement Date	<u>75,076</u>	<u>0</u>	<u>75,076</u>
Total Deferred Outflows of Resources	<u>\$ 75,076</u>	<u>\$ 213,513</u>	<u>\$ 288,589</u>
Deferred Inflows of Resources			
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	\$ 7,577	\$ 158,092	\$ 165,669
Changes of Assumptions	272,264	297,944	570,208
Changes in Proportionate Share and Differences between School District Contributions and Proportionate Share of Contributions	<u>110,915</u>	<u>181,384</u>	<u>292,299</u>
Total Deferred Inflows of Resources	<u>\$ 390,756</u>	<u>\$ 637,420</u>	<u>\$ 1,028,176</u>

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\$75,076 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2019	\$ (140,727)	\$ (83,826)	\$ (224,553)
2020	(140,727)	(83,826)	(224,553)
2021	(107,407)	(83,826)	(191,233)
2022	(1,895)	(83,826)	(85,721)
2023	0	(44,303)	(44,303)
Thereafter	0	(44,300)	(44,300)
	<u>\$ (390,756)</u>	<u>\$ (423,907)</u>	<u>\$ (814,663)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

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

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

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63 percent) and higher (4.63 percent) than the current discount rate (3.63 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5 percent decreasing to 4.0 percent) and higher (8.5 percent decreasing to 6.0 percent) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
School District's Proportionate Share of the Net OPEB Liability	\$ 3,464,817	\$ 2,869,111	\$ 2,397,160
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 2,328,069	\$ 2,869,111	\$ 3,585,190

Actuarial Assumptions – STRS

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

West Geauga Local School District
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Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6.00 percent to 11.00 percent, initial, 4.50 percent ultimate

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

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

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

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

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

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

West Geauga Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

West Geauga Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's Proportionate Share of the Net OPEB Liability	\$ 4,965,469	\$ 3,698,718	\$ 2,697,570
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 2,569,711	\$ 3,698,718	\$ 5,184,623

Note 13 - Long - Term Obligations

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

	Restated Outstanding 6/30/17	Additions	Reductions	Outstanding 6/30/18	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds:					
2005 Various Improvement Bonds	\$ 450,000	\$ 0	\$ 145,000	\$ 305,000	\$ 150,000
Net Pension Liability	41,188,576	0	12,370,206	28,818,370	0
Net OPEB Liability	8,486,841	0	1,919,012	6,567,829	0
Compensated Absences	1,913,893	171,936	167,849	1,917,980	237,014
Total Governmental Activities Long-Term Liabilities	\$52,039,310	\$ 171,936	\$ 14,602,067	\$37,609,179	\$ 387,014

2005 Various Purpose Improvement Bonds

In fiscal year 2005, the School District issued \$2,275,000 in various purpose improvement bonds with a varying interest rate of 3.00-5.25 percent. 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. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the general fund and food service fund. For additional information related to the net pension liability and net OPEB liability see Notes 11 and 12.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2018 are as follows:

Fiscal Year Ending June 30,	Serial Bonds	
	Principal	Interest
2019	\$ 150,000	\$ 9,200
2020	155,000	3,100
Total	\$ 305,000	\$ 12,300

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 twenty 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 \$107,123 to LGCA during fiscal year 2018. 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 2018, the School District paid \$917 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 Community Joint Recreation District

The West Geauga Community Joint Recreation District (the Recreation District) is a jointly governed organization. The Board is comprised of nine members: Chester Township, Russell township and the West Geauga School Board of Education each appoint three trustees. The mission of this board is to acquire and develop land to meet recreational needs of the West Geauga Community.

The School District did not contribute to the Recreation Council in fiscal year 2018. The School District's degree of control is limited to its representation on the board. To obtain financial information, write to West Geauga Joint Recreational District, P.O. Box 384, Chesterland, Ohio 44026.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018, if applicable, cannot be determined at this time.

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 Foundation

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

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 general, permanent improvement and other governmental funds were \$266,761, \$435,389 and \$14,023, respectively.

Contractual Commitments

As of June 30, 2018, the School District had an outstanding contractual commitment in the amount of \$141,451 for an HVAC upgrade.

Based on timing of when contracts are encumbered, the contractual commitment identified above may or may not be included in the outstanding encumbrance commitments disclosed in this note.

Note 16 - Interfund Activity

Transfers

During the year, the general fund transferred \$87,000 to the food service fund to cover deficits in this fund.

West Geauga Local School District
Geauga County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Advances

The general fund advanced \$5,000 to the Title II-A fund to cover expenditures until expected revenues were received. The loan will be repaid in fiscal year 2019 with monies to be received from reimbursable expenditures incurred during fiscal year 2018.

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, 2017	\$ 0
Current Year Set-Aside Requirement	326,304
Current Year Offsets	(1,515,312)
Total	\$ (1,189,008)
Balance Carried Forward to Fiscal Year 2019	\$ 0
Set Aside Balance June 30, 2018	\$ 0

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.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>School Employees Retirement System (SERS)</i>					
School District's Proportion of the Net Pension Liability	0.10541980%	0.11110570%	0.11024690%	0.10642500%	0.10642500%
School District's Proportionate Share of the Net Pension Liability	\$ 6,298,600	\$ 8,131,912	\$ 6,290,795	\$ 5,386,109	\$ 6,328,753
School District's Covered Payroll	\$ 3,513,014	\$ 3,152,586	\$ 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 Payroll	179.29%	257.94%	185.08%	165.22%	176.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%
<i>State Teachers Retirement System (STRS)</i>					
School District's Proportion of the Net Pension Liability	0.09479927%	0.09875616%	0.10189343%	0.09969351%	0.09969351%
School District's Proportionate Share of the Net Pension Liability	\$ 22,519,770	\$ 33,056,664	\$ 28,160,364	\$ 24,248,912	\$ 28,885,145
School District's Covered Payroll	\$ 10,404,921	\$ 10,775,864	\$ 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 Payroll	216.43%	306.77%	264.62%	232.18%	256.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

West Geauga Local School District
Geauga County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - Pension
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 483,159	\$ 491,822	\$ 441,362	\$ 447,983
Contributions in Relation to the Contractually Required Contribution	<u>(483,159)</u>	<u>(491,822)</u>	<u>(441,362)</u>	<u>(447,983)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 3,578,956	\$ 3,513,014	\$ 3,152,586	\$ 3,398,961
Pension Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 1,520,376	\$ 1,456,689	\$ 1,508,621	\$ 1,489,840
Contributions in Relation to the Contractually Required Contribution	<u>(1,520,376)</u>	<u>(1,456,689)</u>	<u>(1,508,621)</u>	<u>(1,489,840)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 10,859,829	\$ 10,404,921	\$ 10,775,864	\$ 10,641,714
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 451,830	\$ 496,581	\$ 569,450	\$ 431,523	\$ 538,807	\$ 299,569
<u>(451,830)</u>	<u>(496,581)</u>	<u>(569,450)</u>	<u>(431,523)</u>	<u>(538,807)</u>	<u>(299,569)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,259,957	\$ 3,588,013	\$ 4,233,829	\$ 3,432,959	\$ 3,979,372	\$ 3,044,400
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%
\$ 1,357,742	\$ 1,465,888	\$ 1,411,995	\$ 1,415,455	\$ 1,449,210	\$ 1,384,292
<u>(1,357,742)</u>	<u>(1,465,888)</u>	<u>(1,411,995)</u>	<u>(1,415,455)</u>	<u>(1,449,210)</u>	<u>(1,384,292)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 10,444,169	\$ 11,276,062	\$ 10,861,500	\$ 10,888,115	\$ 11,147,769	\$ 10,648,400
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

	2018	2017
<i>School Employees Retirement System (SERS)</i>		
School District's Proportion of the Net OPEB Liability	0.10690730%	0.11245334%
School District's Proportionate Share of the Net OPEB Liability	\$ 2,869,111	\$ 3,205,336
School District's Covered Payroll	\$ 3,513,014	\$ 3,152,586
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	81.67%	101.67%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%
<i>State Teachers Retirement System (STRS)</i>		
School District's Proportion of the Net OPEB Liability	0.09479927%	0.09875616%
School District's Proportionate Share of the Net OPEB Liability	\$ 3,698,718	\$ 5,281,505
School District's Covered Payroll	\$ 10,404,921	\$ 10,775,864
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	35.55%	49.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year

See accompanying notes to the required supplementary information.

West Geauga Local School District
Geauga County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - OPEB
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution (1)	\$ 75,076	\$ 57,946	\$ 56,301	\$ 85,267
Contributions in Relation to the Contractually Required Contribution	<u>(75,076)</u>	<u>(57,946)</u>	<u>(56,301)</u>	<u>(85,267)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 3,578,956	\$ 3,513,014	\$ 3,152,586	\$ 3,398,961
OPEB Contributions as a Percentage of Covered Payroll (1)	2.10%	1.65%	1.79%	2.51%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 10,859,829	\$ 10,404,921	\$ 10,775,864	\$ 10,641,714
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 57,892	\$ 54,090	\$ 76,211	\$ 108,027	\$ 69,687	\$ 195,922
<u>(57,892)</u>	<u>(54,090)</u>	<u>(76,211)</u>	<u>(108,027)</u>	<u>(69,687)</u>	<u>(195,922)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,259,957	\$ 3,588,013	\$ 4,233,829	\$ 3,432,959	\$ 3,979,372	\$ 3,044,400
1.78%	1.51%	1.80%	3.15%	1.75%	6.44%
\$ 104,442	\$ 112,761	\$ 108,615	\$ 108,881	\$ 111,478	\$ 106,484
<u>(104,442)</u>	<u>(112,761)</u>	<u>(108,615)</u>	<u>(108,881)</u>	<u>(111,478)</u>	<u>(106,484)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 10,444,169	\$ 11,276,062	\$ 10,861,500	\$ 10,888,115	\$ 11,147,769	\$ 10,648,400
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

West Geauga Local School District
Geauga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Note 1 - Net Pension Liability

Changes in Assumptions - SERS

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disable member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

Effective for fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

West Geauga Local School District
Geauga County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Note 2 - Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

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

West Geauga Local School District
Gauga 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.

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.

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.

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

Nonmajor Special Revenue Funds (continued)

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.

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

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, 2018

	Nonmajor Special Revenue Funds	SchoolNet Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 347,855	\$ 972	\$ 348,827
Receivables:			
Intergovernmental	114,930	0	114,930
Prepaid Items	13,411	0	13,411
<i>Total Assets</i>	<u>\$ 476,196</u>	<u>\$ 972</u>	<u>\$ 477,168</u>
Liabilities			
Accounts Payable	\$ 14,660	\$ 0	\$ 14,660
Accrued Wages and Benefits	65,691	0	65,691
Intergovernmental Payable	26,265	0	26,265
Interfund Payable	5,000	0	5,000
<i>Total Liabilities</i>	<u>111,616</u>	<u>0</u>	<u>111,616</u>
Deferred Inflows of Resources			
Unavailable Revenue - Other	74,363	0	74,363
Fund Balances (Deficit)			
Nonspendable	13,411	0	13,411
Restricted	277,828	972	278,800
Unassigned (Deficit)	(1,022)	0	(1,022)
<i>Total Fund Balances</i>	<u>290,217</u>	<u>972</u>	<u>291,189</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 476,196</u>	<u>\$ 972</u>	<u>\$ 477,168</u>

West Geauga Local School District
Gauga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	SchoolNet Fund	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 947,431	\$ 0	\$ 947,431
Investment Income	1,503	0	1,503
Extracurricular Activities	180,581	0	180,581
Charges for Services	304,939	0	304,939
Contributions and Donations	54,441	0	54,441
<i>Total Revenues</i>	<u>1,488,895</u>	<u>0</u>	<u>1,488,895</u>
Expenditures:			
Current:			
Instruction:			
Regular	19,724	0	19,724
Special	299,788	0	299,788
Support Services:			
Pupils	219,930	0	219,930
Instructional Staff	46,194	0	46,194
Administration	38,880	0	38,880
Operation and Maintenance of Plant	23,916	0	23,916
Central	8,700	0	8,700
Extracurricular Activities	192,565	0	192,565
Operation of Non-Instructional Services:			
Food Service Operations	452,932	0	452,932
Community Services	160,488	0	160,488
<i>Total Expenditures</i>	<u>1,463,117</u>	<u>0</u>	<u>1,463,117</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	25,778	0	25,778
Other Financing Sources (Uses):			
Transfers In	87,000	0	87,000
<i>Net Change in Fund Balance</i>	112,778	0	112,778
<i>Fund Balance at Beginning of Year</i>	<u>177,439</u>	<u>972</u>	<u>178,411</u>
<i>Fund Balance at End of Year</i>	<u>\$ 290,217</u>	<u>\$ 972</u>	<u>\$ 291,189</u>

West Geauga Local School District
Geauga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Food Service Fund	Special Trust Fund	Education Foundation Fund	District Managed Activities Fund
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 46,377	\$ 67,648	\$ 14,354	\$ 113,639
Intergovernmental Receivable	460	0	0	0
Prepaid Items	4,721	0	0	0
<i>Total Assets</i>	<u>\$ 51,558</u>	<u>\$ 67,648</u>	<u>\$ 14,354</u>	<u>\$ 113,639</u>
Liabilities				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 28
Accrued Wages and Benefits	21,926	0	0	0
Intergovernmental Payable	16,283	0	0	0
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>38,209</u>	<u>0</u>	<u>0</u>	<u>28</u>
Deferred Inflows of Resources				
Unavailable Revenue - Other	0	0	0	0
Fund Balances (Deficit)				
Nonspendable	4,721	0	0	0
Restricted	8,628	67,648	14,354	113,611
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>13,349</u>	<u>67,648</u>	<u>14,354</u>	<u>113,611</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 51,558</u>	<u>\$ 67,648</u>	<u>\$ 14,354</u>	<u>\$ 113,639</u>

(continued)

West Geauga Local School District
Geauga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Auxiliary Services Fund	Data Communications Fund	Miscellaneous State Grants Fund	Title VI-B Fund
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 32,667	\$ 23,700	\$ 42	\$ 28,533
Intergovernmental Receivable	0	0	0	34,698
Prepaid Items	0	0	0	6,926
<i>Total Assets</i>	<u>\$ 32,667</u>	<u>\$ 23,700</u>	<u>\$ 42</u>	<u>\$ 70,157</u>
Liabilities				
Accounts Payable	\$ 5,723	\$ 0	\$ 0	\$ 6,623
Accrued Wages and Benefits	0	0	0	30,529
Intergovernmental Payable	1,122	0	0	6,461
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>6,845</u>	<u>0</u>	<u>0</u>	<u>43,613</u>
Deferred Inflows of Resources				
Unavailable Revenue - Other	0	0	0	3,987
Fund Balances (Deficit)				
Nonspendable	0	0	0	6,926
Restricted	25,822	23,700	42	15,631
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>25,822</u>	<u>23,700</u>	<u>42</u>	<u>22,557</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 32,667</u>	<u>\$ 23,700</u>	<u>\$ 42</u>	<u>\$ 70,157</u>

(continued)

West Geauga Local School District
Geauga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Title III Limited English Proficiency Fund	Title I Fund	Classroom Reduction Fund	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 8,150	\$ 7,745	\$ 5,000	\$ 0	\$ 347,855
Intergovernmental Receivable	0	39,210	34,264	6,298	114,930
Prepaid Items	0	1,764	0	0	13,411
<i>Total Assets</i>	<u>\$ 8,150</u>	<u>\$ 48,719</u>	<u>\$ 39,264</u>	<u>\$ 6,298</u>	<u>\$ 476,196</u>
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 2,286	\$ 0	\$ 14,660
Accrued Wages and Benefits	0	13,236	0	0	65,691
Intergovernmental Payable	0	1,499	900	0	26,265
Interfund Payable	0	0	5,000	0	5,000
<i>Total Liabilities</i>	<u>0</u>	<u>14,735</u>	<u>8,186</u>	<u>0</u>	<u>111,616</u>
Deferred Inflows of Resources					
Unavailable Revenue - Other	0	31,978	32,100	6,298	74,363
Fund Balances (Deficit)					
Nonspendable	0	1,764	0	0	13,411
Restricted	8,150	242	0	0	277,828
Unassigned (Deficit)	0	0	(1,022)	0	(1,022)
<i>Total Fund Balances (Deficit)</i>	<u>8,150</u>	<u>2,006</u>	<u>(1,022)</u>	<u>0</u>	<u>290,217</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 8,150</u>	<u>\$ 48,719</u>	<u>\$ 39,264</u>	<u>\$ 6,298</u>	<u>\$ 476,196</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, 2018

	Food Service Fund	Special Trust Fund	Education Foundation Fund	District Managed Activities Fund
Revenues:				
Intergovernmental	\$ 123,268	\$ 0	\$ 0	\$ 0
Investment Income	367	669	0	0
Extracurricular Activities	0	0	0	180,581
Charges for Services	304,939	0	0	0
Contributions and Donations	0	22,530	19,786	12,125
<i>Total Revenues</i>	<u>428,574</u>	<u>23,199</u>	<u>19,786</u>	<u>192,706</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	6,572	9,450	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	963	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	23,916	0	0	0
Central	0	0	0	0
Extracurricular Activities	0	0	0	192,565
Operation of Non-Instructional Services:				
Food Service Operations	452,932	0	0	0
Community Services	0	1,691	0	0
<i>Total Expenditures</i>	<u>476,848</u>	<u>9,226</u>	<u>9,450</u>	<u>192,565</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(48,274)	13,973	10,336	141
Other Financing Sources (Uses):				
Transfers In	87,000	0	0	0
<i>Net Change in Fund Balance</i>	38,726	13,973	10,336	141
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(25,377)</u>	<u>53,675</u>	<u>4,018</u>	<u>113,470</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 13,349</u>	<u>\$ 67,648</u>	<u>\$ 14,354</u>	<u>\$ 113,611</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, 2018

	Auxiliary Services Fund	Data Communications Fund	Miscellaneous State Grants Fund	Title VI-B Fund
Revenues:				
Intergovernmental	\$ 142,809	\$ 7,200	\$ 0	\$ 518,265
Investment Income	467	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
<i>Total Revenues</i>	<u>143,276</u>	<u>7,200</u>	<u>0</u>	<u>518,265</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	205,880
Support Services:				
Pupils	0	0	0	219,930
Instructional Staff	0	0	0	5,700
Administration	0	0	0	36,966
Operation and Maintenance of Plant	0	0	0	0
Central	0	8,700	0	0
Extracurricular Activities	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Services	124,770	0	0	26,902
<i>Total Expenditures</i>	<u>124,770</u>	<u>8,700</u>	<u>0</u>	<u>495,378</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	18,506	(1,500)	0	22,887
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
<i>Net Change in Fund Balance</i>	18,506	(1,500)	0	22,887
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>7,316</u>	<u>25,200</u>	<u>42</u>	<u>(330)</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 25,822</u>	<u>\$ 23,700</u>	<u>\$ 42</u>	<u>\$ 22,557</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, 2018

	Title III Limited English Proficiency Fund	Title I Fund	Classroom Reduction Fund	Miscellaneous Federal Grants Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Intergovernmental	\$ 0	\$ 113,126	\$ 39,061	\$ 3,702	\$ 947,431
Investment Income	0	0	0	0	1,503
Extracurricular Activities	0	0	0	0	180,581
Charges for Services	0	0	0	0	304,939
Contributions and Donations	0	0	0	0	54,441
<i>Total Revenues</i>	<u>0</u>	<u>113,126</u>	<u>39,061</u>	<u>3,702</u>	<u>1,488,895</u>
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	3,702	19,724
Special	0	93,908	0	0	299,788
Support Services:					
Pupils	0	0	0	0	219,930
Instructional Staff	0	0	39,531	0	46,194
Administration	0	1,914	0	0	38,880
Operation and Maintenance of Plant	0	0	0	0	23,916
Central	0	0	0	0	8,700
Extracurricular Activities	0	0	0	0	192,565
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	0	452,932
Community Services	0	6,500	625	0	160,488
<i>Total Expenditures</i>	<u>0</u>	<u>102,322</u>	<u>40,156</u>	<u>3,702</u>	<u>1,463,117</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	10,804	(1,095)	0	25,778
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	87,000
<i>Net Change in Fund Balance</i>	0	10,804	(1,095)	0	112,778
<i>Fund Balance (Deficit) at Beginning of Year</i>	8,150	(8,798)	73	0	177,439
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 8,150</u>	<u>\$ 2,006</u>	<u>\$ (1,022)</u>	<u>\$ 0</u>	<u>\$ 290,217</u>

GOVERNMENTAL FUNDS

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

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, 2018

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 18,500,730	\$ 18,497,970	\$ (2,760)
Intergovernmental	6,373,899	6,372,948	(951)
Investment Income	275,130	275,089	(41)
Tuition and Fees	1,611,619	1,611,379	(240)
Extracurricular Activities	44,770	44,770	0
Rentals	15,969	15,969	0
Charges for Services	5,852	5,852	0
Gifts and Donations	1,250	1,250	0
Miscellaneous	4,918	4,918	0
<i>Total Revenues</i>	<u>26,834,137</u>	<u>26,830,145</u>	<u>(3,992)</u>
Expenditures:			
Current:			
Instruction:			
Regular	10,638,082	10,590,725	47,357
Special	4,143,959	4,086,539	57,420
Vocational	502,820	502,626	194
Student Intervention Services	7,648	6,083	1,565
Other	302,235	295,424	6,811
Support Services:			
Pupils	1,339,414	1,324,870	14,544
Instructional Staff	913,308	890,075	23,233
Board of Education	134,555	134,516	39
Administration	2,018,970	1,993,224	25,746
Fiscal	891,020	762,728	128,292
Business	296,788	287,452	9,336
Operation and Maintenance of Plant	2,276,442	2,208,582	67,860
Pupil Transportation	1,553,256	1,532,029	21,227
Central	37,845	35,020	2,825
Extracurricular Activities	669,446	609,472	59,974
Capital Outlay	63	63	0
<i>Total Expenditures</i>	<u>25,725,851</u>	<u>25,259,428</u>	<u>466,423</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,108,286</u>	<u>1,570,717</u>	<u>462,431</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Assets	2,676	2,676	0
Refund of Prior Year Expenditures	89,840	89,840	0
Refund of Prior Year Receipts	(2,000)	0	2,000
Advances In	0	4,000	4,000
Advances Out	(15,000)	(6,000)	9,000
Transfers Out	(87,000)	(87,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(11,484)</u>	<u>3,516</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	1,096,802	1,574,233	477,431
<i>Fund Balance at Beginning of Year</i>	13,373,204	13,373,204	0
Prior Year Encumbrances Appropriated	220,263	220,263	0
<i>Fund Balance at End of Year</i>	<u>\$ 14,690,269</u>	<u>\$ 15,167,700</u>	<u>\$ 477,431</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 160,825	\$ 160,825	\$ 0
Expenditures:			
Debt Service:			
Principal Retirement	145,000	145,000	0
Interest and Fiscal Charges	15,825	15,825	0
<i>Total Expenditures</i>	160,825	160,825	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	21,516	21,516	0
<i>Fund Balance at End of Year</i>	\$ 21,516	\$ 21,516	\$ 0

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, 2018

	Final Budget	Actual	Variance
Revenues:			
Property and Other Local Taxes	\$ 1,315,779	\$ 1,315,779	\$ 0
Intergovernmental	200,868	200,868	0
<i>Total Revenues</i>	<u>1,516,647</u>	<u>1,516,647</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Instructional Staff	4,900	4,900	0
Fiscal	20,199	20,127	72
Operation and Maintenance of Plant	421,318	348,648	72,670
Pupil Transportation	377,436	377,323	113
Capital Outlay	1,241,649	1,122,303	119,346
<i>Total Expenditures</i>	<u>2,065,502</u>	<u>1,873,301</u>	<u>192,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(548,855)</u>	<u>(356,654)</u>	<u>192,201</u>
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	116,652	116,652	0
<i>Net Change in Fund Balance</i>	(432,203)	(240,002)	192,201
<i>Fund Balance at Beginning of Year</i>	1,885,590	1,885,590	0
Prior Year Encumbrances Appropriated	832,072	832,072	0
<i>Fund Balance at End of Year</i>	<u>\$ 2,285,459</u>	<u>\$ 2,477,660</u>	<u>\$ 192,201</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 80,791	\$ 80,781	\$ (10)
Interest	367	367	0
Charges for Services	304,479	304,479	0
<i>Total Revenues</i>	<u>385,637</u>	<u>385,627</u>	<u>(10)</u>
Expenditures:			
Current:			
Support Services			
Operation and Maintenance of Plant	25,426	23,916	1,510
Operation of Non-Instructional Services:			
Food Service Operations	443,477	421,722	21,755
<i>Total Expenditures</i>	<u>468,903</u>	<u>445,638</u>	<u>23,265</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(83,266)	(60,011)	23,255
Other Financing Sources (Uses):			
Transfers In	87,000	87,000	0
<i>Net Change in Fund Balance</i>	3,734	26,989	23,255
<i>Fund Balance at Beginning of Year</i>	19,192	19,192	0
<i>Fund Balance at End of Year</i>	<u>\$ 22,926</u>	<u>\$ 46,181</u>	<u>\$ 23,255</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Investment Income	\$ 669	\$ 669	\$ 0
Gifts and Donations	22,530	22,530	0
<i>Total Revenues</i>	<u>23,199</u>	<u>23,199</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	6,873	6,722	151
Support Services:			
Instructional Staff	963	963	0
Operation of Non-Instructional Services:			
Community Services	1,691	1,691	0
<i>Total Expenditures</i>	<u>9,527</u>	<u>9,376</u>	<u>151</u>
<i>Net Change in Fund Balance</i>	13,672	13,823	151
<i>Fund Balance at Beginning of Year</i>	<u>53,676</u>	<u>53,676</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 67,348</u>	<u>\$ 67,499</u>	<u>\$ 151</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Gifts and Donations	\$ 19,786	\$ 19,786	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	9,801	9,500	301
<i>Net Change in Fund Balance</i>	9,985	10,286	301
<i>Fund Balance at Beginning of Year</i>	4,020	4,020	0
Prior Year Encumbrances Appropriated	50	50	0
<i>Fund Balance at End of Year</i>	<u>\$ 14,055</u>	<u>\$ 14,356</u>	<u>\$ 301</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Extracurricular Activities	\$ 180,580	\$ 180,581	\$ 1
Gifts and Donations	12,125	12,125	0
<i>Total Revenues</i>	<u>192,705</u>	<u>192,706</u>	<u>1</u>
Expenditures:			
Current:			
Extracurricular Activities	253,557	207,632	45,925
<i>Net Change in Fund Balance</i>	(60,852)	(14,926)	45,926
<i>Fund Balance at Beginning of Year</i>	110,591	110,591	0
Prior Year Encumbrances Appropriated	7,728	7,728	0
<i>Fund Balance at End of Year</i>	<u>\$ 57,467</u>	<u>\$ 103,393</u>	<u>\$ 45,926</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 146,022	\$ 146,022	\$ 0
Investment Income	467	467	0
<i>Total Revenues</i>	<u>146,489</u>	<u>146,489</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services	192,267	165,983	26,284
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(45,778)</u>	<u>(19,494)</u>	<u>26,284</u>
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(3,213)	(3,213)	0
<i>Net Change in Fund Balance</i>	(48,991)	(22,707)	26,284
<i>Fund Balance at Beginning of Year</i>	3,199	3,199	0
Prior Year Encumbrances Appropriated	45,967	45,967	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 175</u>	<u>\$ 26,459</u>	<u>\$ 26,284</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 7,200	\$ 7,200	\$ 0
Expenditures:			
Current:			
Support Services:			
Central	10,800	10,800	0
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,600)</u>	<u>(3,600)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,600)	(3,600)	0
<i>Fund Balance at Beginning of Year</i>	<u>25,200</u>	<u>25,200</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 21,600</u>	<u>\$ 21,600</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
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
<i>Fund Balance at Beginning of Year</i>	\$ 41	\$ 41	\$ 0
<i>Fund Balance at End of Year</i>	\$ 41	\$ 41	\$ 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 VI-B Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 501,700	\$ 501,700	\$ 0
Expenditures:			
Current:			
Instruction:			
Special	211,084	201,935	9,149
Support Services:			
Pupils	230,693	218,148	12,545
Instructional Staff	6,000	5,700	300
Administration	37,781	36,812	969
Operation of Non-Instructional Services:			
Community Services	27,082	26,902	180
<i>Total Expenditures</i>	512,640	489,497	23,143
Other Financing Sources (Uses):			
Advances In	1,000	1,000	0
Advances Out	(1,000)	(1,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0
<i>Net Change in Fund Balance</i>	(10,940)	12,203	23,143
<i>Fund Balance at Beginning of Year</i>	6,394	6,394	0
Prior Year Encumbrances Appropriated	5,695	5,695	0
<i>Fund Balance at End of Year</i>	\$ 1,149	\$ 24,292	\$ 23,143

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, 2018

	Final Budget	Actual	Variance
<i>Fund Balance at Beginning of Year</i>	\$ 8,149	\$ 8,149	\$ 0
<i>Fund Balance at End of Year</i>	\$ 8,149	\$ 8,149	\$ 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, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 108,405	\$ 108,405	\$ 0
Expenditures:			
Current:			
Instruction:			
Special	103,508	99,048	4,460
Support Services:			
Administration	2,400	1,914	486
Operation of Non-Instructional Services:			
Community Services	6,573	6,500	73
<i>Total Expenditures</i>	112,481	107,462	5,019
<i>Net Change in Fund Balance</i>	(4,076)	943	5,019
<i>Fund Balance at Beginning of Year</i>	6,806	6,806	0
<i>Fund Balance (Deficit) at End of Year</i>	\$ 2,730	\$ 7,749	\$ 5,019

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, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 39,035	\$ 39,035	\$ 0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	40,689	40,689	0
Operation of Non-Instructional Services:			
Community Services	625	625	0
<i>Total Expenditures</i>	41,314	41,314	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,279)	(2,279)	0
Other Financing Sources (Uses):			
Advances In	5,000	5,000	0
Advances Out	(3,000)	(3,000)	0
<i>Total Other Financing Sources (Uses)</i>	2,000	2,000	0
<i>Net Change in Fund Balance</i>	(279)	(279)	0
<i>Fund Balance at Beginning of Year</i>	544	544	0
Prior Year Encumbrances Appropriated	688	688	0
<i>Fund Balance at End of Year</i>	\$ 953	\$ 953	\$ 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 Federal Grants
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 3,702	\$ 3,702	\$ 0
Expenditures:			
Current:			
Instruction:			
Salaries and Wages	3,702	3,702	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	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, 2018

	Final Budget	Actual	Variance
Revenues:			
Tuition and Fees	\$ 196,934	\$ 196,934	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular	211,251	189,335	21,916
<i>Net Change in Fund Balance</i>	(14,317)	7,599	21,916
<i>Fund Balance at Beginning of Year</i>	66,877	66,877	0
Prior Year Encumbrances Appropriated	1,283	1,283	0
<i>Fund Balance at End of Year</i>	\$ 53,843	\$ 75,759	\$ 21,916

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, 2018

	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, 2018

	Final Budget	Actual	Variance
Revenues:			
Tuition and Fees	\$ 15,500	\$ 15,500	\$ 0
Extracurricular	35,098	35,098	0
<i>Total Revenues</i>	<u>50,598</u>	<u>50,598</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	43,533	43,520	13
Support Services:			
Administration	6,744	6,729	15
<i>Total Expenditures</i>	<u>50,277</u>	<u>50,249</u>	<u>28</u>
<i>Net Change in Fund Balance</i>	321	349	28
<i>Fund Balance at Beginning of Year</i>	26,374	26,374	0
Prior Year Encumbrances Appropriated	<u>2,526</u>	<u>2,526</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 29,221</u>	<u>\$ 29,249</u>	<u>\$ 28</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Gifts and Donations	\$ 2,482	\$ 2,482	\$ 0
Miscellaneous	9,777	9,777	0
<i>Total Revenues</i>	<u>12,259</u>	<u>12,259</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	21,824	19,616	2,208
Support Services:			
Instructional	6,047	6,047	0
Administration	10,979	7,137	3,842
<i>Total Expenditures</i>	<u>38,850</u>	<u>32,800</u>	<u>6,050</u>
<i>Net Change in Fund Balance</i>	(26,591)	(20,541)	6,050
<i>Fund Balance at Beginning of Year</i>	26,158	26,158	0
Prior Year Encumbrances Appropriated	<u>3,774</u>	<u>3,774</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$ 3,341</u>	<u>\$ 9,391</u>	<u>\$ 6,050</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, 2018

	Final Budget	Actual	Variance
Revenues:			
Charges for Services	8,000	8,000	0
Gifts and Donations	\$ 1,698	\$ 1,698	\$ 0
<i>Total Revenues</i>	<u>9,698</u>	<u>9,698</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services:	9,405	8,984	421
Extracurricular	620	620	0
<i>Total Expenditures</i>	<u>10,025</u>	<u>9,604</u>	<u>421</u>
<i>Net Change in Fund Balance</i>	(327)	94	421
<i>Fund Balance at Beginning of Year</i>	<u>12,857</u>	<u>12,857</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 12,530</u>	<u>\$ 12,951</u>	<u>\$ 421</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, 2018

	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
Geauga 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
Geauga County, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2018

	<u>Beginning Balance 6/30/17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 6/30/18</u>
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 47,874	\$ 78,523	\$ 70,693	\$ 55,704
Liabilities				
Due to Students	\$ 47,874	\$ 78,523	\$ 70,693	\$ 55,704

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.

With the implementation of GASB No. 75 in fiscal year 2018, the calculation of pension expense has changed, however, government-wide expenses for 2017 and prior fiscal years were not restated to reflect this change.

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.

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

	<u>2018</u>	<u>Restated 2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 16,318,707	\$ 16,506,177	\$ 14,934,509	\$ 14,875,516
Restricted	2,832,946	3,083,969	2,396,064	2,504,109
Unrestricted	<u>(14,022,973)</u>	<u>(28,086,974)</u>	<u>(21,541,299)</u>	<u>(20,588,445)</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 5,128,680</u>	<u>\$ (8,496,828)</u>	<u>\$ (4,210,726)</u>	<u>\$ (3,208,820)</u>
Business-Type Activities:				
Net Investment in Capital Assets	N/A	N/A	N/A	N/A
Unrestricted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<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	\$ 16,318,707	\$ 16,506,177	\$ 14,934,509	\$ 14,875,516
Restricted	2,832,946	3,083,969	2,396,064	2,504,109
Unrestricted	<u>(14,022,973)</u>	<u>(28,086,974)</u>	<u>(21,541,299)</u>	<u>(20,588,445)</u>
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$ 5,128,680</u>	<u>\$ (8,496,828)</u>	<u>\$ (4,210,726)</u>	<u>\$ (3,208,820)</u>

Restated 2014	2013	2012	2011	2010	2009
\$ 14,635,407	\$ 14,864,667	\$ 13,251,326	\$ 11,425,167	\$ 8,359,303	\$ 5,900,292
1,897,960	1,227,166	1,387,178	2,209,131	2,295,568	2,348,020
(24,013,007)	7,250,386	5,632,628	4,004,346	2,605,747	2,743,598
<u>\$ (7,479,640)</u>	<u>\$ 23,342,219</u>	<u>\$ 20,271,132</u>	<u>\$ 17,638,644</u>	<u>\$ 13,260,618</u>	<u>\$ 10,991,910</u>
N/A	N/A	N/A	N/A	\$ 1,200,169	\$ 1,204,409
N/A	N/A	N/A	N/A	(26,444)	78,433
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 1,173,725</u>	<u>\$ 1,282,842</u>
\$ 14,635,407	\$ 14,864,667	\$ 13,251,326	\$ 11,425,167	\$ 9,559,472	\$ 7,104,701
1,897,960	1,227,166	1,387,178	2,209,131	2,295,568	2,348,020
(24,013,007)	7,250,386	5,632,628	4,004,346	2,579,303	2,822,031
<u>\$ (7,479,640)</u>	<u>\$ 23,342,219</u>	<u>\$ 20,271,132</u>	<u>\$ 17,638,644</u>	<u>\$ 14,434,343</u>	<u>\$ 12,274,752</u>

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

	2018	2017	2016	2015
Expenses:				
Governmental Activities:				
Regular Instruction	\$ 3,259,197	\$ 11,568,716	\$ 10,439,965	\$ 10,582,136
Special Instruction	3,186,054	4,662,464	3,411,738	3,611,844
Vocational Instruction	502,626	518,452	349,064	488,752
Student Intervention Services	6,083	1,330	7,151	27,032
Other Instruction	294,461	270,325	915,955	676,889
Pupil Support	505,108	1,617,569	2,089,554	1,930,123
Instructional Staff Support	629,949	798,072	873,905	875,905
Board of Education	128,056	100,840	88,286	85,977
Administration	1,051,391	2,180,870	1,887,437	1,862,573
Fiscal	692,451	830,383	734,655	700,010
Business	257,245	236,977	232,084	293,760
Operation and Maintenance of Plant	2,645,140	2,066,600	3,470,994	3,451,697
Pupil Transportation	1,825,932	1,666,326	2,015,219	1,830,477
Central	43,720	15,102	10,025	13,706
Food Service Operations	449,643	478,906	433,010	435,836
Community Services	196,653	569,233	575,929	601,428
Enterprise Operations	0	0	0	0
Extracurricular Activities	540,348	921,304	779,979	788,442
Interest and Fiscal Charges	15,825	22,950	29,700	33,954
<i>Total Governmental Activities Expenses</i>	<u>16,229,882</u>	<u>28,526,419</u>	<u>28,344,650</u>	<u>28,290,541</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>\$ 16,229,882</u>	<u>\$ 28,526,419</u>	<u>\$ 28,344,650</u>	<u>\$ 28,290,541</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Regular Instruction	\$ 1,417,450	\$ 1,029,401	\$ 1,052,644	\$ 1,334,447
Special Instruction	449,961	262,654	266,375	510,719
Other Instruction	0	0	0	0
Instructional Staff Support	0	194	0	0
Administration	7,017	6,518	10,702	7,352
Fiscal	23,469	25,169	11,549	10,483
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	23,726	13,447	15,081	28,504
Central	0	0	0	0
Food Service Operations	312,938	272,495	303,324	295,054
Community Services	5,852	22,640	24,715	20,099
Extracurricular Activities	225,351	231,016	255,588	221,937
Operating Grants and Contributions:				
Regular Instruction	48,620	16,209	20,564	65,322
Special Instruction	351,528	352,286	215,645	186,565
Vocational Instruction	9,286	9,201	6,979	7,213
Student Intervention Services	0	0	0	0
Other Instruction	0	0	0	0
Pupil Support	209,433	256,738	410,176	379,583
Instructional Staff Support	160,294	58,324	43,481	3,437
Board of Education	37,199	33,681	0	0

	2014 (1)	2013	2012	2011	2010	2009
\$	10,814,046	\$ 10,677,700	\$ 11,306,827	\$ 11,011,297	\$ 10,066,334	\$ 10,694,447
	3,690,196	3,822,518	3,873,958	3,493,129	3,538,688	3,077,259
	571,774	347,411	332,260	309,061	289,587	214,889
	28,794	54,238	64,113	42,900	24,156	15,000
	768,083	495,618	406,071	502,297	505,827	425,899
	1,720,535	1,779,194	1,923,647	1,974,773	2,008,819	2,264,365
	1,172,723	889,090	942,218	833,666	833,338	804,471
	114,353	64,690	127,610	56,094	70,832	68,921
	1,771,680	1,821,255	1,789,418	1,797,465	1,886,260	1,840,520
	606,375	619,927	850,572	686,250	674,803	585,951
	287,875	302,471	324,808	323,354	356,402	332,112
	2,638,136	2,370,163	2,415,953	2,245,054	2,270,317	2,544,297
	2,090,161	1,959,575	2,045,889	2,066,693	2,007,110	2,048,743
	22,989	23,062	16,349	80,608	82,197	83,631
	439,938	398,563	494,548	678,763	0	0
	503,723	552,263	457,134	461,489	455,226	524,520
	0	0	400	1,001	1,257	100
	853,304	806,416	922,831	928,726	960,079	897,337
	44,054	93,215	203,746	280,273	405,754	518,186
	<u>28,138,739</u>	<u>27,077,369</u>	<u>28,498,352</u>	<u>27,772,893</u>	<u>26,436,986</u>	<u>26,940,648</u>
	N/A	N/A	N/A	N/A	764,410	710,305
	N/A	N/A	N/A	N/A	259,829	271,611
	N/A	N/A	N/A	N/A	1,024,239	981,916
\$	<u>28,138,739</u>	<u>27,077,369</u>	<u>28,498,352</u>	<u>27,772,893</u>	<u>27,461,225</u>	<u>27,922,564</u>

\$	1,668,936	\$ 1,476,021	\$ 1,359,364	\$ 948,008	\$ 766,165	\$ 642,853
	685,649	582,794	553,016	509,556	212,462	156,787
	0	0	0	0	0	0
	0	0	0	2,126	0	0
	3,963	0	0	13,394	0	7,501
	6,558	8,282	6,886	0	0	0
	0	0	0	10,264	5,702	6,291
	22,278	35,847	24,667	7,028	8,282	12,084
	0	0	0	1,455	0	0
	276,289	258,986	285,356	297,398	0	0
	22,431	0	0	5,043	0	0
	252,345	246,676	280,290	336,726	366,967	338,371
	60,872	85,792	134,408	90,843	71,549	99,134
	230,680	179,636	156,359	435,538	569,738	147,990
	6,750	0	0	0	0	20,615
	0	0	3,567	19,997	16,256	0
	0	0	0	190,527	133,592	0
	371,517	357,822	421,447	546,963	305,580	421,047
	29,334	100,642	130,176	178,321	186,537	14,374
	0	0	0	0	0	0

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

	2018	2017	2016	2015
Administration	414	2,576	6,857	51,715
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	64,763	70,181	76,020	79,353
Central	7,200	7,200	7,200	7,200
Food Service Operations	124,682	114,461	87,476	130,386
Community Services	180,068	584,958	564,919	531,305
Enterprise Operations	0	0	0	0
Extracurricular Activities	12,234	84,810	56,406	257,406
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>3,671,485</u>	<u>3,454,159</u>	<u>3,435,701</u>	<u>4,128,080</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>3,671,485</u>	<u>3,454,159</u>	<u>3,435,701</u>	<u>4,128,080</u>
Net (Expense) Revenue:				
Governmental Activities	(12,558,397)	(25,072,260)	(24,908,949)	(24,162,461)
Business-Type Activities	N/A	N/A	N/A	N/A
<i>Total Primary Government Net Expense</i>	<u>\$ (12,558,397)</u>	<u>\$ (25,072,260)</u>	<u>\$ (24,908,949)</u>	<u>\$ (24,162,461)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 18,272,308	\$ 19,790,450	\$ 15,361,347	\$ 19,070,265
Debt Service	160,825	162,950	159,700	211,975
Capital Projects	934,891	2,348,956	1,818,731	2,239,576
Grants and Entitlements not Restricted to Specific Programs	6,466,571	6,721,044	6,442,812	6,801,287
Investment Earnings	253,351	124,699	58,972	26,468
Miscellaneous	95,959	66,954	65,481	83,710
Capital Contributions	0	0	0	0
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	<u>26,183,905</u>	<u>29,215,053</u>	<u>23,907,043</u>	<u>28,433,281</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>\$ 26,183,905</u>	<u>\$ 29,215,053</u>	<u>\$ 23,907,043</u>	<u>\$ 28,433,281</u>
Change in Net Position				
Governmental Activities	\$ 13,625,508	\$ 4,142,793	\$ (1,001,906)	\$ 4,270,820
Business-Type Activities	N/A	N/A	N/A	N/A
<i>Total Primary Government</i>	<u>\$ 13,625,508</u>	<u>\$ 4,142,793</u>	<u>\$ (1,001,906)</u>	<u>\$ 4,270,820</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.

2014 (1)	2013	2012	2011	2010	2009
37,597	39,445	0	47,808	21,954	62,613
0	0	112,675	0	0	0
0	0	5,940	0	0	0
0	2,896	0	0	0	6,188
83,636	0	32,667	0	0	0
7,200	7,200	7,200	9,100	9,145	12,000
140,905	92,203	124,941	133,017	0	0
531,508	483,959	472,026	409,968	416,932	470,048
0	0	0	0	0	800
28,390	16,090	21,724	59,601	36,760	39,136
0	0	0	19,270	1,450	0
0	0	0	0	0	23,466
0	0	0	0	5,120	0
4,466,838	3,974,291	4,132,709	4,271,951	3,134,191	2,481,298
N/A	N/A	N/A	N/A	379,598	384,312
N/A	N/A	N/A	N/A	229,868	249,259
N/A	N/A	N/A	N/A	90,590	79,026
N/A	N/A	N/A	N/A	700,056	712,597
4,466,838	3,974,291	4,132,709	4,271,951	3,834,247	3,193,895
(23,671,901)	(23,103,078)	(24,365,643)	(23,500,942)	(23,302,795)	(24,459,350)
N/A	N/A	N/A	N/A	(324,183)	(269,319)
\$ (23,671,901)	\$ (23,103,078)	\$ (24,365,643)	\$ (23,500,942)	\$ (23,626,978)	\$ (24,728,669)
\$ 17,255,454	\$ 17,139,804	\$ 17,773,567	\$ 12,081,806	\$ 11,452,809	\$ 16,814,672
189,535	1,030,208	2,126,810	2,195,812	2,413,096	2,807,697
1,987,488	1,334,558	303,437	5,561,466	4,980,626	285,059
6,698,639	6,579,325	6,663,911	6,742,781	6,790,611	7,049,554
44,117	63,355	81,413	89,044	118,459	237,115
79,135	26,915	48,893	34,434	23,654	8,977
0	0	0	0	7,314	0
0	0	0	0	(215,066)	(170,569)
26,254,368	26,174,165	26,998,031	26,705,343	25,571,503	27,032,505
N/A	N/A	N/A	N/A	0	0
N/A	N/A	N/A	N/A	215,066	170,569
N/A	N/A	N/A	N/A	215,066	170,569
\$ 26,254,368	\$ 26,174,165	\$ 26,998,031	\$ 26,705,343	\$ 25,786,569	\$ 27,203,074
\$ 2,582,467	\$ 3,071,087	\$ 2,632,388	\$ 3,204,401	\$ 2,268,708	\$ 2,573,155
N/A	N/A	N/A	N/A	(109,117)	(98,750)
\$ 2,582,467	\$ 3,071,087	\$ 2,632,388	\$ 3,204,401	\$ 2,159,591	\$ 2,474,405

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

	2018	2017	2016	2015
Governmental Activities				
Instruction:				
Regular	\$ 1,466,070	\$ 1,045,610	\$ 1,073,208	\$ 1,399,769
Special	801,489	614,940	482,020	697,284
Vocational	9,286	9,201	6,979	7,213
Student Intervention Services	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupil	209,433	256,738	410,176	379,583
Instructional	160,294	58,518	43,481	3,437
Board of Education	37,199	0	0	0
Administration	7,431	33,681	17,559	59,067
Fiscal	23,469	9,094	11,549	10,483
Business	0	25,169	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	88,489	83,628	91,101	107,857
Central	7,200	7,200	7,200	7,200
Food Service Operations	437,620	386,956	390,800	425,440
Community Services	185,920	607,598	589,634	551,404
Enterprise Operations	0	0	0	0
Extracurricular Activities	237,585	315,826	311,994	479,343
<i>Total Governmental Activities</i>	<u>3,671,485</u>	<u>3,454,159</u>	<u>3,435,701</u>	<u>4,128,080</u>
	(1,205,721)			
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>\$ 3,671,485</u>	<u>\$ 3,454,159</u>	<u>\$ 3,435,701</u>	<u>\$ 4,128,080</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.

	2014 (1)	2013	2012	2011	2010	2009
\$	1,729,808	\$ 1,561,813	\$ 1,493,772	\$ 1,038,851	\$ 837,714	\$ 741,987
	916,329	762,430	709,375	945,094	782,200	304,777
	6,750	0	0	0	0	20,615
	0	0	3,567	19,997	16,256	0
	0	0	0	190,527	133,592	0
	371,517	357,822	421,447	546,963	305,580	421,047
	29,334	100,642	130,176	180,447	186,537	14,374
	0	0	0	0	0	0
	41,560	39,445	112,675	61,202	21,954	70,114
	6,558	8,282	6,886	0	0	0
	0	0	5,940	0	0	0
	0	2,896	0	29,534	7,152	12,479
	105,914	35,847	57,334	7,028	8,282	35,550
	7,200	7,200	7,200	10,555	9,145	12,000
	417,194	351,189	410,297	430,415	0	0
	553,939	483,959	472,026	415,011	422,052	470,048
	0	0	0	0	0	800
	280,735	262,766	302,014	396,327	403,727	377,507
	4,466,838	3,974,291	4,132,709	4,271,951	3,134,191	2,481,298
	N/A	N/A	N/A	N/A	470,188	633,571
	N/A	N/A	N/A	N/A	229,868	79,026
	N/A	N/A	N/A	N/A	700,056	712,597
\$	4,466,838	\$ 3,974,291	\$ 4,132,709	\$ 4,271,951	\$ 3,834,247	\$ 3,193,895

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved (Deficit)	N/A	N/A	N/A	N/A
Nonspendable	\$ 346,746	\$ 364,466	\$ 318,420	\$ 276,942
Restricted	0	0	0	0
Assigned	6,217,025	2,097,225	1,882,684	2,395,585
Unassigned	10,526,251	13,047,741	10,135,485	10,727,015
<i>Total General Fund</i>	<u>17,090,022</u>	<u>15,509,432</u>	<u>12,336,589</u>	<u>13,399,542</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	13,411	15,139	12,349	10,338
Restricted	2,750,083	2,942,926	2,228,808	2,353,516
Committed	535,700	476,499	230,549	315,651
Unassigned (Deficit)	(1,022)	(49,627)	(10,085)	(46,285)
<i>Total All Other Governmental Funds</i>	<u>3,298,172</u>	<u>3,384,937</u>	<u>2,461,621</u>	<u>2,633,220</u>
<i>Total Governmental Funds</i>	<u>\$ 20,388,194</u>	<u>\$ 18,894,369</u>	<u>\$ 14,798,210</u>	<u>\$ 16,032,762</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.

2014	2013	2012	2011	2010	2009
N/A	N/A	N/A	N/A	\$ 2,612,539	\$ 2,864,189
N/A	N/A	N/A	N/A	1,653,481	1,969,909
\$ 252,379	\$ 0	\$ 0	\$ 30,390	N/A	N/A
0	0	0	783,137	N/A	N/A
1,547,094	789,734	1,305,498	3,506,373	N/A	N/A
8,636,069	7,563,675	5,375,973	1,485,144	N/A	N/A
10,435,542	8,353,409	6,681,471	5,805,044	4,266,020	4,834,098
N/A	N/A	N/A	N/A	371,341	301,107
N/A	N/A	N/A	N/A	268,934	223,732
N/A	N/A	N/A	N/A	1,053,366	1,394,564
N/A	N/A	N/A	N/A	41,241	72,744
10,581	0	0	11,213	N/A	N/A
1,749,450	1,126,941	1,252,910	1,405,669	N/A	N/A
165,340	235,643	256,555	249,724	N/A	N/A
(38,127)	(21,258)	(45,114)	(124,848)	N/A	N/A
1,887,244	1,341,326	1,464,351	1,541,758	1,734,882	1,992,147
\$ 12,322,786	\$ 9,694,735	\$ 8,145,822	\$ 7,346,802	\$ 6,000,902	\$ 6,826,245

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

	2018	2017	2016	2015
Revenues:				
Property and Other Local Taxes	\$ 19,400,674	\$ 22,401,982	\$ 17,359,041	\$ 21,644,202
Intergovernmental	7,662,218	8,194,624	7,831,022	8,196,674
Investment Earnings	253,350	124,696	59,407	26,810
Tuition and Fees	1,825,271	1,266,567	1,290,234	1,840,191
Extracurricular Activities	260,449	275,975	313,407	262,510
Rentals	23,469	25,169	11,549	10,483
Charges for Services	318,791	295,135	324,480	315,153
Contributions and Donations	59,871	121,085	89,323	290,292
Miscellaneous	96,607	67,647	65,791	83,968
<i>Total Revenues</i>	<u>29,900,700</u>	<u>32,772,880</u>	<u>27,344,254</u>	<u>32,670,283</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,925,032	10,499,686	10,261,537	10,306,025
Special	4,328,650	4,480,428	3,386,226	3,659,100
Vocational	502,626	518,452	349,064	488,752
Student Intervention Services	6,083	1,330	1,109	4,779
Other	294,461	321,613	922,243	690,965
Support Services:				
Pupils	1,571,533	1,531,478	2,088,777	1,950,776
Instructional Staff	928,925	1,349,293	821,909	824,429
Board of Education	117,513	97,557	77,745	75,842
Administration	1,978,738	1,999,731	1,922,567	1,926,162
Fiscal	730,900	800,597	725,280	698,778
Business	287,155	221,551	226,431	294,228
Operation and Maintenance of Plant	2,512,409	2,254,841	2,707,473	3,034,943
Pupil Transportation	1,694,040	1,714,964	1,857,523	1,739,532
Central	43,720	15,102	9,977	13,609
Extracurricular Activities	789,931	833,064	768,734	775,850
Operation of Non-Instructional Services:				
Food Service Operations	460,932	436,184	388,747	409,877
Community Services	161,472	629,451	552,419	575,888
Enterprise Operations	0	0	0	0
Capital Outlay	914,606	810,857	1,359,537	1,282,738
Debt Service:				
Principal Retirement	145,000	140,000	130,000	180,000
Interest and Fiscal Charges	15,825	22,950	29,700	37,450
<i>Total Expenditures</i>	<u>28,409,551</u>	<u>28,679,129</u>	<u>28,586,998</u>	<u>28,969,723</u>
<i>Excess (Deficiency) of Revenue Over (Under) Expenditures</i>	<u>1,491,149</u>	<u>4,093,751</u>	<u>(1,242,744)</u>	<u>3,700,560</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	2,676	2,408	8,192	9,416
Transfers In	87,000	50,000	64,769	13,663
Transfers Out	(87,000)	(50,000)	(64,769)	(13,663)
<i>Total Financing Sources and (Uses)</i>	<u>2,676</u>	<u>2,408</u>	<u>8,192</u>	<u>9,416</u>
<i>Net Change in Fund Balance</i>	<u>\$ 1,493,825</u>	<u>\$ 4,096,159</u>	<u>\$ (1,234,552)</u>	<u>\$ 3,709,976</u>
Debt Service as a Percentage of Noncapital Expenditures	0.58%	0.62%	0.57%	0.78%

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

	2014	2013	2012	2011	2010	2009
\$	19,403,464	\$ 19,505,485	\$ 20,220,677	\$ 19,825,970	\$ 18,889,263	\$ 19,593,926
	8,092,147	7,882,291	7,992,179	8,778,508	8,471,553	8,273,526
	44,455	63,891	82,212	89,996	119,598	240,153
	2,374,116	2,036,527	1,873,355	1,411,363	750,821	639,967
	287,687	282,086	330,765	407,287	512,437	482,883
	6,558	8,282	6,886	10,264	5,702	6,291
	294,989	279,047	301,358	319,525	13,746	16,310
	92,145	128,049	170,424	102,492	77,474	121,684
	79,478	27,785	49,219	47,004	43,924	28,217
	30,675,039	30,213,443	31,027,075	30,992,409	28,884,518	29,402,957
	10,016,991	10,236,637	10,855,577	10,512,559	9,542,008	10,237,068
	3,684,238	3,789,319	3,840,509	3,466,303	3,507,252	3,054,767
	571,774	347,411	332,260	309,061	289,587	214,889
	2,897	53,619	62,115	42,900	24,156	15,000
	768,083	495,618	406,750	501,618	505,827	425,899
	1,746,208	1,771,516	1,909,158	1,993,589	2,004,415	2,260,011
	1,148,504	851,840	1,064,845	810,116	806,586	786,011
	103,810	54,147	117,067	45,551	60,289	58,378
	1,753,638	1,783,789	1,771,424	1,797,065	1,854,627	1,843,252
	626,813	617,164	846,987	694,901	661,796	582,198
	283,899	295,461	324,547	317,122	348,028	327,419
	2,363,714	2,199,894	2,408,034	2,160,890	2,168,602	2,416,580
	1,910,844	1,820,031	1,986,343	1,947,501	1,862,795	1,894,539
	22,892	22,810	16,097	84,487	77,592	77,600
	804,038	773,821	888,648	894,287	926,430	865,225
	412,247	373,597	470,048	656,787	0	0
	421,392	531,028	439,968	442,267	414,139	478,797
	0	521,019	400	1,001	1,257	100
	1,196,371	0	59,681	552,606	1,329,590	1,097,567
	170,000	2,025,077	2,219,776	2,124,948	2,688,069	2,554,119
	44,925	110,592	220,416	294,843	421,750	532,395
	28,053,278	28,674,390	30,240,650	29,650,402	29,494,795	29,721,814
	2,621,761	1,539,053	786,425	1,342,007	(610,277)	(318,857)
	6,290	9,860	12,595	0	0	0
	0	45,000	154,000	225,056	2,387	0
	0	(45,000)	(154,000)	(225,056)	(217,453)	(170,569)
	6,290	9,860	12,595	0	(215,066)	(170,569)
\$	2,628,051	\$ 1,548,913	\$ 799,020	\$ 1,342,007	\$ (825,343)	\$ (489,426)
	78.00%	7.58%	8.22%	8.32%	11.04%	10.78%

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>
2018	\$ 632,212,110	\$ 1,806,320,314	\$ 29,248,830	\$ 33,237,307	\$ 0	\$ 0
2017	613,643,240	1,753,266,400	28,182,380	32,025,432	0	0
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

- (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>
\$	661,460,940	\$ 1,839,557,621	35.96%	\$ 52.46
	641,825,620	1,785,291,832	35.95%	55.48
	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

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	
2018	\$ 51.46	\$ 1.00	\$ 0	\$ 52.46	\$ 0.20	\$ 27.10	\$ 2.50	\$ 15.60	\$ 97.86
2017	51.73	3.75	0	55.48	0.20	27.10	2.00	15.60	100.38
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

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
2017	\$ 22,936,641	\$ 925,416	\$ 23,862,057	\$ 22,554,562	98.33%	\$ 390,737	\$ 22,945,299	100.04%
2016	22,681,341	986,581	23,667,922	22,130,003	97.57%	484,924	22,614,927	99.71%
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%

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. 2018 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, 2017 and December 31, 2008

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
December 31, 2017		
Petronzio Management	\$ 1,506,380	0.26%
Lucia S Nash	1,461,130	0.24%
12575 Chillicothe LLC	1,330,000	0.22%
West Geagua Plaza	1,320,620	0.17%
2015 Berkshire Hills LLC	940,170	0.15%
Enger Family LLC IV	1,039,660	0.14%
David P Miller Trustee	934,430	0.14%
Angelo Cianci & Anna Ma & BEG Rais & Nuzhat	912,600	0.13%
Armand R. and Marica DiNardo Trustees	837,600	0.12%
Robert Vadas & Bonny Sue Young Trustees	784,180	0.12%
Totals	<u>\$ 11,066,770</u>	<u>1.69%</u>
Total Assessed Valuation	<u>\$ 613,643,240</u>	
December 31, 2008		
Consolidated Investment Corporation	\$ 1,702,810	0.26%
Angelo Cianci	1,595,810	0.25%
West Geauga Plaza LLC	1,396,500	0.22%
Gary Waxman	1,218,570	0.19%
Miller, David	1,030,960	0.16%
Word of Grace Assembly of God	957,080	0.15%
Eutrophia Farm Ltd	876,450	0.14%
Munson Realty Co Inc	857,590	0.13%
Klug, Stephen	700,000	0.11%
GBC Real Estate Partnership	641,730	0.10%
Totals	<u>\$ 10,977,500</u>	<u>1.70%</u>
Total Assessed Valuation	<u>\$ 645,288,850</u>	

Source: Geauga County Auditor.

(1) Assessed values are for the 2017 collection year for 2016 and the 2008 collection year for 2007.

West Geauga Local School District
Geauga County, Ohio
Principal Taxpayers
Public Utility Property Tax
December 31, 2017 and December 31, 2008

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
December 31, 2017		
Cleveland Electric Illuminating/First Energy	\$ 16,309,550	57.87%
American Transmission Systems	9,556,630	33.91%
East Ohio Gasion/Dominion	2,290,660	8.13%
Orwell Natural Gas Co. Inc	19,950	0.07%
GE Capital Information Tech	5,590	0.02%
Totals	<u>\$ 28,182,380</u>	<u>100.00%</u>
Total Assessed Valuation	<u>\$ 28,182,380</u>	
December 31, 2008		
Cleveland Electric Illuminating Company	\$ 11,721,590	71.63%
American Transmission Systems, Inc.	3,692,470	22.57%
East Ohio Gas Company	948,390	5.80%
Totals	<u>\$ 16,362,450</u>	<u>100.00%</u>
Total Assessed Valuation	<u>\$ 15,485,390</u>	

Source: Geauga County Auditor.

(1) Assessed values are for the 2018 collection year for 2017 and the 2009 collection year for 2008.

West Geauga Local School District
Geauga County, Ohio
Computation of Legal Debt Margin
June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assessed Valuation (2)	<u>\$ 632,212,110</u>	<u>\$ 613,643,240</u>	<u>\$ 612,204,090</u>	<u>\$ 610,517,480</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$ 56,899,090	\$ 55,227,892	\$ 55,098,368	\$ 54,946,573
Outstanding debt:				
General Obligation Bonds	305,000	450,000	590,000	720,000
Less Amount Available in Debt Service Fund	<u>(21,515)</u>	<u>(21,515)</u>	<u>(21,515)</u>	<u>(21,515)</u>
Amount of Debt Subject to Debt Limit:	<u>283,485</u>	<u>428,485</u>	<u>568,485</u>	<u>698,485</u>
Overall Debt Margin	<u>\$ 56,615,605</u>	<u>\$ 54,799,407</u>	<u>\$ 54,529,883</u>	<u>\$ 54,248,088</u>
Bonded Debt Limit - .1% of Assessed Value (1)	\$ 632,212	\$ 613,643	\$ 612,204	\$ 610,517
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$ 632,212</u>	<u>\$ 613,643</u>	<u>\$ 612,204</u>	<u>\$ 610,517</u>
Additional Limit for Unvoted Energy Conservation Conservation Bonds:				
Debt Limit - .9% of Assessed Valuation	<u>\$ 5,689,909</u>	<u>\$ 5,522,789</u>	<u>\$ 5,509,837</u>	<u>\$ 5,494,657</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.

2014	2013	2012	2011	2010	2009
<u>\$ 609,217,530</u>	<u>\$ 607,686,610</u>	<u>\$ 608,760,220</u>	<u>\$ 646,667,530</u>	<u>\$ 647,578,970</u>	<u>\$ 648,413,770</u>
\$ 54,829,578	\$ 54,691,795	\$ 54,788,420	\$ 58,200,078	\$ 58,282,107	\$ 58,357,239
900,000 (26,990)	1,070,000 (52,380)	2,870,000 (1,017,110)	4,875,000 (1,159,526)	6,795,000 (1,181,443)	8,700,000 (1,659,364)
<u>873,010</u>	<u>1,017,620</u>	<u>1,852,890</u>	<u>3,715,474</u>	<u>5,613,557</u>	<u>7,040,636</u>
<u>\$ 53,956,568</u>	<u>\$ 53,674,175</u>	<u>\$ 52,935,530</u>	<u>\$ 54,484,604</u>	<u>\$ 52,668,550</u>	<u>\$ 51,316,603</u>
\$ 609,218 0	\$ 607,687 0	\$ 608,760 0	\$ 646,668 0	\$ 647,579 0	\$ 648,414 0
<u>\$ 609,218</u>	<u>\$ 607,687</u>	<u>\$ 608,760</u>	<u>\$ 646,668</u>	<u>\$ 647,579</u>	<u>\$ 648,414</u>
<u>\$ 5,482,958</u>	<u>\$ 5,469,179</u>	<u>\$ 5,478,842</u>	<u>\$ 5,820,008</u>	<u>\$ 5,828,211</u>	<u>\$ 5,835,724</u>

West Geauga Local School District
Geauga County, Ohio
Computation of Direct & Overlapping General Obligation Bonded Debt
as of June 30, 2017

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Application to School District
Direct:			
West Geauga Local School District	\$ 305,000	100.00%	\$ 305,000
Overlapping:			
Geauga County	4,392,782	20.79%	913,259
Russell Township	835,000	95.74%	799,429
Geauga County Library District	23,920,000	22.52%	5,386,784
Total Overlapping	29,147,782		7,099,472
Total	\$ 29,452,782		\$ 7,404,472

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 2017 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
2018	\$ 283,485	\$ 632,212,110	15,556	0.04%	\$ 18.22
2017	428,485	613,643,240	15,911	0.07%	26.93
2016	568,485	612,204,090	15,911	0.09%	35.73
2015	698,485	610,517,480	15,911	0.11%	43.90
2014	873,010	609,217,530	15,911	0.14%	54.87
2013	1,017,620	607,686,610	15,970	0.17%	63.72
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

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)
2018	\$ 305,000	\$ 0	\$ 0	\$ 305,000	\$ 956,009,536
2017	450,000	0	0	450,000	982,762,398
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

Source: School District Records

(1) Personal income calculated on S-27

N/A - Information not available.

Percentage of Personal Income		Net Debt Per Capita
0.03%	\$	20
0.05%		28
0.07%		37
0.08%		45
0.10%		56
0.13%		67
0.41%		194
N/A		316
N/A		442
1.54%		601

West Geauga Local School District
Geauga County, Ohio
Principal Employers
2017 and 2008

		2017(1)		
Employer	Nature of Business	Established Date	Number of Employees	Percentage of Total Employment
Kraftmaid Cabinetry Inc./Masco Corp.	Manufacturer	1969	1,316	2.40%
University Hospital Health Systems	Hospital/Health Care	1930	1,010	1.93%
Geauga County	Government	1806	850	1.77%
WalMart	(a) Retailer	1962*	791	1.45%
Kenston Local School District	School District	---	662	1.36%
Great Lakes Cheese	Cheese Packager	1958	636	1.30%
Chardon Local School District	School District	1985	634	1.28%
Dillen Products/Myers	Manufacturer	---	604	0.93%
Giant Eagle	(b) Retailer	1931*	506	0.83%
West Geauga Local School District	School District	---	434	0.65%
Total			7,443	13.90%
Total County Civilian Workforce			48,800	
		2008		
Employer	Nature of Business	Established Date	Number of Employees	Percentage of Total Employment
Kraftmaid Cabinetry Inc./Masco Corp.	Manufacturer	1969	2,851	5.63%
University Hospital Health Systems	Hospital/Health Care	1936	1,692	3.34%
Geauga County	Government	1806	1,116	2.21%
Walmart	(a) Retailer	1962*	785	1.55%
Giant Eagle	(b) Retailer	1931*	623	1.23%
Great Lakes Cheese	Cheese Packager	1958	550	1.09%
Dillen Products	Manufacturer	1985	500	0.99%
Kenston Local School District	School District	---	444	0.88%
Chardon Local School District	School District	---	397	0.78%
Geauga Lake and Wildwater Kingdom	Amusement Park (2)	1890	285	0.56%
Total			9,243	18.26%
Total County Civilian Workforce			50,600	

(a) Includes Bainbridge, Chardon and Middlefield locations.

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

(1) 2018 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)
2018	93,918	\$ 61,456	15,556	\$ 956,009,536	2,016	4.2%
2017	94,060	61,323	16,026	982,762,398	2,052	5.4% *
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%

Source:

* Unemployment Report released June 2017

- (1) Estimated Figure from Ohio Department of Development
- (2) U.S. Census Bureau.
Fiscal Year 2007-2011 is presented for Chesterland.
Fiscal Year 2012-2017 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 2018 and 2009 (1)

Fiscal Year 2018			
School Buildings:	<u>Number of Students</u>	<u>Building Capacity</u>	<u>Percent of Capacity</u>
Lindsey Elementary School	368	534	68.9%
Westwood Elementary School	426	575	74.1%
West Geauga Middle School	496	727	68.2%
West Geauga High School	<u>726</u>	<u>1,003</u>	72.4%
	<u><u>2,016</u></u>	<u><u>2,839</u></u>	

Fiscal Year 2009			
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

(1) Ten years of data is not currently available

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
2018	\$ 16,229,882	2,016	\$ 8,051	-42.09%	116	17.38	195	9.67%
2017	28,526,419	2,052	13,902	-1.81%	116	17.69	202	9.84%
2016	28,344,650	2,002	14,158	0.89%	118	16.97	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	42.80%	140	15.61	137	6.27%

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 - 2017 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	2018	2017	2016	2015	2014
Regular Instruction					
Teachers	101.00	101.50	103.00	108.00	108.00
Special Instruction					
Teachers	15.00	14.40	15.00	20.00	20.00
Tutors	0.00	0.00	0.00	1.00	1.00
Pupil Support Services					
Guidance counselors	5.00	5.00	5.00	5.00	5.00
Nurses	3.00	3.00	3.00	3.00	1.00
Occupational Therapist	1.00	1.00	0.00	0.00	0.00
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	20.00	19.50	21.50	23.50	26.00
Admin - central	1.00	1.00	1.00	1.00	1.00
Instructional Support Service					
Librarians	1.00	2.00	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	2.00	2.00	2.00	2.00	2.00
Staff - central/schools	14.00	11.00	11.00	11.00	2.00
Admin - central	1.50	2.00	3.00	3.00	4.00
Fiscal					
Staff - central	3.00	2.50	2.50	2.00	2.00
Admin - central	1.00	1.00	1.00	1.00	1.00
Business - central staff	1.00	1.00	1.00	1.00	2.00
Operation of plant					
Custodial department	15.25	15.25	15.25	17.00	15.50
Maintenance department	3.00	3.00	3.00	3.00	3.00
Admin - central	2.50	1.00	1.00	1.00	3.00
Support services - transportation					
Bus drivers/van drivers	22.00	24.00	24.00	25.00	25.00
Bus aides	1.00	0.00	1.00	1.50	1.50
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	8.50	8.50
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	238.75	235.65	239.75	255.50	249.50

Source: School District Records.

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

2013	2012	2011	2010	2009
118.00	120.50	124.50	127.00	127.00
16.00	17.00	16.00	16.00	16.00
1.00	1.00	1.00	1.00	1.00
5.00	5.00	6.00	6.00	6.00
1.00	1.50	2.00	2.00	2.00
0.00	0.00	0.00	0.00	0.00
2.00	2.00	2.00	2.00	2.00
3.00	3.00	3.00	3.00	3.00
30.00	28.00	26.00	26.00	27.00
1.00	1.00	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
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
5.00	5.50	6.50	7.00	7.00
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
15.00	16.00	16.00	17.00	17.00
3.00	3.00	3.00	3.00	3.00
0.00	0.00	0.00	1.00	1.00
27.00	31.00	34.00	34.00	35.00
2.00	2.00	3.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
9.00	11.00	16.00	17.00	16.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
260.00	269.50	283.00	289.00	290.00

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

Year	West Geauga LSD Average Salary	Statewide Average Salary
2018	\$ 71,644	\$ 58,202
2017	69,937	71,078
2016	66,842	67,584
2015	64,181	64,523
2014	61,824	60,344
2013	64,126	63,335
2012	64,779	63,335
2011	63,109	60,399
2010	60,465	57,655
2009	59,468	57,713

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
2018	794	496	726	2,016
2017	798	511	743	2,052
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

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
2018	95.1%	N/A	97.1%	84.1
2017	95.0	93.9	96.2	83.6
2016	95.1	94.1	93.1	83.4%
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

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, 2018**

West Geauga Local School District

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For the Year Ended June 30, 2018

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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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 19, 2018, wherein we noted that the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions*, and as a result restated their June 30, 2017 net position of the governmental activities, as disclosed in Note 2.

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.

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.

Civini + Panzhi, PC

Cleveland, Ohio
December 19, 2018



CPAs and Business Advisors

Where Relationships Count.

**Independent Auditor’s Report on Compliance for Each Major Program;
Internal Control over Compliance; 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 the District’s major federal program for the year ended June 30, 2018. The District’s major federal program is 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 the District’s major federal program 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 its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 19, 2018, which contained unmodified opinions on those financial statements, wherein we noted that the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions*, and as a result restated their June 30, 2017 net position of the governmental activities, as disclosed in Note 2. 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

Board of Education
West Geauga Local School District

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.

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.

Cimini & Panichi, PC

Cleveland, Ohio
December 19, 2018

West Geauga Local School District

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Receipts	Non-cash Receipts	Disbursements	Non-cash Disbursements
U.S. Department of Agriculture:					
Passed-Through Ohio Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program	10.555	\$ <u>80,781</u>	\$ <u>24,713</u>	\$ <u>80,781</u>	\$ <u>24,713</u>
Total Child Nutrition Cluster		<u>80,781</u>	<u>24,713</u>	<u>80,781</u>	<u>24,713</u>
Total U.S. Department of Agriculture		<u>80,781</u>	<u>24,713</u>	<u>80,781</u>	<u>24,713</u>
U.S. Department of Education:					
Passed-Through Ohio Department of Education:					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies – FY 2017	84.010	10,674	-	17,479	-
Title I Grants to Local Educational Agencies – FY 2018	84.010	<u>97,732</u>	<u>-</u>	<u>89,983</u>	<u>-</u>
Total Title I, Part A Cluster		<u>108,406</u>	<u>-</u>	<u>107,462</u>	<u>-</u>
Special Education Cluster (IDEA):					
Special Education - Grants to States – FY 2017	84.027	44,527	-	56,416	-
Special Education - Grants to States – FY 2018	84.027	457,173	-	429,838	-
Special Education Preschool Grants	84.173	<u>12,631</u>	<u>-</u>	<u>12,631</u>	<u>-</u>
Total Special Education Cluster (IDEA)		<u>514,331</u>	<u>-</u>	<u>498,885</u>	<u>-</u>
Improving Teacher Quality State Grant – FY 2017					
Improving Teacher Quality State Grant – FY 2018	84.367	2,138	-	3,370	-
Total Improving Teacher Quality State Grant	84.367	<u>41,897</u>	<u>-</u>	<u>36,897</u>	<u>-</u>
Other Programs:					
English Language Acquisition State Grants	84.365	1,797	-	1,797	-
Student Support and Academic Enrichment Program	84.424	<u>3,702</u>	<u>-</u>	<u>3,702</u>	<u>-</u>
Total Other Programs		<u>5,499</u>	<u>-</u>	<u>5,499</u>	<u>-</u>
Total U.S. Department of Education		<u>672,271</u>	<u>-</u>	<u>652,113</u>	<u>-</u>
Total Expenditures of Federal Awards		\$ <u>753,052</u>	\$ <u>24,713</u>	\$ <u>732,894</u>	\$ <u>24,713</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, 2018

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

The District has not elected to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

West Geauga Local School District

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

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 2 CFR Section 200.516(a)?	No
(d)(I)(vii)	Major Program	Special Education Cluster: CFDA # 84.027 and 84.173
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

None noted

3. Findings for Federal Awards

None noted

West Geauga Local School District

Schedule of Prior Audit Findings and Questioned Costs

For the Year Ended June 30, 2018

No prior year findings or questioned costs.

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OHIO AUDITOR OF STATE
KEITH FABER



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
JANUARY 24, 2019**