

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE
FISCAL YEAR ENDED JUNE 30, 2016**



Dave Yost • Auditor of State

Board of Education
Xenia Community School District
819 Colorado Drive
Xenia, Ohio 45385

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

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

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

Dave Yost
Auditor of State

March 27, 2017

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

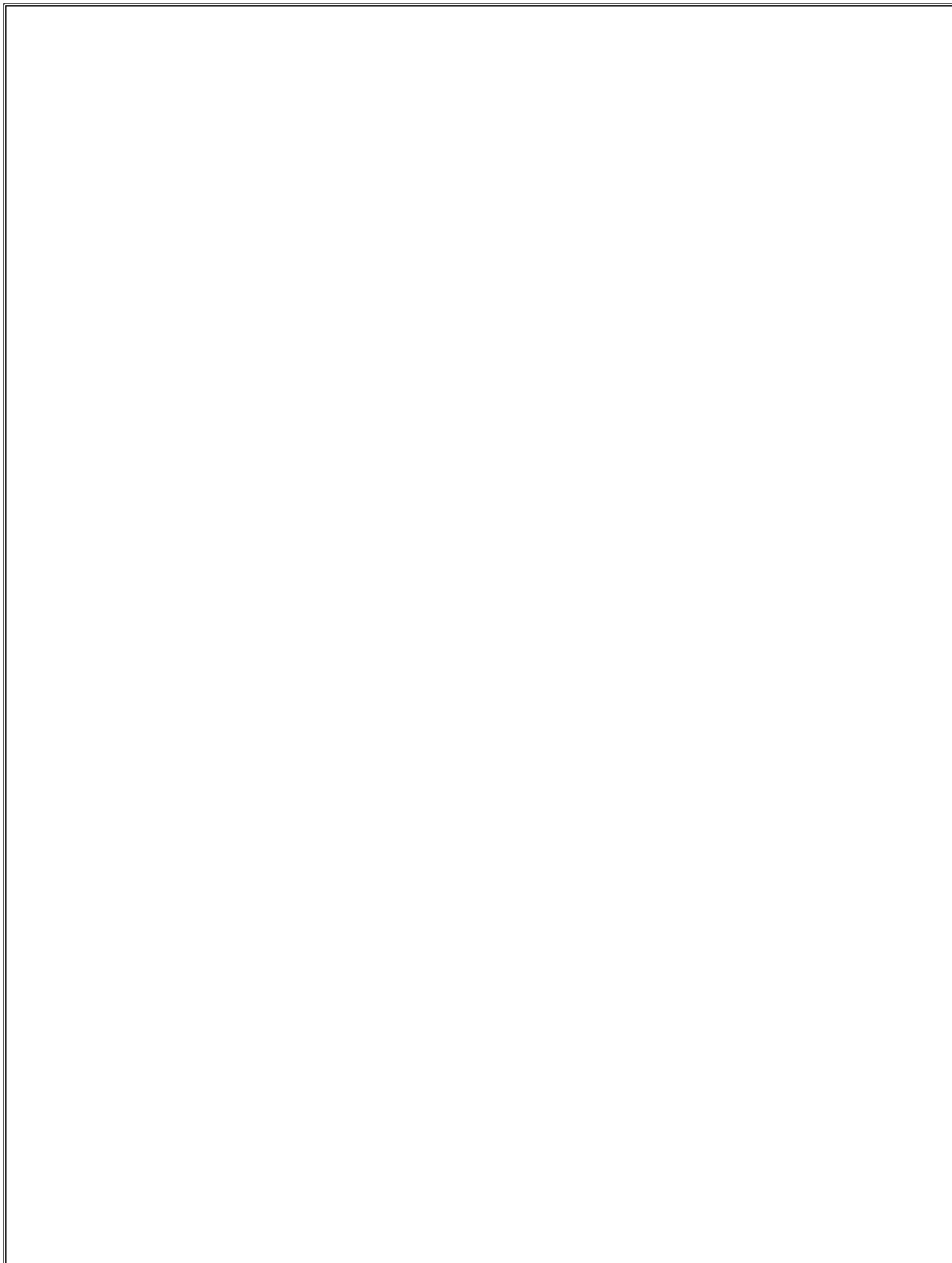
XENIA COMMUNITY
SCHOOL DISTRICT

GREENE COUNTY, OHIO

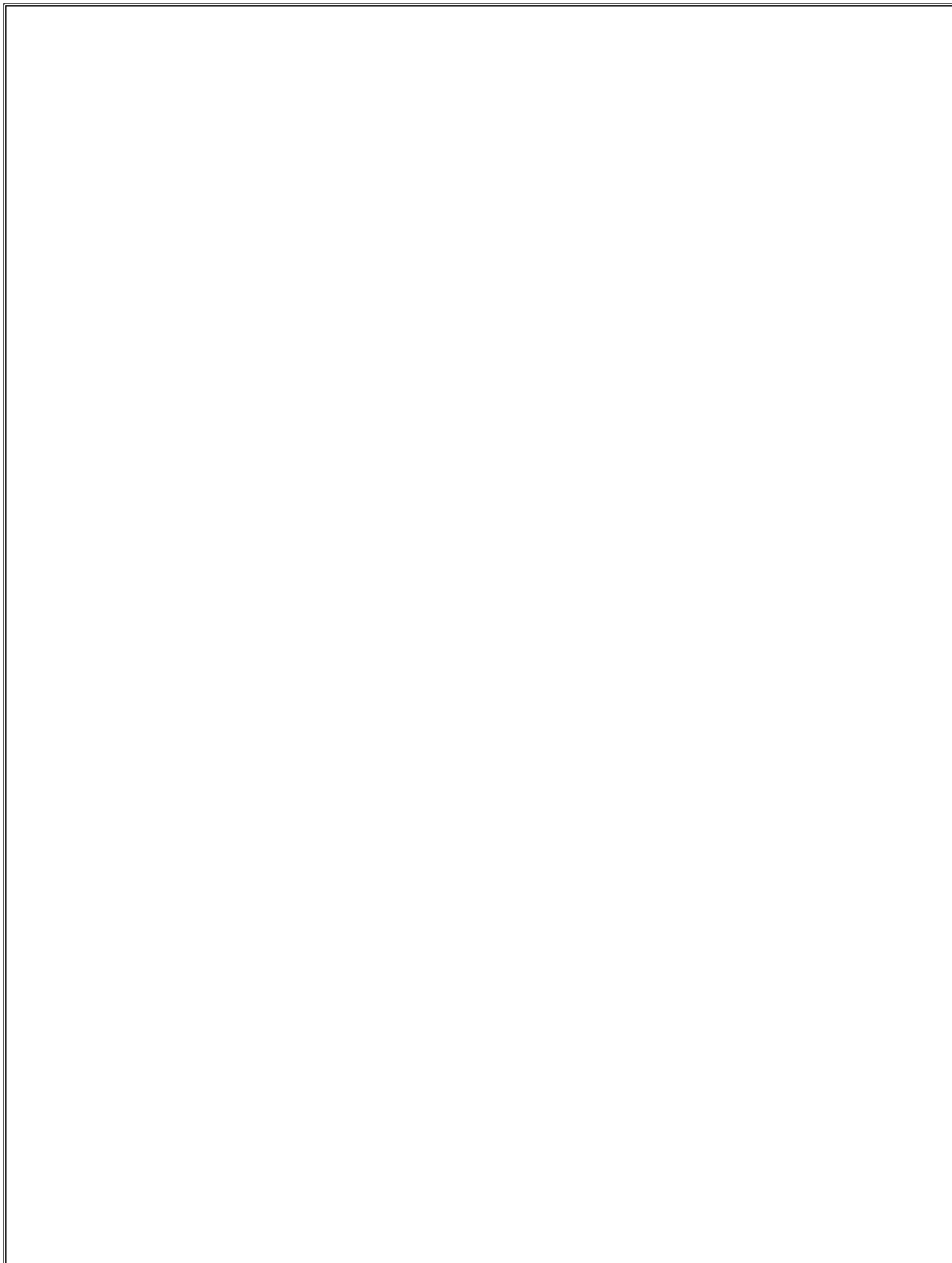
FOR THE

FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY
TREASURER'S DEPARTMENT
MR. ERIC J. SOLTIS, MBA, TREASURER



INTRODUCTORY SECTION



**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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Denny Morrison
 Superintendent

Eric Soltis
 Treasurer/CFO

Christy Fielding
 Assistant Superintendent of Business
 Operations

December 15, 2016

Citizens of the Xenia Community School District
 and Members of the Xenia Community School District Board of Education:

We are pleased to present the 2016 Comprehensive Annual Financial Report (CAFR) for the Xenia Community School District. This report, for the fiscal year ended June 30, 2016, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the Xenia Community School District (the “School District”). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the School District, specifically with the School District Treasurer’s office.

Accounting Principles Generally Accepted in the United States of America (GAAP) also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The School District’s MD&A can be found immediately following the Independent Auditor’s Report.

DISTRICT OVERVIEW

Over the years, the School District has made a conscious effort to do what’s best for students. However, this has not come without adversity at times. One key date in history dates back to April of 1974, where the School District, and entire community of Xenia, was devastated with a tornado that destroyed hundreds of buildings. Unfortunately, part of the mass destruction was Xenia High School. A new replacement facility was later constructed thereafter in 1976.

More recently, within the last ten years, the School District had found itself in a less-than-ideal financial position. The administration of the School District had very tough decisions to make, which included a reduction-in-force for numerous staff. As a result, many of the School District’s services (custodial, maintenance, transportation) were eventually out-sourced in an effort to help save costs. While this was not necessarily a favorable option, this innovative approach has proven to be cost-effective over the long-term.

On November 3, 2009, the School District’s voters approved a bond issue to construct five brand new elementary buildings. These buildings were not only built on time, but the overall project costs came in under budget. The new elementary buildings tout the latest technologies and securities, providing a great learning environment that is safe. For the fiscal year ended June 30, 2016, the School District had an enrollment of 4,264 students.

The following is a description of the School District’s existing facilities, including name of school and grades housed:

<u>Building</u>	<u>Grades Housed</u>	<u>Date of Original Construction</u>	<u>Date of Improvement/Addition</u>
Arrowood Elementary	K-5	2012	N/A
Cox Elementary	K-5	2012	N/A
McKinley Elementary	K-5	2012	N/A
Shawnee Elementary	K-5	2012	N/A
Tecumseh Elementary	K-5	2012	N/A
Central Middle School	PK	1939	1975
Warner Middle School	6-8	1962	1967
Xenia High School	9-12	1976	2000

SCHOOL DISTRICT ORGANIZATION AND REPORTING ENTITY

The School District operates under current 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. Under a locally elected five member Board form of government, the School District provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board of Education serves as the taxing authority, contracting body, and policy maker for the School District. In addition, the Board adopts the annual operating budget and approves all expenditures of School District monies. The Board appoints the Superintendent and Treasurer. As the chief administrative officer, the Superintendent is responsible for the development, supervision, and operation of the school programs and facilities and appoints all other personnel in the School District. As the chief financial officer, the Treasurer is responsible for maintaining financial records, acting as the custodian of all School District funds, and investing idle funds as specified by law.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the School District are not misleading.

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 have access to the organization's resources; or (3) 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 (4) 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 the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Currently, the School District does not have any component units.

The School District is associated with the Miami Valley Educational Computer Association (MVECA), which is defined as a jointly governed organization. It is a computer consortium with schools in Clark, Clinton, Fayette, Greene, Madison and Highland Counties. This organization is presented in Note 16.

Also, the School District is associated with the Southwestern Ohio Educational Purchasing Council (SOEPC), which is defined as a jointly governed organization. It is a purchasing cooperative comprised of over 126 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. This organization is presented in Note 16.

Also, the School District is associated with the Greene County Career Center, which is defined as a jointly governed organization. It is a distinct political subdivision of the State of Ohio operating as a joint vocational school district. The purpose of the vocational school district is to provide vocational educational services to students of member districts. This organization is presented in Note 16.

ECONOMIC CONDITION AND OUTLOOK

Overall, it had been believed that the economy of the state was stable and growing. Many indicators have supported this claim; however, the Governor has recently indicated that incoming revenues are lower than expectations and that a tight budget is ahead. These comments leave many entities concerned about future state financial support. The new state budget process begins in early 2017, and the School District will be keeping close watch on the proposals as they make their way through the legislative process. It is very important for the School District to stay informed on this topic because the state budget currently accounts for 52% of the School District's revenues. Any changes of significance could vastly alter the School District's total revenues.

Despite the uncertainty surrounding the upcoming state budget process, and with considering the several assumptions included in the School District's Five Year Forecast ("FYF"), the School District is seeing a need for new money in the foreseeable future. The FYF emphasizes that a surplus of revenues over expenditures will occur in fiscal years 2017 and 2018, but deficit spending is projected thereafter. While this may initially sound less than appealing, the School District goes through an annual budget review process to make sure that funds are being spent wisely. Deficit spending issues will look to be addressed, as needed. The main point worth stressing is that the School District has demonstrated a strong focus on being outstanding fiscal stewards of taxpayer dollars, adding over \$13.3 million to the General Fund's ending cash balance (i.e. – the "bottom line") in the last three fiscal years. In terms of projected enrollment, the District expects relatively consistent enrollment in the near future.

MAJOR INITIATIVES

The treasurer's office handles a great deal of the day-to-day financial functions of the district, including issuing payroll, billing for insurance, purchasing, reporting to the state of Ohio and the U.S. Department of Education, forecasting and tracking revenues and expenditures, and investing. While these are important functions of the treasurer's office, the most crucial component is to allocate adequate funding to all areas so that the School District can offer children the best education possible.

Last year, the School District's curriculum department ensured that curriculum was aligned to state standards. Pacing guides and curriculum maps were created to ensure students had exposure to content and were given the opportunity to achieve high levels of performance. Gaps in the School District's resources were identified; the School District is currently purchasing or will purchase instructional resources to address the needs. This year, focus has been placed on implementing the new curriculum adoptions and closing the achievement gaps for targeted students.

The School District has added over 3,300 Chromebooks and 300 laptops in the last two years for student usage. This is roughly two students for every device. Further, each kindergarten student has his/her own device to use in the classroom. In addition, the School District is still increasing access. Technology is becoming an integrated part of instruction and assessment.

The School District added Digital Literacy and Music in grades K-5. The School District also added Project Lead the Way options at the middle and high school level over the past two years. Instructional supplies for a multitude of middle school projects have been purchased and are being used. Software and hardware for intervention and enrichment has been added or continues to be funded (i.e. – Epson Interactive projectors, Compass Learning, Moby Max, Learning.com, Reading A to Z, Gizmos, etc.). Resources and curriculum have also been purchased for new high school course offerings.

The Virtual Academy adopted Odysseyware programming and the School District continues to grow credit recovery options.

This year, the School District brought back physical education in the elementary schools; two physical education teachers were hired and curriculum materials were purchased. Two guidance counselors at grades K-5 were also added this year. A robotics/coding element to the Digital Literacy course has also been added.

Career Technology resources are being provided – a Business and Technology Pathway has been developed at the high school, and a Career Awareness course has been added at Warner Middle School to support students as they explore job opportunities for their future.

For the first time in 12 years, the School District is on a textbook/curriculum adoption replacement schedule. In the past year, the School District has audited curriculum needs to ensure textbooks and technology components are aligned with content standards and new curriculum. Once curriculum is adopted, staff should be properly trained on new books and related curriculum resources.

For this school year, math adoption was the primary focus in grades 6-12. Xenia High School is implementing a new curriculum and Warner Middle School is receiving additional training on their current math program. In grades K-5, ELA (English language arts) has been a primary focus. Curriculum resources and professional development continue to be provided to improve literacy framework. Additionally, the School District was able to supplement high school social studies and science in grades 3-5. English as a second language curriculum was also purchased to support ESL programming. For the 2016-2017 school year, the School District will focus on completing a science adoption. The School District will also ensure social studies curriculum resources at the middle school are current.

FINANCIAL INFORMATION

The School District's accounting system is organized on a fund basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

INTERNAL CONTROLS

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely derived from its implementations, and (2) the valuation of cost and benefits requires estimates and judgments by management.

The School District uses a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual control procedures, ensure that the financial information generated is both accurate and reliable. During the 2015-2016 school year, the District relied on State software through MVECA for financial accounting software.

Assistance

As a recipient of Federal and State assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

Financial Condition

The School District continues to prepare financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 created basic financial statements for reports as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statement distinguishes between those activities of the School District that are governmental and those that are considered business-type activities. The School District reports no business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances.

Management Discussion and Analysis for the School District - This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the School District finances and the outlook for the future.

OTHER INFORMATION

Independent Audit

An audit team from the independent accounting firm Julian & Grube, Inc. has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

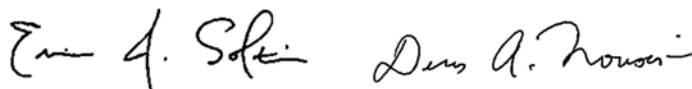
Awards

The fiscal year ended June 30, 2016 will be the first year the School District submits a CAFR for an award. The School District hopes that the Government Finance Officers Association of the United States and Canada (GFOA) will award a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. The Certificate of Achievement is the highest form of recognition for excellence in the state and local government financial reporting.

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. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The School District believes the current report continues to conform to the high standards required by the Certificate of Achievement program.

Acknowledgements

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. In particular, special thanks to Darian Ascoli, the Assistant Treasurer, who has managed the GAAP conversion process and audit for the School District. The members of the Treasurer's Office Staff are to be commended for their input and commitment. Finally, appreciation is extended to the firm of Julian and Grube, Inc. for the guidance and assistance in preparing this report.



Eric J. Soltis, MBA
Treasurer/CFO

Denny Morrison
Superintendent

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016**

ELECTED OFFICIALS

President, Board of Education	Mr. Robert P. Dillaplain, M.D.
Vice President, Board of Education	Mr. Gilberto Esparza
Board of Education Member	Ms. Pam Callahan
Board of Education Member	Mr. William Spahr
Board of Education Member	Ms. Cheryl D. Marcus, Ed.S.

ADMINISTRATIVE OFFICIALS

Superintendent	Mr. Denny Morrison
Assistant Superintendent of Business Operations	Ms. Christy Fielding
Interim Treasurer	Mrs. Diana Whitt ⁽¹⁾
Athletic Director	Mr. Nathan Kopp
EMIS Coordinator	Ms. Tammy Newsock
Director of Instructional Services	Dr. Sabrina Woodruff
Coordinator of Elementary Curriculum	Ms. Dena Doolin
Coordinator of Secondary Curriculum	Mr. Andrew Huber
Gifted Coordinator/Elementary Gifted Specialist	Ms. Donna Shaw
Personnel Director	Mr. Michael Earley
Coordinator of Pupil Personnel	Mr. Brian Newell
Director of Special Education and Pupil Personnel	Ms. Dianna Alliod
Coordinator of Cafeterias	Ms. Charlene Landis

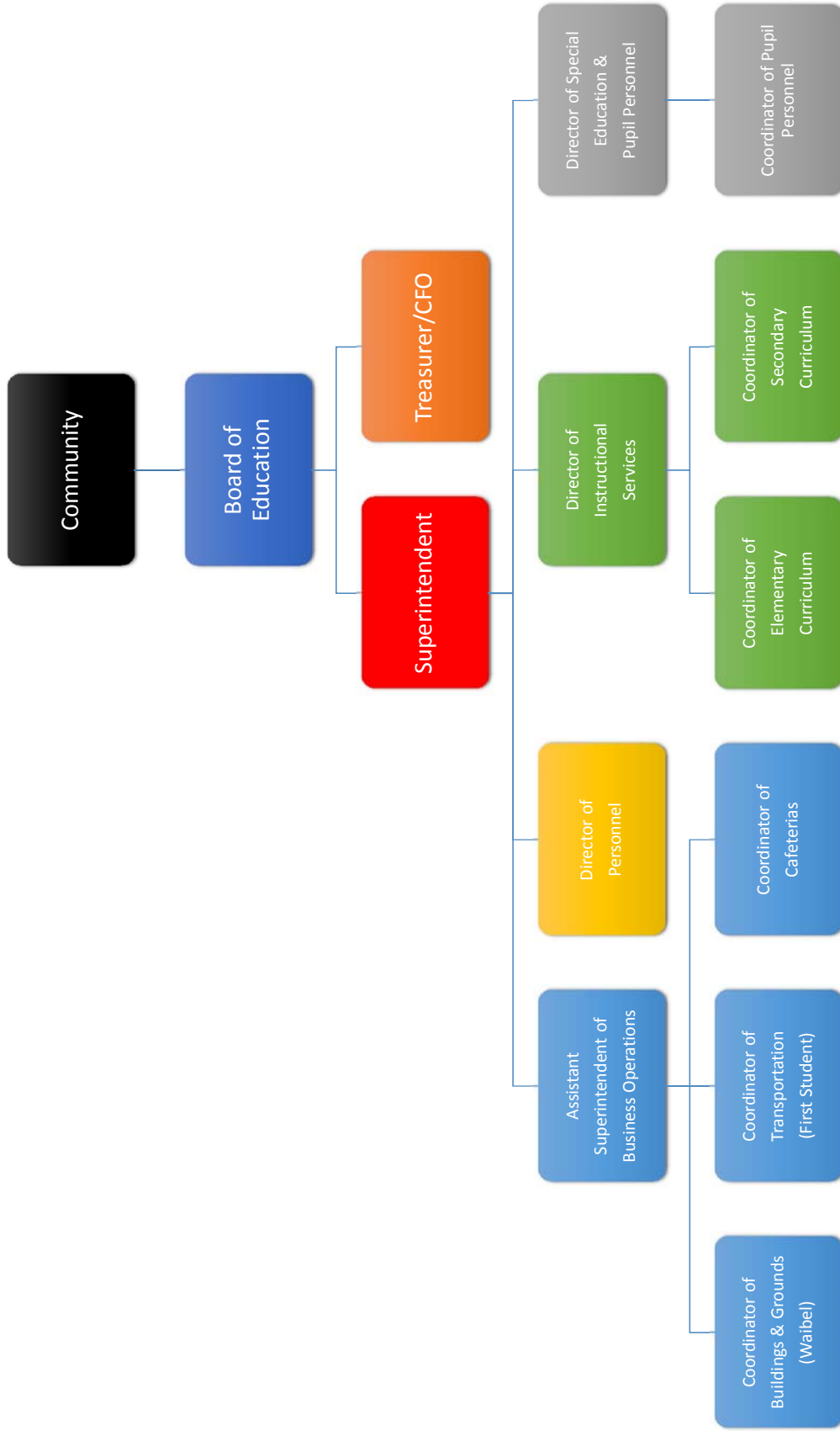
OFFICE OF THE TREASURER

Interim Treasurer	Mrs. Diana Whitt ⁽¹⁾
Assistant Treasurer	Mr. Darian Ascoli
Head Bookkeeper	Ms. Cara Haywood
Bookkeeping Technician	Ms. Joyce Lewis
Accounting Specialist/Secretary to the Treasurer	Ms. Melissa Kraemer

⁽¹⁾ On August 1, 2016, Mr. Eric J. Soltis, MBA, became Treasurer of the School District.

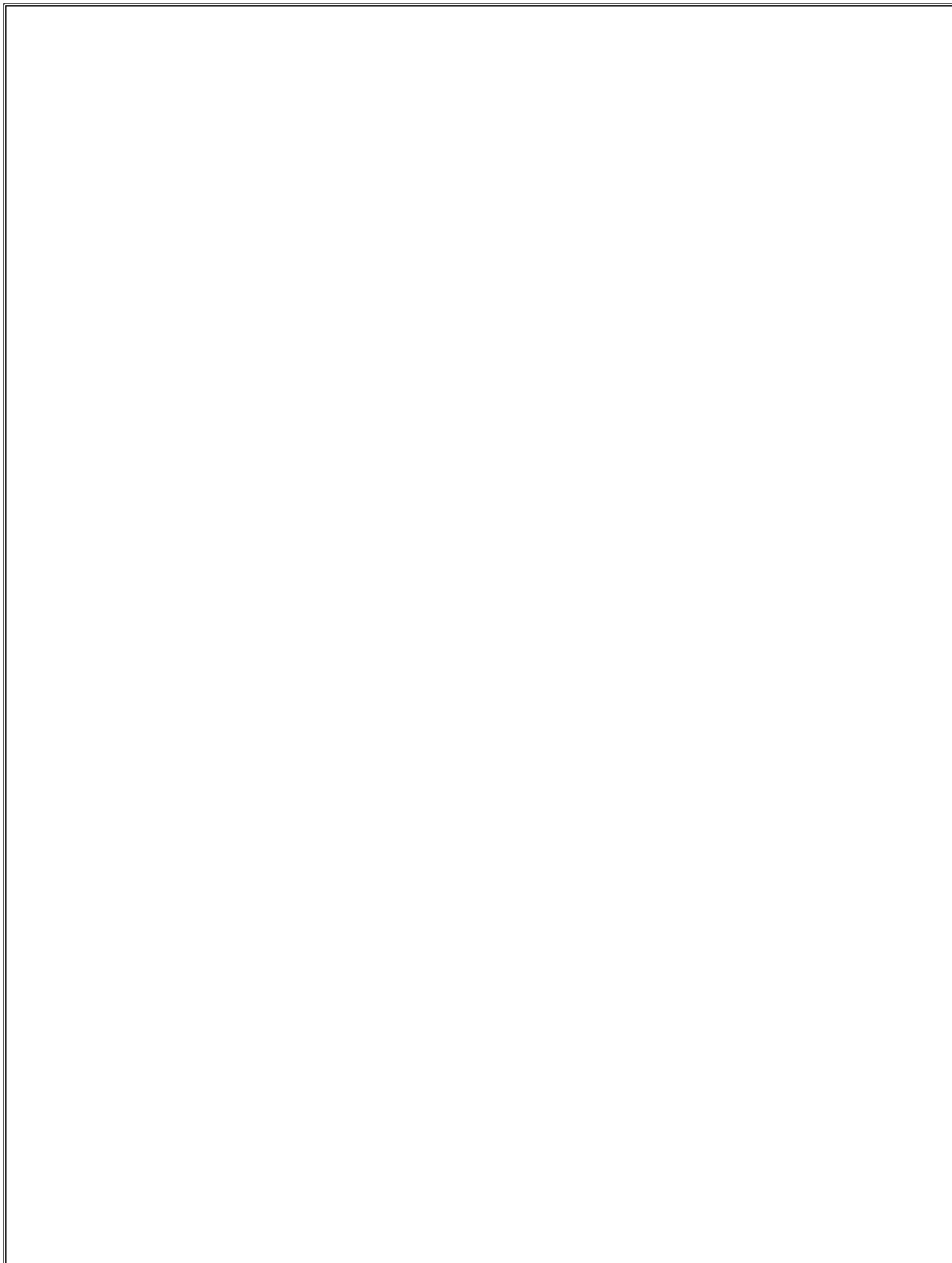
**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**ORGANIZATIONAL CHART
JUNE 30, 2016**



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FINANCIAL SECTION





Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Xenia Community School District
Greene County
819 Colorado Drive
Xenia, Ohio 45385

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of the Xenia Community School District, Greene County, Ohio, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Xenia Community School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Xenia Community School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Xenia Community School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Xenia Community School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2016, on our consideration of the Xenia Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Xenia Community School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 15, 2016

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

The management's discussion and analysis of the Xenia Community School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016.

The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

- In total, net position of governmental activities increased \$4,563,633 which represents a 84.71% increase from 2015's net position.
- General revenues accounted for \$48,725,496 in revenue or 81.73% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$10,892,991 or 18.27% of total revenues of \$59,618,487.
- The School District had \$55,054,854 in expenses related to governmental activities; \$10,892,991 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$48,725,496 were adequate to provide for these programs.
- The School District's major governmental fund is the general fund. The general fund had \$49,688,150 in revenues and other financing sources and \$46,560,590 in expenditures. During fiscal year 2016, the general fund's fund balance increased \$3,127,560 from \$15,604,702 to \$18,732,262.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole 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 funds presented in total in one column. In the case of the School District, the general fund is the most significant funds and is considered a major fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains 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 2016?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

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 restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the Governmental Activities include the School District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The School District's statement of net position and statement of activities can be found on pages 15-16 of this report.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major governmental funds begins on page 11. 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 fund is the general 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* than can readily be converted to cash. The governmental fund financial 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 basic financial statements. The basic governmental fund financial statements can be found on pages 17-21 of this report.

Fiduciary Funds

The School District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The School District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 20 and 21. 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.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-61 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages 64-70 of this report.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

The School District as a Whole

The statement of net position provides the perspective of the School District as a whole. The table below provides a summary of the School District's net position at June 30, 2016 and 2015.

	Net Position	
	Governmental Activities <u>2016</u>	Governmental Activities <u>2015</u>
<u>Assets</u>		
Current and other assets	\$ 51,430,510	\$ 47,941,325
Capital assets, net	<u>73,339,255</u>	<u>74,908,881</u>
Total assets	<u>124,769,765</u>	<u>122,850,206</u>
<u>Deferred Outflows of Resources</u>		
Pension	<u>6,117,155</u>	<u>3,863,299</u>
Total deferred outflows of resources	<u>6,117,155</u>	<u>3,863,299</u>
<u>Liabilities</u>		
Current liabilities	5,740,543	5,631,803
Long-term liabilities:		
Due within one year	2,183,726	987,760
Due in more than one year:		
Net pension liability	60,444,878	53,666,835
Other amounts	<u>37,796,927</u>	<u>39,844,340</u>
Total liabilities	<u>106,166,074</u>	<u>100,130,738</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for next year	18,635,348	19,693,407
Unamortized deferred gain on refunding	2,441,362	2,541,350
Pensions	<u>4,467,582</u>	<u>9,735,089</u>
Total deferred inflows of resources	<u>25,544,292</u>	<u>31,969,846</u>
<u>Net Position</u>		
Net investment in capital assets	34,976,004	36,109,895
Restricted	5,592,170	4,592,926
Unrestricted	<u>(41,391,620)</u>	<u>(46,089,900)</u>
Total net position	<u>\$ (823,446)</u>	<u>\$ (5,387,079)</u>

During a previous fiscal year, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

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

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

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

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

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

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

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the School District's liability and deferred inflows of resources exceeded assets and deferred outflows of resources by \$823,446. Of this total, (\$41,391,620) is unrestricted in use.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

Total assets of the School District increased \$1,919,559 or 1.56%. Current and other assets increased \$3,489,185 or 7.28% due primarily to an increase in equity in pooled cash and investments. This increase can be attributable to an increase in general fund cash balance due to conservative spending related to recent School District cuts. Capital assets decreased \$1,569,626 or 2.10% due mainly current year depreciation exceeding current year additions.

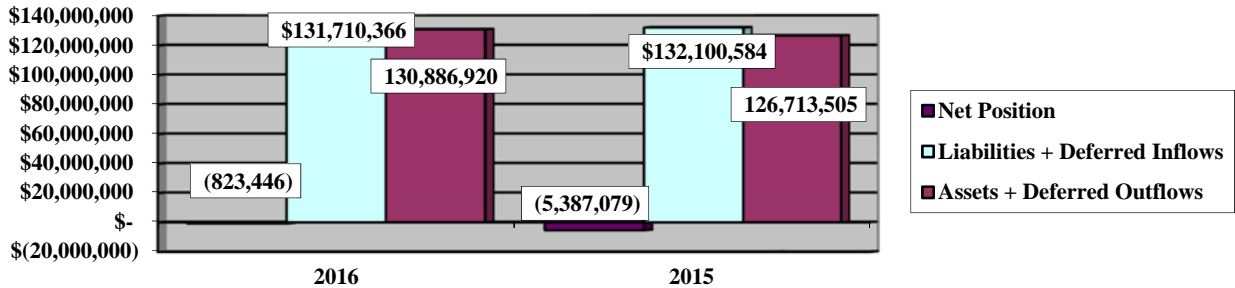
At year-end, capital assets represented 56.03% of total assets and deferred outflows of resources. Capital assets include land, buildings and improvements, furniture/equipment/fixtures and vehicles. Net investment in capital assets at June 30, 2016, was \$34,976,004. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Liabilities of the School District increased \$6,035,336 or 6.03%. The primary reason for this increase is due an increase in net pension liability.

A portion of the School District's net position, \$5,592,170, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is (\$41,391,620).

The graph below illustrates the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2016 and 2015.

Governmental Activities



**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

The table below shows the change in net position for fiscal year 2016 and 2015.

	Change in Net Position	
	Governmental Activities 2016	Governmental Activities 2015
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,874,048	\$ 1,342,886
Operating grants and contributions	9,018,943	9,321,300
General revenues:		
Taxes	25,599,956	23,529,072
Payment in lieu of taxes	22,523	19,573
Unrestricted grants and entitlements	22,359,441	22,035,123
Interest	220,955	63,575
Other	522,621	49,152
Total revenues	59,618,487	56,360,681

(Continued)

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	Change in Net Position (Continued)	
	Governmental	Governmental
	Activities	Activities
	2016	2015
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 23,624,576	\$ 22,157,855
Special	9,757,625	8,930,431
Vocational	509,173	391,609
Other	487,358	463,517
Support services:		
Pupil	2,588,162	2,812,029
Instructional staff	1,317,782	1,096,775
Board of education	46,982	54,169
Administration	3,546,345	3,367,885
Fiscal	1,193,856	902,766
Business	811,055	714,612
Operations and maintenance	3,301,567	3,479,724
Pupil transportation	2,399,596	2,828,070
Central	458,537	249,803
Operations of non-instructional services:		
Non-instructional services	436,706	393,102
Food service operations	1,746,222	1,682,912
Extracurricular activities	919,928	773,328
Interest and fiscal charges	1,909,384	2,441,812
Total expenses	55,054,854	52,740,399
Change in net position	4,563,633	3,620,282
Net position at beginning of year	(5,387,079)	(9,007,361)
Net position at end of year	\$ (823,446)	\$ (5,387,079)

Governmental Activities

Net position of the School District's governmental activities increased \$4,563,633. Total governmental expenses of \$55,054,854 were offset by program revenues of \$10,892,991 and general revenues of \$48,725,496. Program revenues supported 19.79% of the total governmental expenses.

Revenues of the School District increased \$3,257,806 or 5.78%. This increase is primarily due to an increase in taxes. Taxes of the School District increased \$2,070,884 due to fluctuations in the amount of tax collected and available for advance at fiscal year-end by the Greene County Auditor. Tax advances available are recorded as revenue under GAAP. The amount of tax advances available at June 30, 2016, 2015 and 2014 was \$1,026,987, \$1,361,923 and \$1,860,652, respectively. The amount of tax advance available at year-end can vary depending upon when the county fiscal officers distribute tax bills. Charges for services increased \$531,162 due primarily to an increase in tuition revenues.

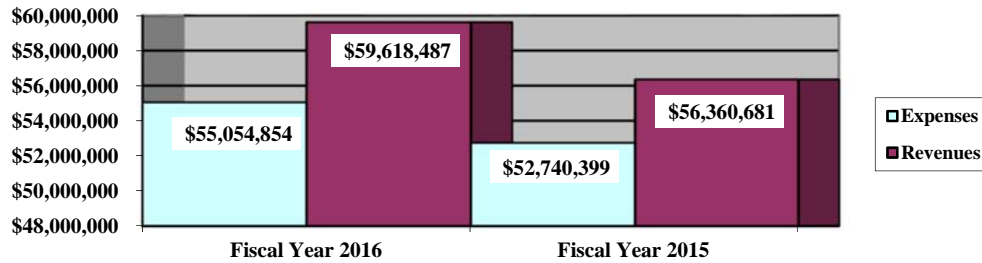
**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

Expenses of the School District increased \$2,314,455 or 4.39%. The largest expense of the School District is for instructional programs. Instruction expenses totaled \$34,378,732 or 62.44% of total governmental expenses for fiscal year 2016. The increase in expenses was due to overall increases in wages and benefits paid to employees.

The graph below presents the School District's governmental activities revenues and expenses for fiscal year 2016 and 2015.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table 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 grants and entitlements.

Governmental Activities

	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>
Program expenses				
Instruction:				
Regular	\$ 23,624,576	\$ 22,500,334	\$ 22,157,855	\$ 21,191,534
Special	9,757,625	4,067,958	8,930,431	3,030,037
Vocational	509,173	363,614	391,609	234,989
Other	487,358	487,358	463,517	463,517
Support services:				
Pupil	2,588,162	2,323,885	2,812,029	2,511,774
Instructional staff	1,317,782	1,291,126	1,096,775	924,204
Board of education	46,982	46,982	54,169	54,169
Administration	3,546,345	3,425,735	3,367,885	3,240,699
Fiscal	1,193,856	1,191,706	902,766	902,766
Business	811,055	810,214	714,612	714,612
Operations and maintenance	3,301,567	3,284,368	3,479,724	3,454,436
Pupil transportation	2,399,596	2,224,812	2,828,070	2,677,044
Central	458,537	444,137	249,803	235,403
Operations of non-instructional services:				
Other non-instructional services	436,706	(6,177)	393,102	(21,085)
Food service operations	1,746,222	(152,873)	1,682,912	(92,703)
Extracurricular activities	919,928	449,116	773,328	113,005
Interest and fiscal charges	1,909,384	1,409,568	2,441,812	2,441,812
Total expenses	<u>\$ 55,054,854</u>	<u>\$ 44,161,863</u>	<u>\$ 52,740,399</u>	<u>\$ 42,076,213</u>

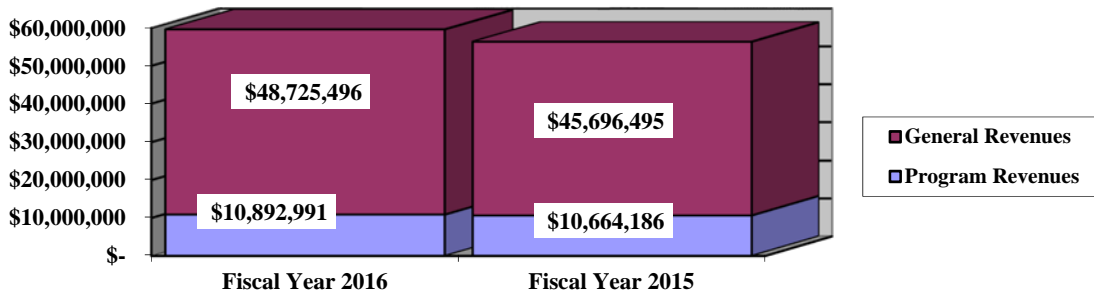
**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

The dependence upon tax and other general revenues for governmental activities is apparent, 79.76% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 80.21%. The School District's taxpayers and grants and entitlements received from the State of Ohio that are not restricted in use are by far the primary support for School District's students.

The graph below presents the School District's governmental activities revenue for fiscal year 2016 and 2015.

Governmental Activities - General and Program Revenues



The School District's Funds

The School District's governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$24,644,374, which is higher than last year's total of \$20,857,904. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2016 and 2015.

	Fund Balance <u>June 30, 2016</u>	Fund Balance <u>June 30, 2015</u>	<u>Change</u>	<u>Percentage Change</u>
General	\$ 18,732,262	\$ 15,604,702	\$ 3,127,560	20.04 %
Other governmental	<u>5,912,112</u>	<u>5,253,202</u>	<u>658,910</u>	12.54 %
Total	<u>\$ 24,644,374</u>	<u>\$ 20,857,904</u>	<u>\$ 3,786,470</u>	18.15 %

The School District's general fund balance increased \$3,127,560.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2016 Amount</u>	<u>2015 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 22,087,087	\$ 21,508,842	\$ 578,245	2.69 %
Tuition	877,991	452,791	425,200	93.91 %
Earnings on investments	194,839	56,343	138,496	245.81 %
Intergovernmental	25,646,519	24,937,483	709,036	2.84 %
Other	<u>490,153</u>	<u>350,859</u>	<u>139,294</u>	39.70 %
Total	<u>\$ 49,296,589</u>	<u>\$ 47,306,318</u>	<u>\$ 1,990,271</u>	4.21 %

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 30,925,654	\$ 27,752,128	\$ 3,173,526	11.44 %
Supporting services	14,735,749	14,070,308	665,441	4.73 %
Non-instructional services	10,923	7,204	3,719	51.62 %
Extracurricular activities	546,773	594,450	(47,677)	(8.02) %
Facilities acquisition and construction	54,960	-	54,960	100.00 %
Debt service	<u>286,531</u>	<u>404,831</u>	<u>(118,300)</u>	<u>(29.22) %</u>
Total	<u>\$ 46,560,590</u>	<u>\$ 42,828,921</u>	<u>\$ 3,731,669</u>	<u>8.71 %</u>

Overall revenues of the general fund increased \$1,990,271. The most significant increases were in the area taxes, intergovernmental and tuition. Taxes increased \$578,245 or 2.69% due to the previously discussed fluctuations in tax advances recorded as revenue. Intergovernmental increased \$709,036 or 2.84% due to an increase in State foundation money as well an increase in Medicaid School Program (MSP) revenues. Tuition increased \$425,200 due to an increase in open enrollment tuition.

Expenditures of the general fund increased \$3,731,669 or 8.71%. The most significant increases were in the areas of instruction and support services which increased \$3,173,526 and \$665,441, respectively. These increases were due to increases in wages and benefits expenditures.

General Fund Budgeting Highlights

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

During the course of fiscal year 2016, the School District did not amended its general fund budget. For the general fund, original and final revenues and other financing sources were \$47,870,027. Actual revenues and other financing sources for fiscal year 2016 were \$49,534,267. This represents a \$1,664,240 increase over final budgeted revenues. The largest increases were in the areas of property taxes, tuition and sale of capital assets. Property taxes increased due to better than expected collections while tuition increased due to an increase in open enrollment students from the previous estimate. Sale of capital assets increased due to the School District selling buses to a third party to run the School District's busing operation.

General fund original appropriations and other financing uses totaled \$45,681,375. These were increased in final appropriations and other financing uses to \$48,622,491. The increases were primarily in the areas of instruction due to high costs associated with wages and benefits for those employees. The actual budget basis expenditures and other financing uses for fiscal year 2016 totaled \$47,085,621, which is lower than the final budget appropriations by \$1,536,870.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the School District had \$73,339,255 invested in land, buildings and improvements, furniture/equipment/fixtures, and vehicles. This entire amount is reported in governmental activities.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

The following table shows June 30, 2016 balances compared to June 30, 2015:

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities	
	2016	2015
Land	\$ 450,091	\$ 450,091
Construction in progress	-	551,047
Building and improvements	70,755,488	71,824,478
Furniture/equipment/fixtures	2,062,476	1,985,204
Vehicles	71,200	98,061
Total	\$ 73,339,255	\$ 74,908,881

The overall decrease in capital assets of \$1,569,626 is due to current year depreciation of \$2,137,424 and disposals (net of accumulated depreciation) of \$71,702 exceeding capital outlays of \$639,500.

See Note 9 to the basic financial statements for additional information on the School District's capital assets.

Debt Administration

The following table summarizes the School District's long term debt outstanding at June 30, 2016 and 2015.

	Governmental Activities	
	2016	2015
Energy conservation notes	\$ 1,360,000	\$ 1,475,000
School facilities construction and improvement bonds	33,508,396	33,832,266
Permanent improvement notes	595,000	610,000
Capital leases	-	114,078
Unamortized bond & note premiums	2,243,752	2,336,666
Total	\$ 37,707,148	\$ 38,368,010

At June 30, 2016, the School District had \$37,707,148 in current interest bonds, capital appreciation bonds, accreted interest, notes payable, premiums and capital lease obligations. Of this total, \$1,695,433 is due within one year and \$36,011,715 is due within greater than one year.

See Note 15 to the basic financial statements for additional information on the School District's debt administration.

Current Financial Related Activities

On November 2, 2010, the voters approved a renewal of an emergency levy that provides nearly \$8 million a year for the Xenia Community Schools. The levy is a five year, 11.4 mill (reduced from 13.4 mills when on the ballot five years ago) renewal levy that will continue to fund classroom instruction and key items like textbooks and technology. None of the money will go to construct buildings.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

On November 3, 2009, the School District voters approved 3.2 mills to construct five elementary school buildings. Of the total millage, 2.7 mills will be for construction; the remaining 0.5 mill is required by the state for maintenance on the school buildings. The building project is to cover the local portion of \$34,670,000 of the Ohio School Facilities Commission Program. The total project is \$125,408,386. The new schools were built on the current sites of Cox Elementary School, McKinley Elementary School, Shawnee Elementary School, Tecumseh Elementary School and Arrowood Elementary School. The Xenia Board of Education has set an aspiration goal of 25 percent for including local vendors and companies in the building project. The new elementary buildings were moved into during January 2013.

On November 8, 2011, voters rejected a 4.8 mill emergency levy for operations. If approved the levy would have generated about \$3,078,329 annually.

On August 7, 2012, the voters of the School District voted against replacing a seven year .5 percent income tax with a 1.5% income tax.

On November 6, 2012, the voters of the School District voted against a five year 6.50 mill emergency levy to avoid an operating deficit.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 questions about this report or need additional financial information contact: Mr. Eric Soltis, MBA, Treasurer at Xenia Community School District, 819 Colorado Drive, Xenia, Ohio 45385.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	\$ 27,803,679
Receivables:	
Property taxes	20,627,678
Income taxes	1,533,061
Payment in lieu of taxes	11,073
Accounts	16,806
Accrued interest	35,096
Intergovernmental	1,363,574
Prepayments	31,617
Inventory held for resale	7,926
Capital assets:	
Nondepreciable capital assets	450,091
Depreciable capital assets, net	72,889,164
Capital assets, net	<u>73,339,255</u>
Total assets	<u>124,769,765</u>
 Deferred outflows of resources:	
Pension - STRS	5,095,301
Pension - SERS	<u>1,021,854</u>
Total deferred outflows of resources	<u>6,117,155</u>
 Liabilities:	
Accounts payable	531,824
Accrued wages and benefits payable	3,579,335
Compensated absences payable	58,601
Early retirement incentive payable	628,632
Intergovernmental payable	122,994
Pension and postemployment benefits payable	674,767
Accrued interest payable	144,390
Long-term liabilities:	
Due within one year	2,183,726
Due in more than one year:	
Net pension liability	60,444,878
Other amounts due in more than one year	<u>37,796,927</u>
Total liabilities	<u>106,166,074</u>
 Deferred inflows of resources:	
Property taxes levied for the next fiscal year	18,635,348
Unamortized deferred gain on refunding	2,441,362
Pension - STRS	4,154,577
Pension - SERS	<u>313,005</u>
Total deferred inflows of resources	<u>25,544,292</u>
 Net position:	
Net investment in capital assets	34,976,004
Restricted for:	
Capital projects	2,132,449
Classroom facilities maintenance	1,914,184
Debt service	277,857
Locally funded programs	32,296
State funded programs	94,259
Federally funded programs	481,688
Food service operations	659,437
Unrestricted (deficit)	<u>(41,391,620)</u>
Total net position	<u>\$ (823,446)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular	\$ 23,624,576	\$ 830,618	\$ 293,624	\$ (22,500,334)
Special	9,757,625	215,000	5,474,667	(4,067,958)
Vocational	509,173	23,071	122,488	(363,614)
Other	487,358	-	-	(487,358)
Support services:				
Pupil.	2,588,162	2,745	261,532	(2,323,885)
Instructional staff	1,317,782	-	26,656	(1,291,126)
Board of education	46,982	-	-	(46,982)
Administration.	3,546,345	-	120,610	(3,425,735)
Fiscal.	1,193,856	-	2,150	(1,191,706)
Business.	811,055	-	841	(810,214)
Operations and maintenance	3,301,567	5,303	11,896	(3,284,368)
Pupil transportation.	2,399,596	-	174,784	(2,224,812)
Central	458,537	-	14,400	(444,137)
Operation of non-instructional services:				
Other non-instructional services	436,706	1,234	441,649	6,177
Food service operations	1,746,222	410,561	1,488,534	152,873
Extracurricular activities.	919,928	385,516	85,296	(449,116)
Interest and fiscal charges	1,909,384	-	499,816	(1,409,568)
Total governmental activities	<u>\$ 55,054,854</u>	<u>\$ 1,874,048</u>	<u>\$ 9,018,943</u>	<u>(44,161,863)</u>
General revenues:				
Property taxes levied for:				
General purposes				18,914,569
Debt service.				2,405,803
Capital outlay.				382,699
Classroom facilities maintenance				288,126
Payments in lieu of taxes.				22,523
Income taxes levied for:				
General purposes				3,608,759
Grants and entitlements not restricted to specific programs				
				22,359,441
Investment earnings				220,955
Miscellaneous				522,621
Total general revenues				<u>48,725,496</u>
Change in net position				4,563,633
Net position at beginning of year				<u>(5,387,079)</u>
Net position at end of year.				<u>\$ (823,446)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 20,754,745	\$ 7,048,934	\$ 27,803,679
Receivables:			
Property taxes.	17,893,060	2,734,618	20,627,678
Income taxes	1,533,061	-	1,533,061
Payment in lieu of taxes	11,073	-	11,073
Accounts	4,625	12,181	16,806
Accrued interest	35,096	-	35,096
Interfund loans	300,772	-	300,772
Intergovernmental.	316,634	1,046,940	1,363,574
Prepayments.	29,865	1,752	31,617
Inventory held for resale.	-	7,926	7,926
Advances to other funds.	330,000	-	330,000
Total assets	<u>\$ 41,208,931</u>	<u>\$ 10,852,351</u>	<u>\$ 52,061,282</u>
Liabilities:			
Accounts payable	\$ 376,606	\$ 155,218	\$ 531,824
Accrued wages and benefits payable	3,182,459	396,876	3,579,335
Compensated absences payable	58,601	-	58,601
Early retirement incentive payable	628,632	-	628,632
Intergovernmental payable	117,438	5,556	122,994
Pension and postemployment benefits payable	568,650	106,117	674,767
Interfund loans payable.	-	300,772	300,772
Advance from other funds	-	330,000	330,000
Total liabilities.	<u>4,932,386</u>	<u>1,294,539</u>	<u>6,226,925</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	16,166,528	2,468,820	18,635,348
Delinquent property tax revenue not available.	836,701	129,940	966,641
Income tax revenue not available	235,267	-	235,267
Intergovernmental revenue not available.	262,352	1,046,940	1,309,292
Accrued interest not available.	32,362	-	32,362
Payment in lieu of taxes not available.	11,073	-	11,073
Total deferred inflows of resources	<u>17,544,283</u>	<u>3,645,700</u>	<u>21,189,983</u>
Fund balances:			
Nonspendable:			
Prepays.	29,865	1,752	31,617
Long-term loans.	330,000	-	330,000
Restricted:			
Debt service	-	1,144,115	1,144,115
Capital improvements	-	2,677,460	2,677,460
Classroom facilities maintenance	-	1,901,467	1,901,467
Food service operations	-	782,242	782,242
Non-public schools	-	39,711	39,711
Other purposes.	-	50,325	50,325
Assigned:			
Student instruction	255,601	-	255,601
Student and staff support.	706,050	-	706,050
Facilities acquisition and construction	13,740	-	13,740
Subsequent year's appropriations	11,138,463	-	11,138,463
Other purposes.	423,018	-	423,018
Unassigned (deficit).	5,835,525	(684,960)	5,150,565
Total fund balances	<u>18,732,262</u>	<u>5,912,112</u>	<u>24,644,374</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 41,208,931</u>	<u>\$ 10,852,351</u>	<u>\$ 52,061,282</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

Total governmental fund balances		\$	24,644,374
<i>Amounts reported for governmental activities on 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.			73,339,255
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	966,641	
Income taxes receivable		235,267	
Payment in lieu of taxes receivable		11,073	
Accrued interest receivable		32,362	
Intergovernmental receivable		1,309,292	
Total		1,309,292	2,554,635
Unamortized premiums on bonds issued are not recognized in the funds.			(2,243,752)
Unamortized gains on refundings are not recognized in the funds.			(2,441,362)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(144,390)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - pension		6,117,155	
Deferred inflows of resources - pension		(4,467,582)	
Net pension liability		(60,444,878)	
Total		(60,444,878)	(58,795,305)
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		(33,508,396)	
Compensated absences		(2,273,505)	
Notes payable		(1,955,000)	
Total		(37,736,901)	(37,736,901)
Net position of governmental activities		\$	(823,446)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Property taxes	\$ 18,464,463	\$ 2,974,599	\$ 21,439,062
Income taxes	3,622,624	-	3,622,624
Payment in lieu of taxes	22,145	-	22,145
Tuition	877,991	-	877,991
Earnings on investments	194,839	982	195,821
Charges for services	-	410,561	410,561
Extracurricular	83,961	280,068	364,029
Classroom materials and fees	149,467	-	149,467
Rental income	5,303	-	5,303
Contributions and donations	15,880	108,206	124,086
Contract services	32,647	34,050	66,697
Other local revenues	180,750	328,471	509,221
Intergovernmental - state	24,872,034	1,087,778	25,959,812
Intergovernmental - federal	774,485	4,445,409	5,219,894
Total revenues	<u>49,296,589</u>	<u>9,670,124</u>	<u>58,966,713</u>
Expenditures:			
Current:			
Instruction:			
Regular	22,817,206	280,892	23,098,098
Special	7,137,186	2,480,754	9,617,940
Vocational	495,501	-	495,501
Other	475,761	-	475,761
Support services:			
Pupil	2,401,466	251,930	2,653,396
Instructional staff	1,254,635	26,041	1,280,676
Board of education	46,260	-	46,260
Administration	3,409,606	116,377	3,525,983
Fiscal	1,087,444	73,846	1,161,290
Business	774,601	11,668	786,269
Operations and maintenance	2,688,372	675,261	3,363,633
Pupil transportation	2,631,180	12,644	2,643,824
Central	442,185	-	442,185
Operation of non-instructional services:			
Other non-instructional services	10,923	395,896	406,819
Food service operations	-	1,706,830	1,706,830
Extracurricular activities	546,773	360,732	907,505
Facilities acquisition and construction	54,960	234,380	289,340
Debt service:			
Principal retirement	229,078	1,045,000	1,274,078
Interest and fiscal charges	57,453	1,338,963	1,396,416
Total expenditures	<u>46,560,590</u>	<u>9,011,214</u>	<u>55,571,804</u>
Excess of revenues over expenditures	<u>2,735,999</u>	<u>658,910</u>	<u>3,394,909</u>
Other financing sources:			
Sale of capital assets	391,561	-	391,561
Total other financing sources	<u>391,561</u>	<u>-</u>	<u>391,561</u>
Net change in fund balances	3,127,560	658,910	3,786,470
Fund balances at beginning of year	<u>15,604,702</u>	<u>5,253,202</u>	<u>20,857,904</u>
Fund balances at end of year	<u>\$ 18,732,262</u>	<u>\$ 5,912,112</u>	<u>\$ 24,644,374</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds	\$	3,786,470
<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	\$ 639,500	
Current year depreciation	<u>(2,137,424)</u>	
Total		(1,497,924)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(71,702)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	552,135	
Income taxes	(13,865)	
Payment in lieu of taxes	378	
Earnings on investments	25,510	
Intergovernmental	<u>87,616</u>	
Total		651,774
Repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	1,030,000	
Notes	130,000	
Capital leases	<u>114,078</u>	
Total		1,274,078
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	260	
Accreted interest on capital appreciation bonds	(706,130)	
Amortization of bond premiums	92,914	
Amortization of deferred gain	<u>99,988</u>	
Total		(512,968)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		3,595,566
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(2,852,246)
Some expenses reported in the statement of activities, such as compensated absences and early retirement incentives, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>190,585</u>
Change in net position of governmental activities	\$	<u>4,563,633</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 18,588,205	\$ 18,588,205	\$ 18,891,410	\$ 303,205
Income taxes	3,478,897	3,478,897	3,605,181	126,284
Payment in lieu of taxes	21,390	21,390	22,145	755
Tuition	420,037	420,037	826,913	406,876
Earnings on investments	40,449	40,449	130,978	90,529
Extracurricular	13,978	13,978	1,575	(12,403)
Classroom materials and fees	2,243	2,243	469	(1,774)
Rental income	6,527	6,527	5,303	(1,224)
Contract services	29,928	29,928	32,647	2,719
Other local revenues	26,743	26,743	24,259	(2,484)
Intergovernmental - state	24,558,557	24,558,557	24,865,135	306,578
Intergovernmental - federal	679,581	679,581	733,537	53,956
Total revenues	47,866,535	47,866,535	49,139,552	1,273,017
Expenditures:				
Current:				
Instruction:				
Regular	21,823,537	22,841,979	22,686,881	155,098
Special	6,613,470	6,922,102	7,069,213	(147,111)
Vocational	481,605	504,080	479,220	24,860
Other	480,783	503,220	475,761	27,459
Support services:				
Pupil	2,134,708	2,234,329	2,285,638	(51,309)
Instructional staff	1,102,069	1,153,500	1,325,322	(171,822)
Board of education	45,526	47,650	51,191	(3,541)
Administration	3,331,332	3,486,795	3,408,377	78,418
Fiscal	1,026,523	1,074,428	1,064,708	9,720
Business	852,965	892,771	845,435	47,336
Operations and maintenance	3,214,560	3,364,574	3,002,416	362,158
Pupil transportation	2,853,662	2,986,835	2,821,190	165,645
Central	427,582	447,536	438,112	9,424
Other operation of non-instructional services	9,090	9,514	9,535	(21)
Extracurricular activities	501,336	524,732	466,619	58,113
Facilities acquisition and construction	65,704	68,770	68,700	70
Debt service:				
Principal	220,925	231,235	231,000	235
Interest and fiscal charges	27,173	28,441	55,531	(27,090)
Total expenditures	45,212,550	47,322,491	46,784,849	537,642
Excess of revenues over expenditures	2,653,985	544,044	2,354,703	1,810,659
Other financing sources (uses):				
Refund of prior year's expenditures	66	66	4,631	4,565
Refund of prior year's receipts	(75)	-	-	-
Transfers (out)	-	(1,300,000)	-	1,300,000
Advances (out)	(468,750)	-	(300,772)	(300,772)
Sale of capital assets	3,426	3,426	390,084	386,658
Total other financing sources (uses)	(465,333)	(1,296,508)	93,943	1,390,451
Net change in fund balance	2,188,652	(752,464)	2,448,646	3,201,110
Fund balance at beginning of year	15,105,289	15,105,289	15,105,289	-
Prior year encumbrances appropriated	1,381,038	1,381,038	1,381,038	-
Fund balance at end of year	\$ 18,674,979	\$ 15,733,863	\$ 18,934,973	\$ 3,201,110

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 39,678	\$ 81,830
Total assets.	39,678	\$ 81,830
Liabilities:		
Accounts payable.	-	\$ 432
Due to students.	-	46,148
Undistributed monies	-	35,250
Total liabilities	-	\$ 81,830
Net position:		
Held in trust for scholarships	39,678	
Total net position.	\$ 39,678	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 54
Gifts and contributions	2,000
Total additions	2,054
Deductions:	
Scholarships awarded	5,099
Change in net position	(3,045)
Net position at beginning of year	42,723
Net position at end of year	\$ 39,678

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Xenia Community School District (the "School District") was chartered by Ohio State Legislature. In 1953 State laws were enacted to create local Boards of Education. Today, the School District operates under current 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.

The School District operates under a locally-elected five member Board form of government and provides educational services as mandated by State statute and federal guidelines. The School District currently operates 5 elementary schools, 2 middle schools (grades 6-8) and 1 high school (grades 9-12).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic 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. The School District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, 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; or (3) 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 (4) 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 the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The School District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are discussed in Note 16 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

Miami Valley Educational Computer Association
Southwestern Ohio Educational Purchasing Council
Greene County Career Center

Insurance Purchasing Pool:

Southwestern Ohio Educational Purchasing Council Workers'
Compensation Group Rating Plan

B. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal 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 of the School District. 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. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal 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 financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

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

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following is the School District's major governmental fund:

General Fund - The general fund is the operating fund of the School District and is used to account 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. This fund includes the revenue and expenditures for the emergency levy of the School District.

Other governmental funds of the School District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

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's only trust fund is a private purpose trust which accounts for a college scholarship program for students. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The School District's agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor. The agency fund also accounts for moneys owed to individuals outside of the School District.

D. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement on net position. The statement of activities accounts for increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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, current deferred outflows of resources, current liabilities and current 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.

The private purpose trust fund is reported using the economic resources measurement focus. The agency funds do not report a measurement focus as they do not report operations.

E. 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.

Revenues - Exchange and Nonexchange 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 fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 7).

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.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, see Note 11 for deferred outflows of resources related the School District's net pension liability.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the 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 includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the School District, see Note 11 for deferred inflows of resources related to the School District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

F. 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. Interest in the pool is presented as "Equity in Pooled Cash and Investments."

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

During fiscal year 2016, the School District invested in negotiable certificates of deposit, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, negotiable certificates of deposit, commercial paper and U. S. Government money market funds.

Investments are reported at fair value. For investments in open-ended mutual funds, fair value is determined by the fund's share price.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$194,839, which includes \$45,065 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are reported as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

G. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories consist of expendable supplies held for consumption and purchased and donated food held for resale. Donated commodities are presented at their entitlement value.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed. On the fund financial statements, reported prepayments is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

I. Interfund Balances

On the fund financial statements, short-term outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund loans receivable/payable." Long-term interfund loans for interfund services are reported as "advances to/from other funds". Interfund balances amounts are eliminated in the statement of net position.

J. Capital Assets

General capital assets are those that generally result 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 in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than 3 years. 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.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All reported capital assets except for 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-50 years
Furniture/Equipment/Fixtures	5-20 years
Vehicles	8 years

K. Accrued Liabilities and Long-term Obligations

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

In general, payables and accrued liabilities those, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from 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. Capital leases, permanent improvement notes, general obligation bonds and the energy conservation loan are recognized as a liability in the fund financial statements when due.

L. 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 School District 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 vesting 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 fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees who have reached the age of 50.

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

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated Absences Payable" in the funds from which the employees will be paid. The non-current portion of the liability is not reported.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally 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.

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

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 (the highest level of decision making authority). 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. The School District does not have any committed fund balances.

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 nor 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, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund 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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its 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.

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

O. Bond Issuance Costs/Unamortized Bond Premium and Discount/Unamortized Accounting Gain or Loss

On government-wide financial statements, bond issuance costs are expensed in the year they occur.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow of resources on the statement of net position.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 15.

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 to the funds that initially paid for them are not presented on the financial statements.

Q. Pensions

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

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items at June 30, 2016.

S. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

T. Budgetary Data

All funds, other than the agency fund, 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 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. Although the legal level of budgetary control was established at the fund level of expenditures, the School District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

The appropriation resolution is subject to amendment by the Board throughout the fiscal 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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

U. Fair Market Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the School District.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the School District.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the School District.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the School District.

B. Deficit Fund Balances

Fund balances at June 30, 2016 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
District managed student activities	\$ 172,841
Public school preschool	35,064
Title VI-B	136,662
Title I - School improvement stimulus A	36,470
Title I	266,057
IDEA preschool grant	2,791
Title II-A	33,728
Miscellaneous federal grants	520

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 - 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 monies are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited, to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies must be evidenced by time certificates of deposit maturing not more than five years from the date of deposit or by savings accounts including but not limited to passbook 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, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies are 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 or 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 2% 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 items (1) and (2) above 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 Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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.

A. Cash on Hand

At fiscal year end, the School District had \$375 in undeposited cash on hand which is included on the financial statements of the School District as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2016, the carrying amount of all School District deposits was \$14,496,180. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2016, \$10,941,410 of the School District's bank balance of \$14,618,256 was exposed to custodial risk as discussed below, while \$3,676,846 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the School District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School District. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

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

Investment	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	More than 24 months
FFCB	\$ 1,779,102	\$ -	\$ 501,266	\$ 762,386	\$ -	\$ 515,450
FHLB	3,150,065	-	1,300,601	-	-	1,849,464
FHLMC	2,041,522	-	500,945	-	-	1,540,577
FNMA	2,352,214	-	-	-	1,351,858	1,000,356
Negotiable CD's	1,018,751	-	-	-	-	1,018,751
Commercial paper	2,317,319	2,317,319	-	-	-	-
U.S. Government money market	769,659	769,659	-	-	-	-
Total	\$ 13,428,632	\$ 3,086,978	\$ 2,302,812	\$ 762,386	\$ 1,351,858	\$ 5,924,598

The School District's investments are valued using quoted market prices (Level 1 Inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the School District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The School District's investment in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The School District's investments in commercial paper were rated A-1 and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The School District's investments in the U. S. Government money market obtained an AAAm money market rating by Standard & Poor's. The School District's investment policy does not specifically address credit risk beyond requiring the School District to only invest in securities authorized by State Statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the School District at June 30, 2016:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FFCB	\$ 1,779,102	13.25
FHLB	3,150,065	23.45
FHLMC	2,041,522	15.20
FNMA	2,352,214	17.52
Negotiable CD	1,018,751	7.59
Commercial paper	2,317,319	17.26
U.S. Government money market	<u>769,659</u>	<u>5.73</u>
Total	<u>\$ 13,428,632</u>	<u>100.00</u>

D. Reconciliation of Cash to the Statement of Net Position

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position as of June 30, 2016:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 14,496,180
Investments	13,428,632
Cash on hand	<u>375</u>
Total	<u>\$ 27,925,187</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 27,803,679
Private purpose trust funds	39,678
Agency funds	<u>81,830</u>
Total	<u>\$ 27,925,187</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2016, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 300,772</u>

Interfund balances between governmental funds are eliminated on the government-wide Statement of Net Position.

**XENIA COMMUNITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Advance to/from other funds consisted of the following at June 30, 2016, as reported on the fund statement:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 330,000</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Amounts due to/from between governmental funds are eliminated on the government-wide statements.

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 property and public utility property. Real property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. 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 revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Public utility real and personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Greene County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 was \$889,831 in the general fund, \$105,592 in the bond retirement fund (a nonmajor governmental fund), \$18,027 in the permanent improvement fund (a nonmajor governmental fund) and \$13,537 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2015 was \$1,316,778 in the general fund, \$25,024 in the permanent improvement fund (a nonmajor governmental fund) and \$20,121 in the classroom facilities maintenance fund (a nonmajor governmental fund). 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, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 6 - PROPERTY TAXES - (Continued)

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

	2015 Second Half Collections		2016 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 626,442,760	96.50	\$ 626,342,900	96.16
Public utility personal	<u>22,710,730</u>	<u>3.50</u>	<u>24,997,310</u>	<u>3.84</u>
Total	<u>\$ 649,153,490</u>	<u>100.00</u>	<u>\$ 651,340,210</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$42.55		\$42.05	
Bond	3.40		3.90	
Permanent improvement	0.80		1.30	
Classroom facilities	0.50		0.50	

NOTE 7 - INCOME TAX

The School District levies a voted tax of 1/2% percent for general operations on the income of residents and of estates. The tax had an original effective date of January 1, 1998, and has subsequently been renewed through December 31, 2016. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2016, consisted of property and income taxes, payment in lieu of taxes, accounts, accrued interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables are as follows:

Governmental activities:	
Medicaid School Program	\$ 303,300
State Foundation Program	13,334
Ohio Facilities Construction Commission	397,260
Public school preschool	44,191
Title VI-B	187,784
School Improvement Stimulus A	35,633
Title I	334,165
IDEA preschool grant	3,786
Title II-A	<u>44,121</u>
Total Intergovernmental Receivable	<u>\$ 1,363,574</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 - CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 450,091	\$ -	\$ -	\$ 450,091
Construction in Progress	551,047	64,200	(615,247)	-
Total capital assets, not being depreciated	<u>1,001,138</u>	<u>64,200</u>	<u>(615,247)</u>	<u>450,091</u>
<i>Capital assets, being depreciated:</i>				
Buildings and Improvements	86,040,640	768,581	-	86,809,221
Furniture/Equipment/Fixtures	4,296,848	362,319	(19,100)	4,640,067
Vehicles	2,854,993	59,647	(2,598,610)	316,030
Total capital assets, being depreciated	<u>93,192,481</u>	<u>1,190,547</u>	<u>(2,617,710)</u>	<u>91,765,318</u>
<i>Less: accumulated depreciation:</i>				
Buildings and Improvements	(14,216,162)	(1,837,571)	-	(16,053,733)
Furniture/Equipment/Fixtures	(2,311,644)	(283,607)	17,660	(2,577,591)
Vehicles	(2,756,932)	(16,246)	2,528,348	(244,830)
Total accumulated depreciation	<u>(19,284,738)</u>	<u>(2,137,424)</u>	<u>2,546,008</u>	<u>(18,876,154)</u>
Governmental activities capital assets, net	<u>\$ 74,908,881</u>	<u>\$ (882,677)</u>	<u>\$ (686,949)</u>	<u>\$ 73,339,255</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 1,265,193
Special	243,207
Vocational	14,913
Other	11,993
<u>Support services:</u>	
Pupil	63,930
Instructional staff	32,432
Board of education	1,164
Administration	96,685
Fiscal	28,827
Business	25,046
Operations and maintenance	126,860
Pupil transportation	76,154
Central	14,060
<u>Operation of non-instructional services:</u>	
Other non-instructional services	42,038
Food service operations	68,838
Extracurricular	26,084
Total depreciation expense	<u>\$ 2,137,424</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 10 - RISK MANAGEMENT

A. 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. During fiscal year 2016, the School District contracted with Indiana Insurance Company for general liability insurance with \$1,000,000 single occurrence with a \$3,000,000 aggregate. Property is protected by Indiana Insurance. The School District's vehicles are covered under a business policy with Indiana Insurance. Settled claims have not exceeded this commercial coverage in the past three fiscal years. There has been no significant reduction in insurance coverage from last fiscal year.

B. Workers' Compensation

For fiscal year 2016, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Hunter Consulting provides administrative, cost control and actuarial services to the GRP.

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.

The 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.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 *pension and postemployment benefits payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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 thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the entire 14 percent was allocated to pension, death benefits, and Medicare B and no portion of the employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$817,811 for fiscal year 2016. Of this amount, \$129,220 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The School District's contractually required contribution to STRS was \$2,777,755 for fiscal year 2016. Of this amount, \$456,428 is reported as pension and postemployment benefits payable.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 9,681,381	\$ 50,763,497	\$ 60,444,878
Proportion of the net pension liability	0.1696673%	0.18367898%	
Pension expense	\$ 629,871	\$ 2,222,375	\$ 2,852,246

**XENIA COMMUNITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 155,665	\$ 2,317,546	\$ 2,473,211
Changes in proportionate share	48,378	-	48,378
School District contributions subsequent to the measurement date	<u>817,811</u>	<u>2,777,755</u>	<u>3,595,566</u>
Total deferred outflows of resources	<u>\$ 1,021,854</u>	<u>\$ 5,095,301</u>	<u>\$ 6,117,155</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 313,005	\$ 3,715,627	\$ 4,028,632
Changes in proportionate share	<u>-</u>	<u>438,950</u>	<u>438,950</u>
Total deferred inflows of resources	<u>\$ 313,005</u>	<u>\$ 4,154,577</u>	<u>\$ 4,467,582</u>

\$3,595,566 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 year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2017	\$ (98,764)	\$ (954,082)	\$ (1,052,846)
2018	(98,764)	(954,082)	(1,052,846)
2019	(98,765)	(954,083)	(1,052,848)
2020	<u>187,331</u>	<u>1,025,216</u>	<u>1,212,547</u>
Total	<u>\$ (108,962)</u>	<u>\$ (1,837,031)</u>	<u>\$ (1,945,993)</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22.00 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

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

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

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

**XENIA COMMUNITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 13,424,596	\$ 9,681,381	\$ 6,529,285

Actuarial Assumptions - STRS

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

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

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$ 70,514,327	\$ 50,763,497	\$ 34,061,225

**XENIA COMMUNITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was \$87,942.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$87,942, \$125,363, and \$88,245, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

B. State Teachers Retirement System

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

**XENIA COMMUNITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$197,006, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. 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 days of vacation per fiscal year, depending upon length of service with a maximum accumulation of 22 days. Teachers do not earn vacation time. The Superintendent and Treasurer earn twenty days per calendar year, with a maximum accumulation of 27 days.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated for all personnel. Upon retirement, payment is made for twenty-five percent of accrued, but unused sick leave credit to a maximum of 81 days for certificated employees, twenty-eight percent of accrued, but unused sick leave credit to a maximum of 91 days for classified employees, one-third of accrued, but unused sick leave credit to a maximum of 119 days for administrators and forty percent of accrued, but unused sick leave credit to a maximum of 143 days for the positions of Assistant Superintendent and Director. For the Assistant and Director, severance is split into two payments, one at retirement and one in January 1 of the following year.

B. Early Retirement Incentive Program

The School District offers the following retirement incentive program:

Certified Employees:

1. Any employee eligible to retire and has ten years of service with the School District shall receive an incentive of \$3,000 for providing the School District with notification of their retirement on or before March 1. Employees must retire between June 1 and August 1 of that year.
2. Employees who have earned thirty-five years of service and elect to retire prior to exceeding thirty-six years of service, and notifies the School District by March 1 indicating pending retirement on or before August 31 of that year shall receive a \$10,000 stipend upon retirement. Employees electing the benefit noted in benefit 2 above are not eligible to receive this benefit.
3. \$45,000 retirement incentive if the employee retires in the first year eligible.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

Administrative Employees:

1. Any administrator who reaches eligibility of either 30 years or more at any age or 25 years and at least age 55 for retirement with STRS and who retires for the first time under STRS regulation and notifies the Board of Education in writing by February 1, shall receive a one-time incentive of \$5,000.
2. Administrators shall also receive a monthly payment of \$500, which shall continue for a period of 24 months, to defray the cost of medical insurance.

During the year ended June 30, 2016, one employee notified the School District of their pending retirement who met the requirements of the retirement incentive program. In addition, the School District had 14 employees from fiscal year 2015 who they are still paying their monthly payment that help defray the cost of medical insurance. As a result, a liability of \$628,632 has been accrued for the retirement incentive associated with these individuals at June 30, 2016.

C. Insurance Benefits

The School District provides medical, life, vision and dental insurance to most employees. Medical insurance is through United Healthcare, life insurance is through Unimerica Insurance Company, vision insurance is through Vision Service Plan and dental insurance is through Superior Dental.

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

In a prior fiscal year, the School District entered into a capital lease for the acquisition of school buses to be used by the students of the School District. This lease met the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The School District made \$114,078 in principal payments on the leases during fiscal year 2016.

Capital assets acquired by lease have been capitalized in the statement of net position for governmental activities in the amount of \$949,305, which is equal to the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation on these assets at June 30, 2016, was \$949,305 and the carrying value was zero. There are no further lease payments outstanding at June 30, 2016.

**XENIA COMMUNITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2016 were as follows.

	Balance			Balance	Amounts
	<u>June 30, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2016</u>	<u>Due in</u> <u>One Year</u>
School Facilities Construction and Improvement Bonds					
Series 2010A, Term Bonds	\$ 14,160,000	\$ -	\$ -	\$ 14,160,000	\$ 810,000
Series 2010B Capital Appreciation Bonds	43,677	-	(27,614)	16,063	14,301
Series 2010B Accredited Interest	1,123,589	706,130	(1,002,386)	827,333	736,132
Energy Conservation Notes	1,475,000	-	(115,000)	1,360,000	120,000
Unamortized Premium on Notes	18,995	-	(1,727)	17,268	-
Permanent Improvement Notes	610,000	-	(15,000)	595,000	15,000
Unamortized Premium on Notes	848	-	(33)	815	-
Refunding Bonds, Series 2014	18,505,000	-	-	18,505,000	-
Unamortized Premium on Notes	<u>2,316,823</u>	<u>-</u>	<u>(91,154)</u>	<u>2,225,669</u>	<u>-</u>
Total Loans and Notes	<u>38,253,932</u>	<u>706,130</u>	<u>(1,252,914)</u>	<u>37,707,148</u>	<u>1,695,433</u>
Capital Leases	114,078	-	(114,078)	-	-
Net Pension Liability	53,666,835	6,778,043	-	60,444,878	-
Early Retirement Incentives	580,632	-	(580,632)	-	-
Compensated Absences	<u>1,883,458</u>	<u>933,208</u>	<u>(543,161)</u>	<u>2,273,505</u>	<u>488,293</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 94,498,935</u>	<u>\$ 8,417,381</u>	<u>\$ (2,490,785)</u>	<u>\$ 100,425,531</u>	<u>\$ 2,183,726</u>

School Facilities Construction and Improvement Bonds - On July 28, 2010, the School District paid off its school facilities construction and improvement notes with proceeds from bonds and long-term notes. The School District issued a total of \$34,664,982 in bonds and notes. Principal and interest is paid from the debt fund (a nonmajor governmental fund). At June 30, 2016, there were \$357,876 in unspent proceeds.

- A. 2010A - The School District issued \$14,160,000 in school facilities construction and improvement qualified school construction bonds (QSCB) with a 6% interest rate. The final maturity is June 1, 2027.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity of the Series 2010 A School Facilities Construction and Improvement Bonds:

Fiscal Year Ending June 30,	Series 2010A Bonds		
	Principal	Interest	Total
2017	\$ 810,000	\$ 849,600	\$ 1,659,600
2018	1,170,000	849,600	2,019,600
2019	1,180,000	849,600	2,029,600
2020	1,190,000	849,600	2,039,600
2021	1,300,000	849,600	2,149,600
2022 - 2026	6,950,000	4,248,000	11,198,000
2027	1,560,000	849,600	2,409,600
Total	<u>\$ 14,160,000</u>	<u>\$ 9,345,600</u>	<u>\$ 23,505,600</u>

- B. 2010B** - The School District issued \$10,000 in current interest serial bonds with a 2% interest rate, \$189,982 in Series 2010B capital appreciation bonds with approximate interest rates ranging from 2.02% to 3.5%. The final maturity is December 1, 2017.

Capital appreciation bonds are shown in the table below at original principal amount. While the original principal amount was \$189,982, the accreted value at maturity of the capital appreciation bonds will be \$4,210,000 with bonds maturing December 1, 2016 through 2017. Total accreted interest of \$827,333 has been included on the statement of net position at June 30, 2016.

The following is a summary of the future debt service requirements to maturity of the Series 2010B Capital Appreciation Bonds:

Fiscal Year Ending June 30,	Series 2010 B Capital Appreciation Bonds		
	Principal	Interest	Total
2017	\$ 14,301	\$ 1,035,699	\$ 1,050,000
2018	1,762	253,238	255,000
Total	<u>\$ 16,063</u>	<u>\$ 1,288,937</u>	<u>\$ 1,305,000</u>

Energy Conservation Notes 2011A - On May 12, 2011, the School District issued \$1,945,000 of energy conservation notes to finance the design and implementation of energy conservation measures in buildings throughout the School District which are intended to significantly reduce the energy consumption in those buildings. The repayment of these notes will be made from the School District's general fund with the savings realized through the implementation of the energy conservation measures over the ensuing fifteen years. The interest rate on the bonds is between 0.70 - 4.50% with a final maturity on December 1, 2025.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity of the Series 2011A Energy Conservation Notes:

Fiscal Year	<u>Series 2011 A Energy Conservation Notes</u>		
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 120,000	\$ 47,413	\$ 167,413
2018	120,000	44,262	164,262
2019	125,000	40,737	165,737
2020	125,000	36,832	161,832
2021	130,000	32,200	162,200
2022 - 2026	<u>740,000</u>	<u>76,600</u>	<u>816,600</u>
Total	<u>\$ 1,360,000</u>	<u>\$ 278,044</u>	<u>\$ 1,638,044</u>

Permanent Improvement Notes 2011 B - On May 12, 2011, the School District issued \$675,000 in permanent improvement notes for the purpose of acquiring and constructing permanent improvements. The notes carry interest rates between 4.50% and 5.50% and have a final maturity on December 1, 2040. The bonds will be paid with proceeds received from a permanent improvement levy out of the permanent improvement (a nonmajor governmental) fund. At June 30, 2016, there were \$600,050 in unspent proceeds.

The following is a summary of the future debt service requirements to maturity of the Series 2011 B Permanent Improvement Notes:

Fiscal Year	<u>Series 2011 B Permanent Improvement Notes</u>		
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 15,000	\$ 29,437	\$ 44,437
2018	15,000	28,763	43,763
2019	15,000	28,087	43,087
2020	15,000	27,413	42,413
2021	15,000	26,737	41,737
2022 - 2026	100,000	120,350	220,350
2027 - 2031	120,000	96,450	216,450
2032 - 2036	130,000	65,155	195,155
2037 - 2041	<u>170,000</u>	<u>24,750</u>	<u>194,750</u>
Total	<u>\$ 595,000</u>	<u>\$ 447,142</u>	<u>\$ 1,042,142</u>

Capital leases will be paid from the general fund. Compensated absences will be paid from the general fund and the following nonmajor governmental funds: the Title I fund, Title VI-B fund, Title II fund, School Improvement Grant fund, Miscellaneous Grant fund, Food Service fund and Auxiliary fund. See Note 11 for details on the net pension liability.

**XENIA COMMUNITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

Series 2014 Refunding Bonds - On October 2, 2014, the District issued \$18,505,000 in general obligation bonds to refund the \$20,305,000 in Series 2010C bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The bonds mature on December 1, 2040 and bear an annual interest rate of 4.00% - 5.00%. The source of payment is derived from a current bonded debt tax levy. Principal and interest payments are due on December 1 and June 1 each year and is paid from the debt fund (a nonmajor governmental fund). The balance of the refunded bonds at June 30, 2016 was \$20,305,000.

The net carrying amount of the old debt exceeded the reacquisition price by \$2,612,175. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2040. This advance refunding was undertaken to reduce the combined total debt service payments by \$655,858 and resulted in an economic gain of \$658,452.

The following is a summary of the future debt service requirements to maturity for the Series 2014 refunding bonds:

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2017	\$ -	\$ 884,050	\$ 884,050
2018	-	884,050	884,050
2019	-	884,050	884,050
2020	-	884,050	884,050
2021	-	884,050	884,050
2022 - 2026	-	4,420,250	4,420,250
2027 - 2031	2,990,000	4,246,250	7,236,250
2032 - 2036	6,595,000	3,098,475	9,693,475
2037 - 2041	8,920,000	1,166,000	10,086,000
Total	<u>\$ 18,505,000</u>	<u>\$ 17,351,225</u>	<u>\$ 35,856,225</u>

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the School District. The assessed valuation used in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2016 are a voted debt margin of \$27,083,671, including available funds of \$1,144,115, an unvoted debt margin of \$651,340 and an energy conservation debt margin of \$4,502,062.

**XENIA COMMUNITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOLS

A. Jointly Governed Organizations

Miami Valley Educational Computer Association - The School District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene, Madison and Highland Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Governing Board of MVECA consists of seven representatives from the member districts elected by majority vote of all charter member school districts with in each county plus one representative from the fiscal agent and the executive director. The School District paid MVECA \$85,149 for services provided during the fiscal year. Financial information can be obtained from Thor Sage, Executive Director, at MVECA at 330 East Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council - The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of 126 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2016, the School District paid \$1,793,086 to SOEPC for various services. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Vandalia, OH 45377.

Greene County Career Center - The Greene County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts' elected Boards, which possesses its own budgeting and taxing authority. During fiscal year 2016, the School District did not make payments to the Greene County Career Center. To obtain financial information, write to the Greene County Career Center, Eva Anderson, who serves as Treasurer, at 2960 W. Enon Road, Xenia, Ohio 45385.

B. Insurance Purchasing Pool

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan - The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by an eleven member committee consisting of the Chairperson, a representative from the Montgomery County Educational Service Center, and eight other members elected by a majority vote of all member school districts. The Chief administrator of GRP serves as the coordinator of the program. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**XENIA COMMUNITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 2,448,646
Net adjustment for revenue accruals	(297,797)
Net adjustment for expenditure accruals	(763,538)
Net adjustment for other sources/uses	296,141
Funds budgeted elsewhere	224,255
Adjustment for encumbrances	1,219,853
GAAP basis	<u>\$ 3,127,560</u>

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 school supplies fund, the rotary fund, the public school support fund, the internal service rotary fund and the workers' compensation fund.

**XENIA COMMUNITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 18 - CONTINGENCIES

A. Grants

The School District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the School District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the School District.

B. Litigation

The School District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The School District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

C. Foundation Funding

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

NOTE 19 - SET-ASIDES

The School District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 19 - SET-ASIDES - (Continued)

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2015	\$ -
Current year set-aside requirement	736,984
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(783,918)
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>-</u>
Total	<u>\$ (46,934)</u>
Balance carried forward to fiscal year 2017	<u>\$ -</u>
Set-aside balance June 30, 2016	<u>\$ -</u>

During fiscal years 1999, 2010 and 2011, the School District issued a total of \$39,210,790 in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$39,210,790 at June 30, 2016.

NOTE 20 - OTHER COMMITMENTS

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

	<u>Year-End Encumbrances</u>
<u>Fund</u>	
General fund	\$ 891,031
Other governmental	<u>228,461</u>
Total	<u>\$ 1,119,492</u>

NOTE 21 - SUBSEQUENT EVENT

On August 1, 2016, Eric J. Soltis became Treasurer of the School District.

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REQUIRED SUPPLEMENTARY INFORMATION

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's proportion of the net pension liability	0.16966730%	0.16840600%	0.16840600%
School District's proportionate share of the net pension liability	\$ 9,681,381	\$ 8,522,932	\$ 10,014,564
School District's covered-employee payroll	\$ 5,107,868	\$ 4,893,535	\$ 3,384,892
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	174.17%	295.86%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

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

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's proportion of the net pension liability	0.18367898%	0.18559819%	0.18559819%
School District's proportionate share of the net pension liability	\$ 50,763,497	\$ 45,143,903	\$ 53,775,122
School District's covered-employee payroll	\$ 19,163,821	\$ 18,963,008	\$ 20,085,292
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.89%	238.06%	267.73%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

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

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 817,811	\$ 673,217	\$ 678,244	\$ 468,469
Contributions in relation to the contractually required contribution	<u>(817,811)</u>	<u>(673,217)</u>	<u>(678,244)</u>	<u>(468,469)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	\$ 5,841,507	\$ 5,107,868	\$ 4,893,535	\$ 3,384,892
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 797,405	\$ 776,326	\$ 1,127,067	\$ 693,332	\$ 604,786	\$ 683,350
<u>(797,405)</u>	<u>(776,326)</u>	<u>(1,127,067)</u>	<u>(693,332)</u>	<u>(604,786)</u>	<u>(683,350)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,928,662	\$ 6,176,022	\$ 8,323,981	\$ 7,046,057	\$ 6,158,717	\$ 6,398,408
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,777,755	\$ 2,682,935	\$ 2,465,191	\$ 2,611,088
Contributions in relation to the contractually required contribution	<u>(2,777,755)</u>	<u>(2,682,935)</u>	<u>(2,465,191)</u>	<u>(2,611,088)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	\$ 19,841,107	\$ 19,163,821	\$ 18,963,008	\$ 20,085,292
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,783,345	\$ 3,212,896	\$ 3,201,298	\$ 3,098,554	\$ 2,919,536	\$ 2,724,205
<u>(2,783,345)</u>	<u>(3,212,896)</u>	<u>(3,201,298)</u>	<u>(3,098,554)</u>	<u>(2,919,536)</u>	<u>(2,724,205)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,410,346	\$ 24,714,585	\$ 24,625,369	\$ 23,835,031	\$ 22,457,969	\$ 20,955,423
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. See the notes to the basic financial statement for the methods and assumptions in this calculation.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

MAJOR FUNDS

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. A budgetary statement for the general fund is presented as part of the basic financial statements. The level of detail presented in that statement is greater than the legal level of budgetary control; therefore, a separate additional schedule is not presented.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

Uniform School Supply

A fund to account for the purchase and reimbursement of consumable supplies (workbooks) used by the students as a supplemental learning tool.

Rotary Fund

A fund provided to account for revenues and expenditures made in connection with goods and services provided by the School District.

Public School Support

A fund provided to account for special local revenue sources such as vending machine receipts. Revenues are used to fund special events and purchase achievement awards.

Internal Service Rotary Fund

A fund provided to account for operations that provide goods or service to other governmental units on a cost-reimbursement basis.

Workers' Compensation Fund

A fund provided to account for Workers' Compensation Self-Insurance revenues and expenditures.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
Uniform School Supply			
Total Revenues and Other Sources	\$ 153,592	\$ 148,998	\$ (4,594)
Total Expenditures and Other Uses	<u>135,000</u>	<u>114,803</u>	<u>20,197</u>
Net Change in Fund Balances	18,592	34,195	15,603
Fund Balance at Beginning of Year	<u>121,733</u>	<u>121,733</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 140,325</u>	<u>\$ 155,928</u>	<u>\$ 15,603</u>
Rotary			
Total Revenues and Other Sources	\$ 33,864	\$ 51,129	\$ 17,265
Total Expenditures and Other Uses	<u>82,163</u>	<u>26,637</u>	<u>55,526</u>
Net Change in Fund Balances	(48,299)	24,492	72,791
Fund Balance at Beginning of Year	85,746	85,746	-
Prior Year Encumbrances Appropriated	<u>175</u>	<u>175</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 37,622</u>	<u>\$ 110,413</u>	<u>\$ 72,791</u>
Public School Support			
Total Revenues and Other Sources	\$ 94,141	\$ 127,880	\$ 33,739
Total Expenditures and Other Uses	<u>142,444</u>	<u>125,768</u>	<u>16,676</u>
Net Change in Fund Balances	(48,303)	2,112	50,415
Fund Balance at Beginning of Year	84,976	84,976	-
Prior Year Encumbrances Appropriated	<u>2,345</u>	<u>2,345</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 39,018</u>	<u>\$ 89,433</u>	<u>\$ 50,415</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>		<u>Actual</u>
Internal Service Rotary			
Total Revenues and Other Sources	\$ -	\$ 1,000	\$ 1,000
Total Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	1,000	1,000
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Workers' Compensation			
Total Revenues and Other Sources	\$ 281,477	\$ 230,814	\$ (50,663)
Total Expenditures and Other Uses	<u>214,072</u>	<u>76,836</u>	<u>137,236</u>
Net Change in Fund Balances	67,405	153,978	86,573
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 67,405</u>	<u>\$ 153,978</u>	<u>\$ 86,573</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund - Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments.	\$ 3,337,893	\$ 1,038,523	\$ 2,672,518	\$ 7,048,934
Receivables:				
Property taxes	269,293	2,100,487	364,838	2,734,618
Accounts.	12,181	-	-	12,181
Intergovernmental	649,680	-	397,260	1,046,940
Prepayments.	1,752	-	-	1,752
Inventory held for resale	7,926	-	-	7,926
Total assets.	\$ 4,278,725	\$ 3,139,010	\$ 3,434,616	\$ 10,852,351
Liabilities:				
Accounts payable	\$ 143,431	\$ -	\$ 11,787	\$ 155,218
Accrued wages and benefits	396,876	-	-	396,876
Intergovernmental payable	5,556	-	-	5,556
Pension and postemployment benefits payable.	106,117	-	-	106,117
Interfund loan payable	300,772	-	-	300,772
Advances from other funds.	330,000	-	-	330,000
Total liabilities.	1,282,752	-	11,787	1,294,539
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	243,039	1,895,699	330,082	2,468,820
Delinquent property tax revenue not available.	12,717	99,196	18,027	129,940
Intergovernmental revenue not available.	649,680	-	397,260	1,046,940
Total deferred inflows of resources.	905,436	1,994,895	745,369	3,645,700
Fund balances:				
Nonspendable:				
Prepays	1,752	-	-	1,752
Restricted:				
Debt service	-	1,144,115	-	1,144,115
Capital improvements	-	-	2,677,460	2,677,460
Classroom facilities maintenance	1,901,467	-	-	1,901,467
Food service operations	782,242	-	-	782,242
Non-public schools	39,711	-	-	39,711
Other purposes	50,325	-	-	50,325
Unassigned (deficit)	(684,960)	-	-	(684,960)
Total fund balances	2,090,537	1,144,115	2,677,460	5,912,112
Total liabilities, deferred inflows and fund balances	\$ 4,278,725	\$ 1,144,115	\$ 3,434,616	\$ 10,852,351

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund - Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 278,296	\$ 2,306,607	\$ 389,696	\$ 2,974,599
Earnings on investments	376	-	606	982
Charges for services	410,561	-	-	410,561
Extracurricular	280,068	-	-	280,068
Contributions and donations	108,206	-	-	108,206
Contract services	34,050	-	-	34,050
Other local revenues	2,480	-	325,991	328,471
Intergovernmental - state	717,054	309,824	60,900	1,087,778
Intergovernmental - federal	3,945,593	499,816	-	4,445,409
Total revenues	<u>5,776,684</u>	<u>3,116,247</u>	<u>777,193</u>	<u>9,670,124</u>
Expenditures:				
Current:				
Instruction:				
Regular	280,444	-	448	280,892
Special	2,480,754	-	-	2,480,754
Support services:				
Pupil	251,930	-	-	251,930
Instructional staff	26,041	-	-	26,041
Administration	116,377	-	-	116,377
Fiscal	29,831	40,698	3,317	73,846
Business	11,668	-	-	11,668
Operations and maintenance	165,040	-	510,221	675,261
Pupil transportation	12,644	-	-	12,644
Operation of non-instructional services:				
Other non-instructional services	395,896	-	-	395,896
Food service operations	1,706,830	-	-	1,706,830
Extracurricular activities	360,732	-	-	360,732
Facilities acquisition and construction	180,291	-	54,089	234,380
Debt service:				
Principal retirement	-	1,030,000	15,000	1,045,000
Interest and fiscal charges	-	1,308,850	30,113	1,338,963
Total expenditures	<u>6,018,478</u>	<u>2,379,548</u>	<u>613,188</u>	<u>9,011,214</u>
Net change in fund balances	(241,794)	736,699	164,005	658,910
Fund balances at beginning of year	<u>2,332,331</u>	<u>407,416</u>	<u>2,513,455</u>	<u>5,253,202</u>
Fund balances at end of year	<u>\$ 2,090,537</u>	<u>\$ 1,144,115</u>	<u>\$ 2,677,460</u>	<u>\$ 5,912,112</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

Food Service

A fund to account for all transactions that are restricted to the provision of food service operations for the School District.

Other Grants

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants, that are legally restricted to expenditures for specific purposes.

Classroom Facilities Maintenance

A fund used to account the proceeds of a levy that are restricted for the maintenance of facilities.

District Managed Student Activities

A fund provided to account for those student activity programs which charge admission. Most expenditures are restricted to include referee and security compensations, equipment and supplies needed to run a successful athletic program.

Auxiliary Services

To account for monies that are restricted to provide services and materials to pupils attending non-public schools with the School District.

Public School Preschool

A fund to account for grants that are restricted to paying the cost of preschool for three and four year olds.

Data Communications

A fund provided to account for money restricted to be used for Ohio Educational Computer Network Connections.

Miscellaneous State Grants

A fund used to account for various monies received from state agencies which are not classified elsewhere and restricted to their specific purposes.

Race to the Top

A fund used to account for revenues that are restricted to provide for either a new program or expansion of an existing program to support initiatives in the following areas: standards and assessments; using data to improve instruction; great teachers and leaders; and turning around the lowest achieving schools.

Title VI-B

A fund used to account for grant money that is restricted to providing an appropriate public education to all children with disabilities.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds (Continued)

Title I - School Improvement Stimulus A

A fund used to account for grant money that is restricted to help schools improve teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

Title I - School Improvement Stimulus G

A fund used to account for grant money that is restricted to expenditures to raise the achievement of students in the lowest-performing schools.

Title I

A fund that is restricted to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

IDEA Preschool Grant

A fund that is restricted to provide for the education of handicapped children ages three through five, and account for the monies received and expended for the purpose of this grant.

Title II-A

A fund that is restricted for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

A fund that is restricted for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate special cost center must be used for each grant.

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**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Food Service	Other Grants	Classroom Facilities Maintenance	District Managed Student Activities
Assets:				
Equity in pooled cash and investments	\$ 924,908	\$ 32,870	\$ 1,893,358	\$ 160,246
Receivables:				
Property taxes	-	-	269,293	-
Accounts	3,931	-	-	8,250
Intergovernmental	-	-	-	-
Prepayments	846	-	-	827
Inventory held for resale	7,926	-	-	-
Total assets	<u>\$ 937,611</u>	<u>\$ 32,870</u>	<u>\$ 2,162,651</u>	<u>\$ 169,323</u>
Liabilities:				
Accounts payable	\$ 3,996	\$ 574	\$ 5,428	\$ 8,448
Accrued wages and benefits	111,041	-	-	875
Intergovernmental payable	1,414	-	-	13
Pension and postemployment benefits payable	38,072	-	-	2,828
Interfund loans payable	-	-	-	-
Advances from other funds	-	-	-	330,000
Total liabilities	<u>154,523</u>	<u>574</u>	<u>5,428</u>	<u>342,164</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	243,039	-
Delinquent property tax revenue not available	-	-	12,717	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>255,756</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Prepays	846	-	-	827
Restricted:				
Classroom facilities maintenance	-	-	1,901,467	-
Food service operations	782,242	-	-	-
Non-public schools	-	-	-	-
Other purposes	-	32,296	-	-
Unassigned (deficit)	-	-	-	(173,668)
Total fund balances (deficits)	<u>783,088</u>	<u>32,296</u>	<u>1,901,467</u>	<u>(172,841)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 937,611</u>	<u>\$ 32,870</u>	<u>\$ 2,162,651</u>	<u>\$ 169,323</u>

Auxiliary Services	Public School Preschool	Data Communications	Miscellaneous State Grants	Title VI-B
\$ 47,869	\$ 29,326	\$ 14,400	\$ 3,629	\$ 61,317
-	-	-	-	-
-	-	-	-	-
-	44,191	-	-	187,784
79	-	-	-	-
-	-	-	-	-
<u>\$ 47,948</u>	<u>\$ 73,517</u>	<u>\$ 14,400</u>	<u>\$ 3,629</u>	<u>\$ 249,101</u>
\$ 1,810	\$ 16,487	\$ -	\$ -	\$ 8,340
4,302	16,136	-	-	75,887
61	234	-	-	1,100
1,985	3,388	-	-	15,812
-	28,145	-	-	96,840
-	-	-	-	-
<u>8,158</u>	<u>64,390</u>	<u>-</u>	<u>-</u>	<u>197,979</u>
-	-	-	-	-
-	-	-	-	-
-	44,191	-	-	187,784
-	44,191	-	-	187,784
79	-	-	-	-
-	-	-	-	-
-	-	-	-	-
39,711	-	-	-	-
-	-	14,400	3,629	-
-	(35,064)	-	-	(136,662)
<u>39,790</u>	<u>(35,064)</u>	<u>14,400</u>	<u>3,629</u>	<u>(136,662)</u>
<u>\$ 47,948</u>	<u>\$ 73,517</u>	<u>\$ 14,400</u>	<u>\$ 3,629</u>	<u>\$ 249,101</u>

(Continued)

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Title I - School Improvement Stimulus A	Title I	IDEA Preschool Grant	Title II-A
Assets:				
Equity in pooled cash and investments	\$ 34,779	\$ 117,270	\$ 1,279	\$ 16,637
Receivables:				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	35,633	334,165	3,786	44,121
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 70,412</u>	<u>\$ 451,435</u>	<u>\$ 5,065</u>	<u>\$ 60,758</u>
Liabilities:				
Accounts payable	\$ 34,835	\$ 61,885	\$ 1,103	\$ -
Accrued wages and benefits	-	162,075	-	26,560
Intergovernmental payable	-	2,349	-	385
Pension and postemployment benefits payable	-	38,456	-	5,576
Interfund loans payable	36,414	118,562	2,967	17,844
Advances from other funds	-	-	-	-
Total liabilities	<u>71,249</u>	<u>383,327</u>	<u>4,070</u>	<u>50,365</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	35,633	334,165	3,786	44,121
Total deferred inflows of resources	<u>35,633</u>	<u>334,165</u>	<u>3,786</u>	<u>44,121</u>
Fund balances:				
Nonspendable:				
Prepays	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Non-public schools	-	-	-	-
Other purposes	-	-	-	-
Unassigned (deficit)	(36,470)	(266,057)	(2,791)	(33,728)
Total fund balances (deficits)	<u>(36,470)</u>	<u>(266,057)</u>	<u>(2,791)</u>	<u>(33,728)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 70,412</u>	<u>\$ 451,435</u>	<u>\$ 5,065</u>	<u>\$ 60,758</u>

<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 5	\$ 3,337,893
-	269,293
-	12,181
-	649,680
-	1,752
-	7,926
<u>\$ 5</u>	<u>\$ 4,278,725</u>
\$ 525	\$ 143,431
-	396,876
-	5,556
-	106,117
-	300,772
-	330,000
<u>525</u>	<u>1,282,752</u>
-	243,039
-	12,717
-	649,680
<u>-</u>	<u>905,436</u>
-	1,752
-	1,901,467
-	782,242
-	39,711
-	50,325
(520)	(684,960)
<u>(520)</u>	<u>2,090,537</u>
<u>\$ 5</u>	<u>\$ 4,278,725</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Food Service</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>District Managed Student Activities</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ 278,296	\$ -
Earnings on investments	333	-	-	-
Charges for services	410,561	-	-	-
Extracurricular	-	-	-	280,068
Contributions and donations	-	25,390	-	82,816
Contract services	-	-	-	34,050
Other local revenues	-	-	-	2,480
Intergovernmental - state	25,684	-	57,352	-
Intergovernmental - federal	1,462,517	-	-	-
Total revenues	<u>1,899,095</u>	<u>25,390</u>	<u>335,648</u>	<u>399,414</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	25,505	-	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	596	-	-
Administration	-	-	-	-
Fiscal	-	-	29,831	-
Business	-	-	11,668	-
Operations and maintenance	-	-	165,040	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	-	-	-	-
Food service operations	1,706,830	-	-	-
Extracurricular activities	-	-	-	360,732
Facilities acquisition and construction	-	-	-	180,291
Total expenditures	<u>1,706,830</u>	<u>26,101</u>	<u>206,539</u>	<u>541,023</u>
Net change in fund balances	192,265	(711)	129,109	(141,609)
Fund balances (deficits) at beginning of year .	<u>590,823</u>	<u>33,007</u>	<u>1,772,358</u>	<u>(31,232)</u>
Fund balances (deficits) at end of year	<u>\$ 783,088</u>	<u>\$ 32,296</u>	<u>\$ 1,901,467</u>	<u>\$ (172,841)</u>

<u>Auxiliary Services</u>	<u>Public School Preschool</u>	<u>Data Communications</u>	<u>Miscellaneous State Grants</u>	<u>Race to the Top</u>	<u>Title VI-B</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
402,442	217,176	14,400	-	-	-
-	-	-	-	13,326	926,791
<u>402,485</u>	<u>217,176</u>	<u>14,400</u>	<u>-</u>	<u>13,326</u>	<u>926,791</u>
-	-	-	-	-	-
-	217,439	-	-	-	665,520
-	-	-	-	-	220,726
-	7,838	-	-	-	5,941
-	-	-	-	-	55,077
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	60
358,229	9,937	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>358,229</u>	<u>235,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>947,324</u>
44,256	(18,038)	14,400	-	13,326	(20,533)
(4,466)	(17,026)	-	3,629	(13,326)	(116,129)
<u>\$ 39,790</u>	<u>\$ (35,064)</u>	<u>\$ 14,400</u>	<u>\$ 3,629</u>	<u>\$ -</u>	<u>\$ (136,662)</u>

(Continued)

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Title I - School Improvement Stimulus A	Title I - School Improvement Stimulus G	Title I	IDEA Preschool Grant
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Contributions and donations	-	-	-	-
Contract services	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	24,258	4,239	1,315,782	1,802
Total revenues	<u>24,258</u>	<u>4,239</u>	<u>1,315,782</u>	<u>1,802</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	11,655	14,781	-
Special	194,192	40,922	1,359,032	3,649
Support services:				
Pupil	-	-	29,580	1,624
Instructional staff	-	-	10,545	-
Administration	-	-	61,300	-
Fiscal	-	-	-	-
Business	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	8,310	-	4,274	-
Operation of non-instructional services:				
Other non-instructional services	-	-	27,730	-
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>202,502</u>	<u>52,577</u>	<u>1,507,242</u>	<u>5,273</u>
Net change in fund balances	(178,244)	(48,338)	(191,460)	(3,471)
Fund balances (deficits) at beginning of year	<u>141,774</u>	<u>48,338</u>	<u>(74,597)</u>	<u>680</u>
Fund balances (deficits) at end of year	<u>\$ (36,470)</u>	<u>\$ -</u>	<u>\$ (266,057)</u>	<u>\$ (2,791)</u>

<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 278,296
-	-	376
-	-	410,561
-	-	280,068
-	-	108,206
-	-	34,050
-	-	2,480
-	-	717,054
196,878	-	3,945,593
<u>196,878</u>	<u>-</u>	<u>5,776,684</u>
228,503	-	280,444
-	-	2,480,754
-	-	251,930
698	423	26,041
-	-	116,377
-	-	29,831
-	-	11,668
-	-	165,040
-	-	12,644
-	-	395,896
-	-	1,706,830
-	-	360,732
-	-	180,291
<u>229,201</u>	<u>423</u>	<u>6,018,478</u>
(32,323)	(423)	(241,794)
<u>(1,405)</u>	<u>(97)</u>	<u>2,332,331</u>
<u>\$ (33,728)</u>	<u>\$ (520)</u>	<u>\$ 2,090,537</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
Food Service			
Total Revenues and Other Sources	\$ 1,523,149	\$ 1,940,444	\$ 417,295
Total Expenditures and Other Uses	<u>1,628,553</u>	<u>1,649,042</u>	<u>(20,489)</u>
Net Change in Fund Balances	(105,404)	291,402	396,806
Fund Balance at Beginning of Year	409,876	409,876	-
Prior Year Encumbrances Appropriated	<u>167,208</u>	<u>167,208</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 471,680</u>	<u>\$ 868,486</u>	<u>\$ 396,806</u>
Other Grants			
Total Revenues and Other Sources	\$ 20,519	\$ 25,390	\$ 4,871
Total Expenditures and Other Uses	<u>53,404</u>	<u>26,701</u>	<u>26,703</u>
Net Change in Fund Balances	(32,885)	(1,311)	31,574
Fund Balance at Beginning of Year	33,014	33,014	-
Prior Year Encumbrances Appropriated	<u>550</u>	<u>550</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 679</u>	<u>\$ 32,253</u>	<u>\$ 31,574</u>
Classroom Facilities Maintenance			
Total Revenues and Other Sources	\$ 337,609	\$ 342,232	\$ 4,623
Total Expenditures and Other Uses	<u>1,748,357</u>	<u>225,256</u>	<u>1,523,101</u>
Net Change in Fund Balances	(1,410,748)	116,976	1,527,724
Fund Balance at Beginning of Year	1,732,628	1,732,628	-
Prior Year Encumbrances Appropriated	<u>19,944</u>	<u>19,944</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 341,824</u>	<u>\$ 1,869,548</u>	<u>\$ 1,527,724</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
District Managed Student Activities			
Total Revenues and Other Sources	\$ 1,170,435	\$ 391,163	\$ (779,272)
Total Expenditures and Other Uses	<u>1,536,837</u>	<u>947,152</u>	<u>589,685</u>
Net Change in Fund Balances	(366,402)	(555,989)	(189,587)
Fund Balance at Beginning of Year	112,037	112,037	-
Prior Year Encumbrances Appropriated	<u>593,176</u>	<u>593,176</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 338,811</u>	<u>\$ 149,224</u>	<u>\$ (189,587)</u>
Auxiliary Services			
Total Revenues and Other Sources	\$ 402,353	\$ 402,538	\$ 185
Total Expenditures and Other Uses	<u>417,712</u>	<u>385,449</u>	<u>32,263</u>
Net Change in Fund Balances	(15,359)	17,089	32,448
Fund Balance at Beginning of Year	5,493	5,493	-
Prior Year Encumbrances Appropriated	<u>9,866</u>	<u>9,866</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 32,448</u>	<u>\$ 32,448</u>
Public School Preschool			
Total Revenues and Other Sources	\$ 277,142	\$ 261,096	\$ (16,046)
Total Expenditures and Other Uses	<u>269,235</u>	<u>253,283</u>	<u>15,952</u>
Net Change in Fund Balances	7,907	7,813	(94)
Fund Balance (Deficit) at Beginning of Year	(12,507)	(12,507)	-
Prior Year Encumbrances Appropriated	<u>4,695</u>	<u>4,695</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 95</u>	<u>\$ 1</u>	<u>\$ (94)</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget- Over (Under)
	Final			
Data Communications				
Total Revenues and Other Sources	\$ 14,400	\$ 14,400	\$ -	
Total Expenditures and Other Uses	<u>14,400</u>	<u>-</u>	<u>14,400</u>	
Net Change in Fund Balances	-	14,400	14,400	
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 14,400</u></u>	<u><u>\$ 14,400</u></u>	
Miscellaneous State Grants				
Total Expenditures and Other Uses	<u>\$ 2,672</u>	<u>\$ -</u>	<u>\$ 2,672</u>	
Net Change in Fund Balances	(2,672)	-	2,672	
Fund Balance at Beginning of Year	<u>3,629</u>	<u>3,629</u>	<u>-</u>	
Fund Balance at End of Year	<u><u>\$ 957</u></u>	<u><u>\$ 3,629</u></u>	<u><u>\$ 2,672</u></u>	
Race to the Top				
Total Revenues and Other Sources	\$ 17,400	\$ 5,053	\$ (12,347)	
Total Expenditures and Other Uses	<u>15,837</u>	<u>4,162</u>	<u>11,675</u>	
Net Change in Fund Balances	1,563	891	(672)	
Fund Balance (Deficit) at Beginning of Year	(3,354)	(3,354)	-	
Prior Year Encumbrances Appropriated	<u>2,463</u>	<u>2,463</u>	<u>-</u>	
Fund Balance (Deficit) at End of Year	<u><u>\$ 672</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (672)</u></u>	

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>		<u>Actual</u>
Title VI-B			
Total Revenues and Other Sources	\$ 1,263,718	\$ 1,023,631	\$ (240,087)
Total Expenditures and Other Uses	<u>1,242,523</u>	<u>1,005,924</u>	<u>236,599</u>
Net Change in Fund Balances	21,195	17,707	(3,488)
Fund Balance (Deficit) at Beginning of Year	(62,096)	(62,096)	-
Prior Year Encumbrances Appropriated	<u>45,080</u>	<u>45,080</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,179</u>	<u>\$ 691</u>	<u>\$ (3,488)</u>
Title I - School Improvement Stimulus A			
Total Revenues and Other Sources	\$ 566,996	\$ 302,289	\$ (264,707)
Total Expenditures and Other Uses	<u>520,112</u>	<u>256,367</u>	<u>263,745</u>
Net Change in Fund Balances	46,884	45,922	(962)
Fund Balance (Deficit) at Beginning of Year	(270,529)	(270,529)	-
Prior Year Encumbrances Appropriated	<u>224,607</u>	<u>224,607</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 962</u>	<u>\$ -</u>	<u>\$ (962)</u>
Title I - School Improvement Stimulus G			
Total Revenues and Other Sources	\$ 259,762	\$ 149,238	\$ (110,524)
Total Expenditures and Other Uses	<u>85,611</u>	<u>83,317</u>	<u>2,294</u>
Net Change in Fund Balances	174,151	65,921	(108,230)
Fund Balance (Deficit) at Beginning of Year	(147,293)	(147,293)	-
Prior Year Encumbrances Appropriated	<u>81,372</u>	<u>81,372</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 108,230</u>	<u>\$ -</u>	<u>\$ (108,230)</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
Title I			
Total Revenues and Other Sources	\$ 2,133,781	\$ 1,561,755	\$ (572,026)
Total Expenditures and Other Uses	<u>2,137,954</u>	<u>1,564,096</u>	<u>573,858</u>
Net Change in Fund Balances	(4,173)	(2,341)	1,832
Fund Balance (Deficit) at Beginning of Year	(13,958)	(13,958)	-
Prior Year Encumbrances Appropriated	<u>19,599</u>	<u>19,599</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,468</u>	<u>\$ 3,300</u>	<u>\$ 1,832</u>
IDEA Preschool Grant			
Total Revenues and Other Sources	\$ 34,100	\$ 4,768	\$ (29,332)
Total Expenditures and Other Uses	<u>36,059</u>	<u>6,902</u>	<u>29,157</u>
Net Change in Fund Balances	(1,959)	(2,134)	(175)
Fund Balance at Beginning of Year	2,027	2,027	-
Prior Year Encumbrances Appropriated	<u>107</u>	<u>107</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ (175)</u>
Title II-A			
Total Revenues and Other Sources	\$ 485,016	\$ 259,353	\$ (225,663)
Total Expenditures and Other Uses	<u>474,207</u>	<u>248,934</u>	<u>225,273</u>
Net Change in Fund Balances	10,809	10,419	(390)
Fund Balance (Deficit) at Beginning of Year	<u>(10,419)</u>	<u>(10,419)</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 390</u>	<u>\$ -</u>	<u>\$ (390)</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
Miscellaneous Federal Grants			
Fund Balance at Beginning of Year	\$ 5	\$ 5	\$ -
Fund Balance at End of Year	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. A description of the School District's nonmajor debt service fund follows:

Bond Retirement

A fund provided for the accumulation of property taxes that is restricted for the retirement of serial bonds and short term note and loans.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>		<u>(Under)</u>
Bond Retirement			
Total Revenues and Other Sources	\$ 2,092,295	\$ 3,010,656	\$ 918,361
Total Expenditures and Other Uses	<u>2,414,091</u>	<u>2,379,549</u>	<u>34,542</u>
Net Change in Fund Balances	(321,796)	631,107	952,903
Fund Balance at Beginning of Year	<u>407,416</u>	<u>407,416</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 85,620</u>	<u>\$ 1,038,523</u>	<u>\$ 952,903</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Capital Projects Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. A description of the School District's nonmajor capital projects funds follows:

Permanent Improvement

A fund provided to account for a property tax levy that is restricted to all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

Building

The building fund is used to account for resources that are restricted for the acquisition, construction or improvement of capital facilities and for the acquisition of capital assets. The fund balance of this fund is restricted for capital improvements.

Classroom Facilities

A fund provided to account for monies received that are restricted to be used on contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 1,016,081	\$ 921,523	\$ 734,914	\$ 2,672,518
Receivables:				
Property taxes	364,838	-	-	364,838
Intergovernmental	-	-	397,260	397,260
Total assets.	<u>\$ 1,380,919</u>	<u>\$ 921,523</u>	<u>\$ 1,132,174</u>	<u>\$ 3,434,616</u>
Liabilities:				
Accounts payable.	<u>\$ 11,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,787</u>
Total liabilities.	<u>11,787</u>	<u>-</u>	<u>-</u>	<u>11,787</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	330,082	-	-	330,082
Delinquent property tax revenue not available.	18,027	-	-	18,027
Intergovernmental revenue not available.	-	-	397,260	397,260
Total deferred inflows of resources.	<u>348,109</u>	<u>-</u>	<u>397,260</u>	<u>745,369</u>
Fund balances:				
Restricted:				
Capital improvements	<u>1,021,023</u>	<u>921,523</u>	<u>734,914</u>	<u>2,677,460</u>
Total fund balances	<u>1,021,023</u>	<u>921,523</u>	<u>734,914</u>	<u>2,677,460</u>
Total liabilities, deferred inflows and fund balances. . .	<u>\$ 1,380,919</u>	<u>\$ 921,523</u>	<u>\$ 1,132,174</u>	<u>\$ 3,434,616</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 389,696	\$ -	\$ -	\$ 389,696
Earnings on investments	-	172	434	606
Other local revenues	8,679	-	317,312	325,991
Intergovernmental - state	60,900	-	-	60,900
Total revenues	<u>459,275</u>	<u>172</u>	<u>317,746</u>	<u>777,193</u>
Expenditures:				
Current:				
Instruction:				
Regular	448	-	-	448
Support services:				
Fiscal	3,317	-	-	3,317
Operations and maintenance	510,221	-	-	510,221
Facilities acquisition and construction	54,058	31	-	54,089
Debt service:				
Principal retirement	15,000	-	-	15,000
Interest and fiscal charges	30,113	-	-	30,113
Total expenditures	<u>613,157</u>	<u>31</u>	<u>-</u>	<u>613,188</u>
Net change in fund balances	(153,882)	141	317,746	164,005
Fund balances at beginning of year	<u>1,174,905</u>	<u>921,382</u>	<u>417,168</u>	<u>2,513,455</u>
Fund balances at end of year	<u>\$ 1,021,023</u>	<u>\$ 921,523</u>	<u>\$ 734,914</u>	<u>\$ 2,677,460</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Variance with Final Budget- Over (Under)
	Final	Actual	
Permanent Improvement			
Total Revenues and Other Sources	\$ 479,785	\$ 529,889	\$ 50,104
Total Expenditures and Other Uses	<u>1,266,290</u>	<u>697,721</u>	<u>568,569</u>
Net Change in Fund Balances	(786,505)	(167,832)	618,673
Fund Balance at Beginning of Year	1,109,492	1,109,492	-
Prior Year Encumbrances Appropriated	<u>59,957</u>	<u>59,957</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 382,944</u>	<u>\$ 1,001,617</u>	<u>\$ 618,673</u>
Building			
Total Revenues and Other Sources	\$ 134	\$ 172	\$ 38
Total Expenditures and Other Uses	<u>920,911</u>	<u>31</u>	<u>920,880</u>
Net Change in Fund Balances	(920,777)	141	920,918
Fund Balance at Beginning of Year	914,557	914,557	-
Prior Year Encumbrances Appropriated	<u>6,825</u>	<u>6,825</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 605</u>	<u>\$ 921,523</u>	<u>\$ 920,918</u>
Classroom Facilities			
Total Revenues and Other Sources	\$ 649,751	\$ 28,107	\$ (621,644)
Total Expenditures and Other Uses	<u>788,126</u>	<u>29,117</u>	<u>759,009</u>
Net Change in Fund Balances	(138,375)	(1,010)	137,365
Fund Balance at Beginning of Year	549,400	549,400	-
Prior Year Encumbrances Appropriated	<u>186,524</u>	<u>186,524</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 597,549</u>	<u>\$ 734,914</u>	<u>\$ 137,365</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMBINING STATEMENTS - FIDUCIARY FUNDS

Fiduciary Funds

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

Private-Purpose Trust Fund

Scholarship

This fund accounts for monies to be set aside for college scholarships for students enrolled in the School District. The income from such a fund may be expended, but the principal must remain intact.

Agency Funds

District Agency

This fund is used to account for those assets held by the School District as an agent for individuals, private organization, other governmental units, and/or other funds.

Student Managed Activities

This fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

Intra-District Services

This fund is used to account for functions that provide goods or services to other areas with the School District.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

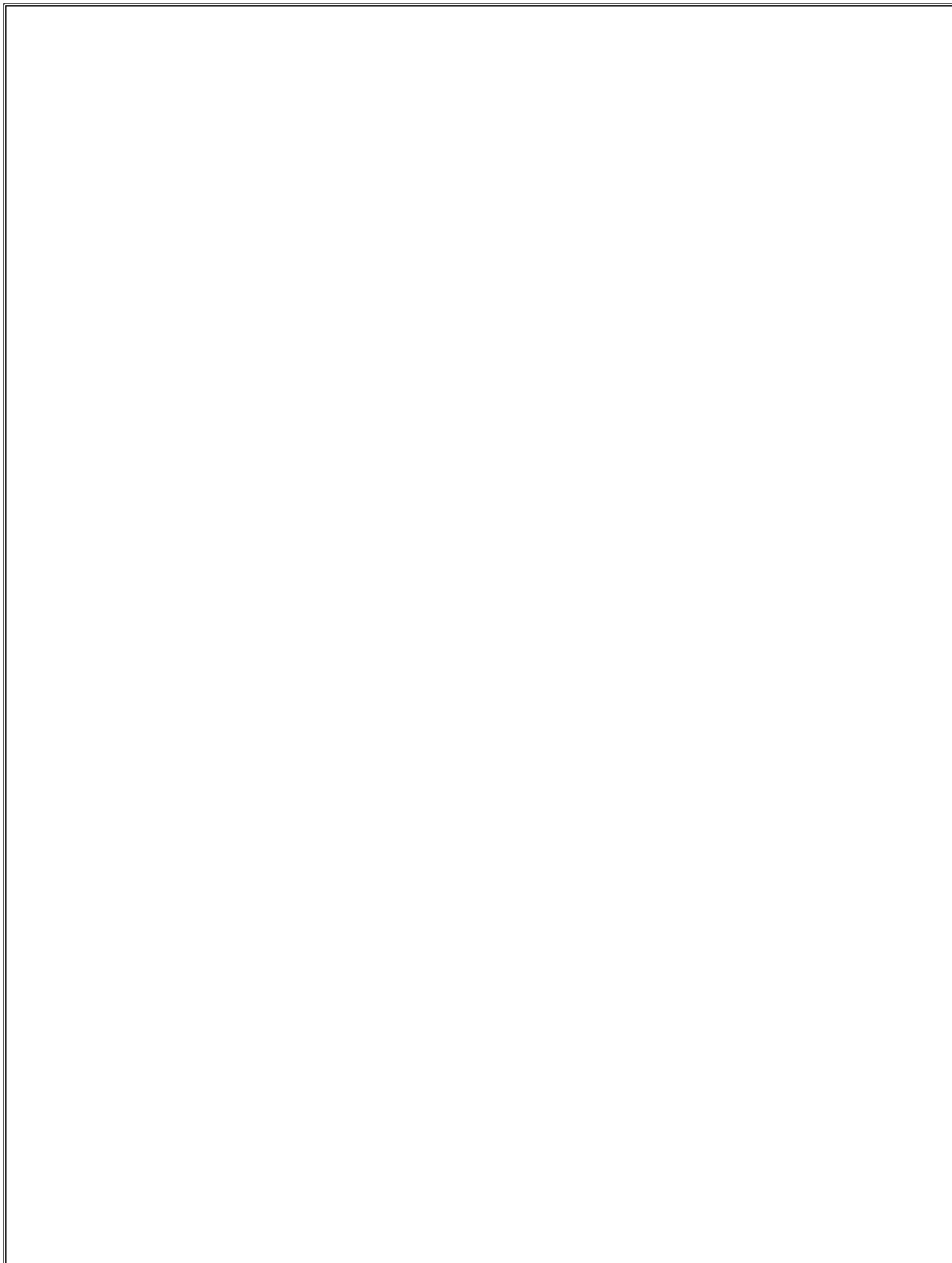
	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>		<u>Actual</u>
Scholarship			
Total Revenues and Other Sources	\$ 4,308	\$ 2,054	\$ (2,254)
Total Expenditures and Other Uses	<u>33,758</u>	<u>5,099</u>	<u>28,659</u>
Net Change in Fund Balances	(29,450)	(3,045)	26,405
Fund Balance at Beginning of Year	<u>42,723</u>	<u>42,723</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 13,273</u>	<u>\$ 39,678</u>	<u>\$ 26,405</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Beginning Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2016</u>
District Agency				
Assets:				
Equity in pooled cash and investments	\$ 18,477	\$ 3,360	\$ 4,411	\$ 17,426
Total assets	<u>\$ 18,477</u>	<u>\$ 3,360</u>	<u>\$ 4,411</u>	<u>\$ 17,426</u>
Liabilities:				
Undistributed monies	\$ 18,477	\$ 3,360	\$ 4,411	\$ 17,426
Total liabilities.	<u>\$ 18,477</u>	<u>\$ 3,360</u>	<u>\$ 4,411</u>	<u>\$ 17,426</u>
Student Managed Activities				
Assets:				
Equity in pooled cash and investments	\$ 34,042	\$ 141,688	\$ 129,425	\$ 46,305
Total assets	<u>\$ 34,042</u>	<u>\$ 141,688</u>	<u>\$ 129,425</u>	<u>\$ 46,305</u>
Liabilities:				
Accounts payable	\$ 88	\$ 157	\$ 88	\$ 157
Due to students	33,954	141,531	129,337	46,148
Total liabilities.	<u>\$ 34,042</u>	<u>\$ 141,688</u>	<u>\$ 129,425</u>	<u>\$ 46,305</u>
Intra-District Services				
Assets:				
Equity in pooled cash and investments	\$ 20,786	\$ 79	\$ 2,766	\$ 18,099
Total assets	<u>\$ 20,786</u>	<u>\$ 79</u>	<u>\$ 2,766</u>	<u>\$ 18,099</u>
Liabilities:				
Accounts payable	\$ 1,429	\$ 275	\$ 1,429	\$ 275
Undistributed monies	19,357	(196)	1,337	17,824
Total liabilities.	<u>\$ 20,786</u>	<u>\$ 79</u>	<u>\$ 2,766</u>	<u>\$ 18,099</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 73,305	\$ 145,127	\$ 136,602	\$ 81,830
Total assets	<u>\$ 73,305</u>	<u>\$ 145,127</u>	<u>\$ 136,602</u>	<u>\$ 81,830</u>
Liabilities:				
Accounts payable	\$ 1,517	\$ 432	\$ 1,517	\$ 432
Due to students	33,954	141,531	129,337	46,148
Undistributed monies	37,834	3,164	5,748	35,250
Total liabilities.	<u>\$ 73,305</u>	<u>\$ 145,127</u>	<u>\$ 136,602</u>	<u>\$ 81,830</u>

STATISTICAL SECTION



**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

STATISTICAL SECTION

This part of the Xenia Community 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.

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Pages

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.

104-115

Revenue Capacity

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

116-122

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.

124-129

Demographic and Economic Information

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

130-131

Operating Information

These schedules contain service and capital asset 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.

132-135

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. Fiscal year 2011 was the School District's first year implementation of GASB 54. Fiscal year 2015 was the School District's first year implementation of GASB 68/71.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 11,261,238	\$ 10,814,192	\$ 10,481,909	\$ 10,649,898
Restricted for:				
Capital projects	145,819	226,172	161,779	25,895,549
Debt service	-	-	-	9,733
Other purposes	985,967	1,434,604	1,627,557	1,671,456
Unrestricted (deficit)	<u>2,768,420</u>	<u>3,424,825</u>	<u>2,983,161</u>	<u>(224,469)</u>
Total Governmental Activities Net Position	<u>\$ 15,161,444</u>	<u>\$ 15,899,793</u>	<u>\$ 15,254,406</u>	<u>\$ 38,002,167</u>
Business-type activities				
Net investment in capital assets	\$ 74,423	\$ 65,096	\$ 58,753	\$ 55,910
Unrestricted	<u>118,609</u>	<u>102,957</u>	<u>89,776</u>	<u>47,436</u>
Total Business-Type Activities Net Position	<u>\$ 193,032</u>	<u>\$ 168,053</u>	<u>\$ 148,529</u>	<u>\$ 103,346</u>
Primary government				
Net investment in capital assets	\$ 11,335,661	\$ 10,879,288	\$ 10,540,662	\$ 10,705,808
Restricted	1,131,786	1,660,776	1,789,336	27,576,738
Unrestricted	<u>2,887,029</u>	<u>3,527,782</u>	<u>3,072,937</u>	<u>(177,033)</u>
Total primary government Net Position	<u>\$ 15,354,476</u>	<u>\$ 16,067,846</u>	<u>\$ 15,402,935</u>	<u>\$ 38,105,513</u>

Source: School District financial records.

- (1) The District implemented GASB Statement No. 54 and reclassified business-type activities to governmental activities.
(2) Amounts have been restated to account for the implementation of GASB Statement No. 68/71.

2011 (1)	2012	2013	2014 (2)	2015	2016
\$ 7,394,446	\$ 38,371,925	\$ 35,978,815	\$ 37,222,258	\$ 36,109,895	\$ 34,976,004
25,789,770	575,307	1,604,469	1,753,040	1,946,528	2,132,449
1,865,736	972,042	-	-	-	277,857
3,161,242	2,017,431	2,976,422	2,552,640	2,646,398	3,181,864
(937,544)	(3,421,533)	4,759,811	(50,535,299)	(46,089,900)	(41,391,620)
<u>\$ 37,273,650</u>	<u>\$ 38,515,172</u>	<u>\$ 45,319,517</u>	<u>\$ (9,007,361)</u>	<u>\$ (5,387,079)</u>	<u>\$ (823,446)</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 20,547,538	\$ 20,739,048	\$ 21,027,137	\$ 22,874,671
Special	6,764,836	7,043,511	7,268,488	7,801,632
Vocational	497,573	485,375	559,380	663,935
Other	645,415	891,281	1,978,994	713,153
Support services:				
Pupil	3,190,701	3,343,164	3,680,457	3,787,706
Instructional staff	3,030,432	3,416,992	3,705,228	4,389,169
Board of education	23,798	27,434	30,172	46,118
Administration	4,192,405	4,197,146	3,969,956	4,743,067
Fiscal	544,940	630,808	614,423	882,787
Business	614,265	649,944	690,431	534,465
Operations and maintenance	3,281,893	3,434,794	3,751,404	4,070,484
Pupil transportation	2,946,023	2,993,064	2,950,185	2,961,342
Central	234,236	354,191	376,753	368,574
Operation of non-instructional services	364,092	392,885	497,913	412,399
Extracurricular activities	938,729	1,010,829	955,911	974,957
Interest and fiscal charges	161,099	122,898	114,699	347,061
Total governmental activities expenses	<u>47,977,975</u>	<u>49,733,364</u>	<u>52,171,531</u>	<u>55,571,520</u>
Business-type activities:				
Food service	1,820,159	1,895,000	1,930,482	1,850,217
Uniform school supplies	14,797	15,060	56,275	61,667
Pre-school	62,070	69,055	14,621	10,295
Total business-type activities expenses	<u>1,897,026</u>	<u>1,979,115</u>	<u>2,001,378</u>	<u>1,922,179</u>
Total primary government expense:	<u>\$ 49,875,001</u>	<u>\$ 51,712,479</u>	<u>\$ 54,172,909</u>	<u>\$ 57,493,699</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	717,613	656,951	524,185	704,183
Special	55,240	212,129	157,573	149,900
Vocational	-	-	-	-
Support services:				
Pupil	-	-	-	2,829
Instructional staff	-	-	-	-
Fiscal	18,555	29,074	24,663	38,667
Business	-	-	26,554	13,008
Operations and maintenance	14,413	8,630	5,000	8,235
Pupil transportation	54,545	48,598	45,374	52,701
Operation of non-instructional services	-	-	-	509
Extracurricular activities	286,729	288,882	244,403	260,341
Total governmental activities charges for services	<u>1,147,095</u>	<u>1,244,264</u>	<u>1,027,752</u>	<u>1,230,373</u>

	2011 (1)	2012	2013	2014	2015	2016
\$	23,313,796	\$ 19,211,531	\$ 20,469,322	\$ 20,613,637	\$ 22,157,855	\$ 23,624,576
	8,106,704	7,535,001	6,293,428	8,890,201	8,930,431	9,757,625
	522,909	417,220	473,007	426,082	391,609	509,173
	1,162,703	1,064,434	798,146	413,088	463,517	487,358
	3,812,722	3,100,910	2,670,524	2,728,486	2,812,029	2,588,162
	4,941,165	3,644,379	2,829,681	1,447,357	1,096,775	1,317,782
	43,115	48,039	28,679	62,469	54,169	46,982
	4,513,629	4,104,162	3,544,180	3,555,657	3,367,885	3,546,345
	627,799	552,322	493,191	779,269	902,766	1,193,856
	609,912	651,902	570,310	654,648	714,612	811,055
	4,013,756	5,176,685	2,676,323	2,869,448	3,479,724	3,301,567
	3,307,960	2,868,760	2,376,437	2,334,590	2,828,070	2,399,596
	359,364	231,466	175,603	547,009	248,803	458,537
	2,431,395	2,184,210	2,017,909	1,937,291	2,076,014	2,182,928
	887,034	716,946	652,959	722,775	773,328	919,928
	2,112,472	2,329,031	3,081,811	3,036,020	2,441,812	1,909,384
	60,766,435	53,836,998	49,151,510	51,018,027	52,740,399	55,054,854
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	60,766,435	\$ 53,836,998	\$ 49,151,510	\$ 51,018,027	\$ 52,740,399	\$ 55,054,854

	695,888	579,642	665,009	710,017	568,869	830,618
	159,520	214,769	271,396	183,313	54,430	215,000
	-	-	-	-	-	23,071
	3,045	1,404	438	2,480	1,234	2,745
	6,600	2,596	4,031	-	-	-
	30,926	76,459	40,112	17,907	-	-
	9,296	15,317	-	-	-	-
	6,929	7,987	7,432	13,888	25,288	5,303
	48,080	194,581	2,050	-	-	-
	575,385	538,559	454,906	445,166	404,493	411,795
	252,332	252,407	225,636	234,600	288,572	385,516
	1,788,001	1,883,721	1,671,010	1,607,371	1,342,886	1,874,048

(Continued)

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Operating grants and contributions:				
Instruction:				
Regular	\$ 780,278	\$ 534,626	\$ 296,608	\$ 403,772
Special	1,651,564	1,918,963	1,613,160	2,899,293
Vocational	49,336	54,605	80,447	82,063
Other instructional	559,610	980,325	1,458,310	-
Support services:				
Pupil	223,260	431,768	78,817	318,780
Instructional staff	927,302	881,591	1,634,431	850,042
Administration	240,971	149,087	72,692	1,290,205
Fiscal	-	-	4,113	17,526
Business	-	-	-	-
Operations and maintenance	1,236	3,000	-	-
Pupil transportation	25,141	26,614	3,378	4,396
Central	46,438	46,735	44,084	31,508
Operation of non-instructional services	348,625	641,268	-	345,360
Extracurricular activities	22,439	14,204	531,782	22,022
Interest and fiscal charges	-	-	20,309	-
Total operating grants and contributions	<u>4,876,200</u>	<u>5,682,786</u>	<u>5,838,131</u>	<u>6,264,967</u>
Capital grants and contributions:				
Instruction:				
Regular	33,210	-	-	-
Support services:				
Pupil transportation	39,180	42,493	52,850	-
Total capital grants and contributions	<u>72,390</u>	<u>42,493</u>	<u>52,850</u>	<u>-</u>
Total governmental activities program revenues	<u>6,095,685</u>	<u>6,969,543</u>	<u>6,918,733</u>	<u>7,495,340</u>
Business-type activities:				
Charges for services:				
Food service	794,691	817,925	773,513	698,990
Uniform school supplies	15,491	18,945	33,528	30,801
Pre-school	29,671	29,416	11,061	2,250
Operating grants and contributions	1,017,386	1,058,001	1,134,559	1,119,955
Total business-type activities program revenues	<u>1,857,239</u>	<u>1,924,287</u>	<u>1,952,661</u>	<u>1,851,996</u>
Total primary government program revenue	<u>\$ 7,952,924</u>	<u>\$ 8,893,830</u>	<u>\$ 8,871,394</u>	<u>\$ 9,347,336</u>
Net (Expense)/Revenue				
Governmental activities	\$ (41,882,290)	\$ (42,763,821)	\$ (45,252,798)	\$ (48,076,180)
Business-type activities	(39,787)	(54,828)	(48,717)	(70,183)
Total primary government net expense	<u>\$ (41,922,077)</u>	<u>\$ (42,818,649)</u>	<u>\$ (45,301,515)</u>	<u>\$ (48,146,363)</u>

	2011 (1)	2012	2013	2014	2015	2016
\$	2,244,921	\$ 870,285	\$ 735,927	\$ 321,393	\$ 397,452	\$ 293,624
	2,492,743	2,187,307	4,285,116	4,275,316	5,845,964	5,474,667
	82,678	82,678	82,678	87,826	156,620	122,488
	415,247	383,636	483,407	-	-	-
	459,778	213,456	340,059	269,359	299,021	261,532
	1,765,483	1,546,907	1,354,191	627,841	172,571	26,656
	1,544,463	156,385	175,934	104,971	127,186	120,610
	9,358	56,474	27,475	-	-	2,150
	-	-	-	-	-	841
	904	6,985	-	-	-	11,896
	37,260	166,250	240,837	99,625	151,026	174,784
	27,750	14,400	14,400	14,400	14,400	14,400
	1,751,790	1,775,435	1,749,001	1,712,355	1,785,309	1,930,183
	31,370	8,710	52,716	100,180	371,751	85,296
	1,074,243	1,269,657	1,223,536	1,180,575	-	499,816
	11,937,988	8,738,565	10,765,277	8,793,841	9,321,300	9,018,943
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	13,725,989	10,622,286	12,436,287	10,401,212	10,664,186	10,892,991
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	13,725,989	\$ 10,622,286	\$ 12,436,287	\$ 10,401,212	\$ 10,664,186	\$ 10,892,991
\$	(47,040,446)	\$ (43,214,712)	\$ (36,715,223)	\$ (40,616,815)	\$ (42,076,213)	\$ (44,161,863)
	-	-	-	-	-	-
\$	(47,040,446)	\$ (43,214,712)	\$ (36,715,223)	\$ (40,616,815)	\$ (42,076,213)	\$ (44,161,863)

(Continued)

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Revenues				
Property taxes levied for:				
General purposes	\$ 19,164,735	\$ 18,223,541	\$ 19,146,600	\$ 18,630,191
Debt service	-	-	-	-
Capital outlay	339,496	379,149	385,177	399,332
Classroom facilities maintenance	-	-	-	153,780
Payment in lieu of taxes	-	-	23,394	23,570
School district income taxes	3,207,216	3,314,727	3,219,430	3,058,203
Grants and entitlements not restricted to specific programs	21,069,543	21,261,872	21,671,217	21,990,306
Grants and entitlements restricted for capital construction	-	-	-	26,400,224
Investment earnings	458,147	347,374	177,450	162,964
Gain on the sale of capital assets	-	-	-	-
Miscellaneous	55,721	507	9,143	30,371
Extraordinary item	-	-	-	-
Transfers	(45,000)	(25,000)	(25,000)	(25,000)
Total governmental activities	<u>44,249,858</u>	<u>43,502,170</u>	<u>44,607,411</u>	<u>70,823,941</u>
Business-type activities:				
Investment earnings	796	249	88	-
Miscellaneous	4,309	4,600	4,105	-
Transfers	45,000	25,000	25,000	25,000
Total business-type activities	<u>50,105</u>	<u>29,849</u>	<u>29,193</u>	<u>25,000</u>
Total primary government	<u>\$ 44,299,963</u>	<u>\$ 43,532,019</u>	<u>\$ 44,636,604</u>	<u>\$ 70,848,941</u>
Change in Net Position				
Governmental activities	\$ 2,367,568	\$ 738,349	\$ (645,387)	\$ 22,747,761
Business-type activities	10,318	(24,979)	(19,524)	(45,183)
Total primary government	<u>\$ 2,377,886</u>	<u>\$ 713,370</u>	<u>\$ (664,911)</u>	<u>\$ 22,702,578</u>

Source: School District financial records.

(1) The District implemented GASB Statement No. 54 and reclassified business-type activities to governmental activities.

	2011 (1)	2012	2013	2014	2015	2016
\$	20,147,454	\$ 17,403,111	\$ 18,423,141	\$ 18,853,182	\$ 17,673,857	\$ 18,914,569
	-	-	915,227	1,656,965	1,771,458	2,405,803
	402,910	339,361	344,309	365,242	394,544	382,699
	310,084	275,948	304,277	291,610	256,344	288,126
	22,163	31,924	39,614	24,331	19,573	22,523
	3,125,074	3,194,973	3,453,226	3,514,282	3,432,869	3,608,759
	21,554,048	21,354,311	19,442,089	20,720,008	22,035,123	22,359,441
	-	-	-	916,410	-	-
	152,120	106,036	32,892	23,724	63,575	220,955
	-	595,024	-	-	-	-
	506,326	15,737	107,785	117,041	49,152	522,621
	-	1,139,809	1,304,343	-	-	-
	-	-	-	-	-	-
	46,220,179	44,456,234	44,366,903	46,482,795	45,696,495	48,725,496
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	46,220,179	\$ 44,456,234	\$ 44,366,903	\$ 46,482,795	\$ 45,696,495	\$ 48,725,496
\$	(820,267)	\$ 1,241,522	\$ 7,651,680	\$ 5,865,980	\$ 3,620,282	\$ 4,563,633
	-	-	-	-	-	-
\$	(820,267)	\$ 1,241,522	\$ 7,651,680	\$ 5,865,980	\$ 3,620,282	\$ 4,563,633

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Reserved	1,615,209	1,339,337	1,459,910	2,009,667
Unreserved (deficit)	2,902,422	3,911,572	2,863,562	(762,827)
Total general fund	<u>\$ 4,517,631</u>	<u>\$ 5,250,909</u>	<u>\$ 4,323,472</u>	<u>\$ 1,246,840</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Reserved	462,230	396,194	379,847	3,191,775
Unreserved (deficit), undesignated				
Reported in:				
Special revenue funds	532,186	981,969	874,533	826,442
Debt service funds	-	-	-	9,733
Capital projects funds	(22,638)	147,976	71,301	33,420,387
Total all other governmental funds	<u>\$ 971,778</u>	<u>\$ 1,526,139</u>	<u>\$ 1,325,681</u>	<u>\$ 37,448,337</u>
Total governmental funds	<u>\$ 5,489,409</u>	<u>\$ 6,777,048</u>	<u>\$ 5,649,153</u>	<u>\$ 38,695,177</u>

Source: School District financial records.

Note: The School District implemented GASB 54 in fiscal year 2011.

2011	2012	2013	2014	2015	2016
\$ 5,029	\$ 28,087	\$ 3,579	\$ 6,652	\$ -	\$ 359,865
226,489	-	-	-	-	-
-	-	-	-	-	-
-	1,022,780	2,266,877	1,064,619	1,541,188	12,536,872
(263,749)	448,043	3,347,938	10,056,034	14,063,514	5,835,525
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (32,231)</u>	<u>\$ 1,498,910</u>	<u>\$ 5,618,394</u>	<u>\$ 11,127,305</u>	<u>\$ 15,604,702</u>	<u>\$ 18,732,262</u>
\$ 17,936	\$ 19,035	\$ 19,835	\$ 16,236	\$ -	\$ 1,752
58,231,728	26,987,138	4,895,702	6,072,577	5,511,480	6,595,320
-	-	-	-	-	-
(30,544)	-	-	(95,366)	(258,278)	(684,960)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 58,219,120</u>	<u>\$ 27,006,173</u>	<u>\$ 4,915,537</u>	<u>\$ 5,993,447</u>	<u>\$ 5,253,202</u>	<u>\$ 5,912,112</u>
<u>\$ 58,186,889</u>	<u>\$ 28,505,083</u>	<u>\$ 10,533,931</u>	<u>\$ 17,120,752</u>	<u>\$ 20,857,904</u>	<u>\$ 24,644,374</u>

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues				
Property taxes	\$ 19,520,114	\$ 18,702,827	\$ 19,375,229	\$ 19,144,514
Income taxes	3,207,216	3,314,727	3,219,430	3,058,203
Payment in lieu of taxes	-	-	23,394	23,570
Tuition	-	-	-	-
Tuition and fees	827,398	842,714	777,168	901,514
Transportation fees	-	-	-	-
Earnings on investments	451,350	348,149	177,797	163,222
Charges for services	18,555	53,502	51,217	51,675
Extracurricular activities	284,633	287,642	244,203	263,679
Classroom materials and fees	-	-	-	-
Rental income	14,413	8,630	5,000	8,235
Contributions and donations	26,439	27,872	22,559	22,022
Contract services	-	-	-	-
Other	57,817	1,501	8,272	30,371
Intergovernmental	25,998,243	26,913,739	27,143,580	30,237,528
Total revenues	<u>50,406,178</u>	<u>50,501,303</u>	<u>51,047,849</u>	<u>53,904,533</u>
Expenditures				
Current:				
Instructional:				
Regular	20,099,742	20,025,232	20,576,876	22,450,962
Special	6,777,405	7,003,836	7,228,840	7,975,640
Vocational	517,517	481,163	538,913	688,160
Other	626,874	891,015	1,927,969	794,962
Support services:				
Pupil	3,229,619	3,319,292	3,712,293	3,621,352
Instructional staff	2,986,392	3,391,817	3,739,156	4,314,663
Board of education	23,460	27,096	29,834	45,780
Administration	4,101,421	4,226,175	4,180,136	4,440,195
Fiscal	543,414	620,357	644,017	869,928
Business	609,871	654,033	685,953	537,131
Operations and maintenance	3,244,015	3,368,779	3,595,300	3,689,410
Pupil transportation	3,078,934	2,807,809	2,748,596	2,792,571
Central	233,065	354,545	365,213	378,487
Operation of non-instructional services	377,462	444,529	539,638	412,980
Extracurricular activities	906,402	991,237	939,221	976,527
Facilities acquisition and construction	-	-	-	-
Capital outlay	266,984	63,270	585,054	1,165,510
Debt service:				
Principal retirement	383,957	394,977	464,905	449,356
Interest and fiscal charges	161,659	123,502	115,329	99,866
Issuance costs	-	-	-	214,565
Total expenditures	<u>48,168,193</u>	<u>49,188,664</u>	<u>52,617,243</u>	<u>55,918,045</u>
Excess of revenues over (under) expenditures	2,237,985	1,312,639	(1,569,394)	(2,013,512)
Other Financing Sources (Uses)				
Sale of capital assets	12,444	-	1,570	5,270
General obligation bonds issued	-	-	-	-
Premiums on bonds issued	-	-	-	-
General obligation notes issued	-	-	-	34,670,000
Premiums on notes issued	-	-	-	224,298
Payment to refunded bond escrow agent	-	-	-	-
Inception of capital lease	585,809	-	464,929	184,968
Insurance recoveries	-	-	-	-
Transfers in	688,262	135,464	145,000	31,122,555
Transfers (out)	(733,262)	(160,464)	(170,000)	(31,147,555)
Total other financing sources (uses)	<u>553,253</u>	<u>(25,000)</u>	<u>441,499</u>	<u>35,059,536</u>
Net change in fund balances	<u>\$ 2,791,238</u>	<u>\$ 1,287,639</u>	<u>\$ (1,127,895)</u>	<u>\$ 33,046,024</u>
Capital expenditures	\$ 696,329	\$ 238,474	\$ 713,716	\$ 1,203,913
Debt service as a percentage of noncapital expenditures	1.15%	1.06%	1.12%	1.00%

Source: School District financial records.

	2011	2012	2013	2014	2015	2016
\$	20,433,798	\$ 18,449,920	\$ 19,966,943	\$ 21,064,399	\$ 20,534,370	\$ 21,439,062
	3,125,074	3,194,973	3,241,175	3,502,121	3,407,949	3,622,624
	22,163	31,924	26,409	25,024	21,390	22,145
	-	-	759,664	720,445	452,791	877,991
	907,951	992,228	-	-	-	-
	-	-	2,050	-	-	-
	155,821	106,204	33,387	24,099	57,517	195,821
	613,187	630,335	453,451	444,763	403,645	410,561
	260,465	236,784	227,529	237,483	294,159	364,029
	-	-	164,735	157,010	155,835	149,467
	6,398	7,987	7,432	13,888	6,527	5,303
	31,576	15,464	58,174	165,422	401,720	124,086
	-	-	56,149	33,782	29,929	66,697
	221,037	34,703	102,687	111,975	39,942	509,221
	51,640,665	34,914,970	30,544,844	31,117,993	30,629,325	31,179,706
	<u>77,418,135</u>	<u>58,615,492</u>	<u>55,644,629</u>	<u>57,618,404</u>	<u>56,435,099</u>	<u>58,966,713</u>
	23,045,734	20,675,098	19,840,838	20,190,669	20,962,201	23,098,098
	8,016,893	7,636,518	6,691,380	8,724,467	8,935,747	9,617,940
	491,422	428,353	486,557	412,978	405,098	495,501
	1,162,703	1,045,695	849,442	408,796	458,122	475,761
	3,829,606	3,142,218	2,966,495	2,656,758	2,774,370	2,653,396
	4,963,472	3,792,896	3,056,993	1,399,416	1,098,544	1,280,676
	42,777	47,898	30,464	60,794	53,555	46,260
	4,509,205	4,114,126	3,749,494	3,504,092	3,352,279	3,525,983
	673,540	545,747	523,655	755,808	909,109	1,161,290
	607,269	663,976	585,707	637,278	737,385	786,269
	3,645,806	3,049,228	2,817,492	2,785,491	3,201,428	3,363,633
	3,090,419	2,728,897	2,371,111	2,157,790	2,698,242	2,643,824
	358,375	239,333	187,232	530,586	246,733	442,185
	2,529,216	2,188,812	2,063,291	2,051,535	2,088,924	2,113,649
	863,426	703,820	685,600	702,460	772,468	907,505
	-	-	25,254,378	423,481	897,446	289,340
	3,313,174	36,368,538	-	-	-	-
	35,803,539	554,189	466,702	1,374,991	1,302,715	1,274,078
	2,185,483	2,306,469	2,293,293	2,254,193	1,476,176	1,396,416
	699,064	-	-	-	296,839	-
	<u>99,831,123</u>	<u>90,231,811</u>	<u>74,920,124</u>	<u>51,031,583</u>	<u>52,667,381</u>	<u>55,571,804</u>
	(22,412,988)	(31,616,319)	(19,275,495)	6,586,821	3,767,718	3,394,909
	-	595,024	-	-	-	391,561
	34,664,982	-	-	-	18,505,000	-
	3,532,866	-	-	-	2,381,390	-
	3,290,000	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	(20,916,956)	-
	-	-	-	-	-	-
	285,085	1,339,489	1,304,343	-	-	-
	1,085,422	-	-	10,000	-	-
	(1,085,422)	-	-	(10,000)	-	-
	<u>41,772,933</u>	<u>1,934,513</u>	<u>1,304,343</u>	<u>-</u>	<u>(30,566)</u>	<u>391,561</u>
\$	<u>19,359,945</u>	<u>\$ (29,681,806)</u>	<u>\$ (17,971,152)</u>	<u>\$ 6,586,821</u>	<u>\$ 3,737,152</u>	<u>\$ 3,786,470</u>
\$	3,727,073	\$ 36,761,583	\$ 28,560,528	\$ 1,625,990	\$ 1,206,396	\$ 639,500
	39.53%	5.35%	5.95%	7.35%	5.40%	4.86%

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2007	\$ 503,031,990	\$ 76,738,770	\$ 1,656,487,886	\$ 46,939,752	\$ 187,759,008
2008	512,097,960	84,582,830	1,704,802,257	36,682,078	146,728,312
2009	558,250,140	92,664,240	1,859,755,371	28,818,744	115,274,976
2010	558,374,520	96,751,220	1,871,787,829	19,486,010	77,944,040
2011	560,221,510	100,387,930	1,887,455,543	19,501,950	78,007,800
2012	535,845,540	91,586,560	1,792,663,143	19,137,980	76,551,920
2013	537,478,350	92,297,410	1,799,359,314	23,123,840	92,495,360
2014	536,640,530	92,496,130	1,797,533,314	22,025,310	88,101,240
2015	535,536,050	90,906,710	1,789,836,457	22,710,730	90,842,920
2016	536,428,640	89,914,260	1,789,551,143	24,997,310	99,989,240

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal. The assessed value of real property (including public utility real property) is 35 percent of estimated true value.

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%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the \$10,000 exemption for commercial/industrial property has been eliminated.

Source: Office of the County Auditor, Greene County, Ohio

Assessed Value	Total		Total Direct Rate
	Estimated Actual Value	Ratio	
\$ 626,710,512	\$ 1,844,246,894	33.98%	\$ 44.00
633,362,868	1,851,530,569	34.21%	43.90
679,733,124	1,975,030,347	34.42%	43.10
674,611,750	1,949,731,869	34.60%	43.50
680,111,390	1,965,463,343	34.60%	43.40
646,570,080	1,869,215,063	34.59%	43.90
652,899,600	1,891,854,674	34.51%	46.80
651,161,970	1,885,634,554	34.53%	46.80
649,153,490	1,880,679,377	34.52%	47.25
651,340,210	1,889,540,383	34.47%	47.75

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**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT CALENDAR YEAR (1)**

Name of Taxpayer	2016	
	Assessed Value	Percent of Real Property Assessed Value
Dayton Power & Light Electric	\$ 19,517,290	3.00%
Deer Creek Community, LLC	5,018,580	0.77%
Wal Mart Real Estate Business	2,586,540	0.40%
Lariviere Farms, LLC	2,541,840	0.39%
Traditions at Xenia	2,325,140	0.36%
Ohio Valley Property Management	2,273,040	0.35%
Cemex Construction Materials	1,949,840	0.30%
Lowes Home Centers, Inc.	1,921,370	0.29%
Wood Xenia Center, LLC	1,920,730	0.29%
Vectren Energy Delivery of Ohio Gas	1,884,420	0.29%
Totals	<u>\$ 41,938,790</u>	<u>6.44%</u>
Total Assessed Valuation	<u>\$ 651,340,210</u>	

Source: Greene County Auditor

(1) Information for previous years was unavailable from the County Auditor. The School District will continued to build this schedule until it can obtain current calendar year and nine years ago.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN COLLECTION (CALENDAR) YEARS (1)
2006-2015

Tax Year/ Collection Year	Overlapping Governments								
	Greene County	City of Xenia	Greene County Career Center	Caesarcreek Township	New Jasper Township	Spring Valley Township	Xenia Township	Greene County Library	
2006/2007	\$ 10.55	\$ 6.70	\$ 3.45	\$ 4.60	\$ 7.70	\$ 14.50	\$ 12.00	\$ 1.00	
2007/2008	10.55	6.70	3.45	4.60	7.70	14.50	12.00	1.00	
2008/2009	10.55	6.70	3.45	6.60	6.20	14.50	12.00	1.00	
2009/2010	12.25	6.70	3.45	6.60	6.20	14.50	12.00	1.00	
2010/2011	12.25	6.70	3.45	6.60	6.20	14.50	12.00	1.00	
2011/2012	12.25	6.70	3.45	6.60	6.20	14.50	12.00	1.00	
2012/2013	12.25	6.70	3.45	6.60	6.20	14.50	12.00	1.00	
2013/2014	12.25	6.70	3.45	6.60	7.70	14.50	12.00	1.00	
2014/2015	12.65	6.70	3.45	6.60	7.70	14.50	12.00	1.00	
2015/2016	14.45	6.70	3.45	6.60	7.70	14.50	12.00	1.90	

Source: Greene County Auditor.

(1) Greene County property tax rate records are maintained on a calendar / collection year basis.

Overlapping Governments		Xenia Community School District					
Greene County Public Health District	Total	General	Bond Retirement	Capital Projects	Classroom Facilities Maintenance	Total	
\$ 0.50	\$ 61.00	\$ 42.70	\$ -	\$ 1.30	\$ -	\$ 44.00	
0.50	61.00	42.60	-	1.30	-	43.90	
0.50	61.50	41.80	-	1.30	-	43.10	
0.50	63.20	41.70	-	1.30	0.50	43.50	
0.50	63.20	41.60	-	1.30	0.50	43.40	
0.80	63.50	42.10	-	1.30	0.50	43.90	
0.80	63.50	42.00	3.00	1.30	0.50	46.80	
0.80	65.00	42.00	3.00	1.30	0.50	46.80	
0.80	65.40	42.05	3.40	1.30	0.50	47.25	
0.80	68.10	42.05	3.90	1.30	0.50	47.75	

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY
LAST TWO COLLECTION (CALENDAR) YEARS
2014-2015

Tax Year/ Collection Year	Current Levy (1)	Current Collection (2)	Percent of Current Levy Collected	Delinquent Collection (4)	Total Collection (2)	Percent of Total Tax Collections to Current Levy (4)	Outstanding Delinquent Taxes (3)	Total Collection As a Percent of Current Levy
2014/2015	\$ 24,400,035	\$ 23,266,677	95.36%	\$ 857,287	\$ 24,123,964	98.87%	\$ 1,910,578	7.83%
2015/2016	24,836,960	23,925,132	96.33%	1,067,230	24,992,362	100.63%	1,973,702	7.95%

Source: Greene County Auditor.

Note: Information prior to 2014 was unavailable.

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

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

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

(4) Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The School District will continue to work to get this information in the future.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Total Primary Government	Per Capita (2)	Ratio of Total Debt Outstanding to Personal Income (2)
	General Obligation Bonds (1)	Energy Conservation Loans	Notes Payable (1)	Capital Leases			
2007	\$ -	\$ 1,070,000	\$ -	\$ 1,420,555	\$ 2,490,555	\$ 103	0.52%
2008	-	940,000	-	1,155,578	2,095,578	87	0.45%
2009	-	805,000	-	1,290,602	2,095,602	77	0.40%
2010	-	660,000	34,894,298	1,171,214	36,725,512	1,428	7.44%
2011	38,125,528	1,945,000	1,431,298	862,675	42,364,501	1,635	8.52%
2012	38,122,984	1,834,176	1,205,353	638,486	41,800,999	1,609	8.11%
2013	38,927,059	1,722,449	1,015,311	466,784	42,131,603	1,628	8.19%
2014	38,771,154	1,610,722	820,271	336,793	41,538,940	1,603	7.82%
2015	36,149,089	1,493,995	610,848	114,078	38,368,010	1,477	7.20%
2016	35,734,065	1,377,268	-	-	37,111,333	1,443	7.04%

SOURCE: School District Records

(1) General obligation bonds and notes include any premiums and accreted debt associated with the general obligation bond.

(2) Population and Personal Income is reported on the Demographic Statistical table found later in the Statistical Section.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST SIX YEARS
2011-2016**

Fiscal Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt (3)	Less Restricted for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Percentage of Personal Income (4)
2011	25,915	\$ 680,111,390	\$ 38,125,528	\$ 1,865,736	\$ 36,259,792	5.33%	\$ 1,399	7.29%
2012	25,983	646,570,080	38,122,984	972,042	37,150,942	5.75%	1,430	7.20%
2013	25,879	652,899,600	38,927,059	-	38,927,059	5.96%	1,504	7.56%
2014	25,911	651,161,970	38,771,154	-	38,771,154	5.95%	1,496	7.30%
2015	25,976	649,153,490	36,149,089	-	36,149,089	5.57%	1,392	6.79%
2016	25,719	651,340,210	35,734,065	277,857	35,456,208	5.44%	1,379	6.72%

Note: Fiscal year 2011 was the first year the School District had bonded debt outstanding

Sources:

- (1) City of Xenia CAFR. Amount as of December 31 of the previous year
- (2) Greene County Auditor, calendar year basis.
- (3) Gross Bonded Debt includes premiums and accreted debt associated with the general obligation bonds
- (4) Personal Income is reported on the Demographic Statistical table found later in the Statistical Section

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**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Tax Valuation	<u>\$ 626,710,512</u>	<u>\$ 633,362,868</u>	<u>\$ 679,733,124</u>	<u>\$ 674,611,750</u>
Debt Limit - 9% of Taxable Valuation	<u>56,403,946</u>	<u>57,002,658</u>	<u>61,175,981</u>	<u>60,715,058</u>
Amount of Debt Applicable to Debt Limit				
General obligation bonds	-	-	-	34,670,000
Less: amount available in debt service	-	-	-	(9,733)
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,660,267</u>
Legal debt margin	<u>\$ 56,403,946</u>	<u>\$ 57,002,658</u>	<u>\$ 61,175,981</u>	<u>\$ 26,054,791</u>
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	42.91%
Energy conservation debt limit - 0.90% of assessed value (1)	5,640,395	5,700,266	6,117,598	6,071,506
Amount of Debt Subject to Limit	<u>1,070,000</u>	<u>940,000</u>	<u>805,000</u>	<u>660,000</u>
Unvoted legal debt margin	<u>\$ 4,570,395</u>	<u>\$ 4,760,266</u>	<u>\$ 5,312,598</u>	<u>\$ 5,411,506</u>
Unvoted legal debt margin as a percentage of the debt limit	81.03%	83.51%	86.84%	89.13%
Unvoted debt limit - 0.10% of taxable valuation (1)	626,711	633,363	679,733	674,612
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin	<u>\$ 626,711</u>	<u>\$ 633,363</u>	<u>\$ 679,733</u>	<u>\$ 674,612</u>
Unvoted legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%

Source: Greene County Auditor and School District Financial Records

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

2011	2012	2013	2014	2015	2016
<u>\$ 680,111,390</u>	<u>\$ 646,570,080</u>	<u>\$ 652,899,600</u>	<u>\$ 651,161,970</u>	<u>\$ 649,153,490</u>	<u>\$ 651,340,210</u>
<u>61,210,025</u>	<u>58,191,307</u>	<u>58,760,964</u>	<u>58,604,577</u>	<u>58,423,814</u>	<u>58,620,619</u>
<u>35,169,982</u> <u>(1,865,736)</u>	<u>34,659,982</u> <u>(972,042)</u>	<u>35,464,982</u> <u>(1,052,369)</u>	<u>35,183,828</u> <u>(1,034,713)</u>	<u>32,708,677</u> <u>(407,416)</u>	<u>32,681,063</u> <u>(1,144,115)</u>
<u>33,304,246</u>	<u>33,687,940</u>	<u>34,412,613</u>	<u>34,149,115</u>	<u>32,301,261</u>	<u>31,536,948</u>
<u>\$ 27,905,779</u>	<u>\$ 24,503,367</u>	<u>\$ 24,348,351</u>	<u>\$ 24,455,462</u>	<u>\$ 26,122,553</u>	<u>\$ 27,083,671</u>
45.59%	42.11%	41.44%	41.73%	44.71%	46.20%
<u>6,121,003</u>	<u>5,819,131</u>	<u>5,876,096</u>	<u>5,860,458</u>	<u>5,842,381</u>	<u>5,862,062</u>
<u>1,440,000</u>	<u>2,150,000</u>	<u>1,700,000</u>	<u>1,590,000</u>	<u>1,475,000</u>	<u>1,360,000</u>
<u>\$ 4,681,003</u>	<u>\$ 3,669,131</u>	<u>\$ 4,176,096</u>	<u>\$ 4,270,458</u>	<u>\$ 4,367,381</u>	<u>\$ 4,502,062</u>
76.47%	63.05%	71.07%	72.87%	74.75%	76.80%
<u>680,111</u>	<u>646,570</u>	<u>652,900</u>	<u>651,162</u>	<u>649,153</u>	<u>651,340</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 680,111</u>	<u>\$ 646,570</u>	<u>\$ 652,900</u>	<u>\$ 651,162</u>	<u>\$ 649,153</u>	<u>\$ 651,340</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2016

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Xenia Community School District	\$ 35,734,065 **	100.00%	\$ 35,734,065
Overlapping:			
Greene County	100,076,000	16.73%	16,742,715
Warren County	9,178,504	0.02%	1,836
City of Fairborn	22,752,500	0.07%	15,927
City of Xenia	<u>7,795,000</u>	100.00%	<u>7,795,000</u>
Total overlapping	<u>\$ 139,802,004</u>		<u>\$ 24,555,478</u>
Total direct and overlapping debt	<u>\$ 175,536,069</u>		<u>\$ 60,289,543</u>

Source: Greene County Auditor

** Amount includes premiums and accreted debt associated with the general obligation bonds.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST SIX FISCAL YEARS

Fiscal Year	Principal	Interest and Issuance Costs	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2011	\$ -	\$ 2,709,079	\$ 2,709,079	\$ 48,159,016	5.63%
2012	135,077	2,202,822	2,337,899	42,165,381	5.54%
2013	52,276	2,171,134	2,223,410	40,239,582	5.53%
2014	950,000	2,143,788	3,093,788	40,974,512	7.55%
2015	950,000	1,675,112	2,625,112	42,828,921	6.13%
2016	1,030,000	1,308,850	2,338,850	46,560,590	5.02%

Note: Fiscal year 2011 was the first year the School District had bonded debt outstanding.

Source: School District Financial Records.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
2007-2016

Year	Population (1)	Per Capita Income (1)	Personal Income (1)	School Enrollment (2)	Unemployment Rate Greene County (3)
2007	24,164	\$19,724	\$476,611,000	4,745	5.3%
2008	24,164	19,318	466,800,000	4,818	7.0%
2009	27,357	18,952	518,470,000	4,839	10.6%
2010	25,719	19,196	493,702,000	4,789	9.2%
2011	25,915	19,196	497,464,000	4,761	7.3%
2012	25,983	19,846	515,659,000	4,590	6.4%
2013	25,879	19,890	514,733,000	4,444	6.2%
2014	25,911	20,508	531,383,000	4,303	4.2%
2015	25,976	20,508	532,715,808	4,219	4.6%
2016	25,719	20,508	527,445,252	4,264	4.5%

Sources:

- (1) U.S. Census Estimates for the City of Xenia.
- (2) School District Financial Records.
- (3) Ohio Department of Jobs and Family Services.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2014 AND EIGHT YEARS AGO**

Employer	Nature of Business	2014			2008		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Greene County	Government	1,374	1	6.50%	1,429	1	5.11%
Kettering Med Center Network	Health Care	984	2	4.65%			
Xenia Community Schools	Education	704	3	3.33%	1,013	3	3.62%
Walmart	Retail	484	4	2.29%	592	4	2.12%
Kroger Limited Ptr	Grocery	296	5	1.40%			
City of Xenia	Government	256	6	1.21%	303	8	1.08%
Express Personnel Services	Other Services	230	7	1.09%			
Toward Independence	Health Care	202	8	0.95%			
Hospice of Dayton, Inc.	Health Care	190	9	0.90%			
Onesource Employee Mgmt LLC	Other Services	177	10	0.84%			
Greene Memorial Hospital	Health Care				1,018	2	3.64%
Super Valu	Distribution				478	5	1.71%
CBS Personnel Services	Other Services				399	6	1.43%
McDonalds Restaurants	Food Services				369	7	1.32%
Bob Evans Farms	Food Services				249	9	0.89%
Lowe's Home Centers Inc	Retail				238	10	0.85%
Total		<u>4,897</u>		<u>23.16%</u>	<u>6,088</u>		<u>21.77%</u>
Total Employment within the School District		<u>21,154</u>			<u>27,970</u>		

Source: City of Xenia CAFR as of December 31, 2014. Information as of the most recent year was not available. Information prior to 2008 is not available.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST FOUR FISCAL YEARS

	2013	2014	2015	2016
Instruction				
Classroom Teachers	223.74	207.99	220.26	220.19
Special Education Teachers and Tutors	46.67	49.67	49.97	52.18
Educational/Media Aides	37.84	41.80	47.76	51.42
Counselor	6.80	6.80	9.00	9.00
Total Instruction	315.05	306.26	326.99	332.79
Support and Administration				
Central Office Support/Administrators	11.45	12.00	10.00	13.00
Principals	11.00	11.00	12.00	12.00
Clerical Support	25.02	24.63	26.25	24.86
Professional Support	6.69	8.20	8.82	10.49
Food Service	22.91	22.44	22.02	20.21
Custodial	1.00	1.00	1.00	1.00
Total Support and Administration	78.07	79.27	80.09	81.56
Total Employees	393.12	385.53	407.08	414.35

Note: Information prior to fiscal year 2013 was unavailable.

Source: Fiscal Year October EMIS Reports.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

Governmental Activities					
	2016	2015	2014	2013 (1)	2012
Land	\$ 450,091	\$ 450,091	\$ 450,091	\$ 450,091	\$ 450,091
Construction in Progress	-	551,047	-	-	37,894,814
Buildings and Improvements	70,755,488	71,824,478	73,503,072	75,340,210	9,511,490
Furniture/Equipment/Fixtures	2,062,476	1,985,204	2,112,561	772,296	1,978,208
Vehicles	71,200	98,061	157,043	275,357	695,094
Total Governmental Activities Capital Assets, net	\$ 73,339,255	\$ 74,908,881	\$ 76,222,767	\$ 76,837,954	\$ 50,529,697
Governmental Activities					
	2011 (2)	2010	2009	2008	2007
Land	\$ 450,091	\$ 450,091	\$ 450,091	\$ 450,091	\$ 450,091
Construction in Progress	3,667,457	729,691	-	-	-
Buildings and Improvements	8,366,034	8,672,661	8,967,781	9,423,378	9,894,008
Furniture/Equipment/Fixtures	1,947,847	1,755,578	1,848,102	1,804,437	1,976,756
Vehicles	918,085	1,123,918	1,311,537	1,231,864	1,430,938
Total Governmental Activities Capital Assets, net	\$ 15,349,514	\$ 12,731,939	\$ 12,577,511	\$ 12,909,770	\$ 13,751,793
Business-Type Activities					
	2011 (2)	2010	2009	2008	2007
Furniture/Equipment/Fixtures	\$ -	\$ 55,910	\$ 58,753	\$ 65,096	\$ 72,666
Vehicles	-	-	-	-	1,757
Total Business-Type Activities Capital Assets, net	\$ -	\$ 55,910	\$ 58,753	\$ 65,096	\$ 74,423

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

(1) Information has been restated due to a reappraisal of School District capital assets.

(2) The District implemented GASB Statement No. 54 and reclassified business-type activities to governmental activities.

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**CAPITAL ASSET STATISTICS - (Continued)
LAST TEN FISCAL YEARS**

Xenia Preschool School

425 Edison Blvd., Xenia, Ohio 45385

Constructed in 1939
Total Building Square Footage: 83,261
Total Acres: 8.35

McKinley Elementary School

829 Colorado Dr., Xenia Ohio 45385

Constructed in 2012
Total Building Square Footage: 57,718
Total Acres: 13.207

Shawnee Elementary School

92 East Ankeney Mill Rd., Xenia, Ohio 45385

Constructed in 2012
Total Building Square Footage: 56,659
Total Acres: 6.43

Warner Middle School

600 Buckskin Tr., Xenia, Ohio 45385

Constructed in 1962
Total Building Square Footage: 119,141
Total Acres: 19.258

Xenia Community School District Central Offices

819 Colorado Dr., Xenia, Ohio 45385

Constructed in 1975
Total Building Square Footage: 40,275
Total Acres: 13.207

Cox Elementary School

506 Dayton Ave., Xenia, Ohio 45385

Constructed in 2012
Total Building Square Footage: 57,718
Total Acres: 19.175

Arrowood Elementary School

1588 Pawnee Dr., Xenia, Ohio 45385

Constructed in 2012
Total Building Square Footage: 56,659
Total Acres: 15.134

Tecumseh Elementary School

1058 Old Springfield Pk., Xenia, Ohio 45385

Constructed in 2012
Total Building Square Footage: 57,718
Total Acres: 13.096

Xenia High School

303 Kinsey Rd., Xenia, Ohio 45385

Constructed in 1976
Total Building Square Footage: 177,050
Total Acres: 43.33

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2007	\$ 49,875,001	4,745	\$ 10,511	15.95%	388	12.2
2008	51,712,479	4,818	10,733	2.11%	402	12.0
2009	54,172,909	4,839	11,195	4.30%	419	11.5
2010	57,493,699	4,789	12,005	7.24%	426	11.2
2011	60,766,435	4,761	12,763	6.31%	428	11.1
2012	53,836,998	4,590	11,729	-8.10%	389	11.8
2013	49,151,510	4,444	11,060	-5.70%	371	12.0
2014	51,018,027	4,303	11,856	7.20%	342	12.6
2015	52,740,399	4,219	12,501	5.43%	351	12.0
2016	55,054,854	4,264	12,912	3.29%	348	12.3

Source: School District Records.

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**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

ERIC J. SOLTIS, MBA, TREASURER

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

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**XENIA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Child Nutrition Grant Cluster:			
(D) (E) School Breakfast Program	10.553	2016	\$ 322,591
(D) (E) National School Lunch Program	10.555	2016	1,038,702
(C) (D) National School Lunch Program - Food Donation	10.555	2016	105,806
Total National School Lunch Program			1,144,508
(D) (E) Summer Food Service Program for Children	10.559	2016	1,886
Total U.S. Department of Agriculture and Child Nutrition Grant Cluster			1,468,985
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2016	1,198,113
Title I Grants to Local Educational Agencies	84.010	2015	425,387
Total Title I Grants to Local Educational Agencies			1,623,500
Special Education Grant Cluster:			
(F) Special Education_Grants to States	84.027	2016	831,473
(F) Special Education_Grants to States	84.027	2015	113,825
Total Special Education _Grants to States			945,298
(F) Special Education_Preschool Grants	84.173	2016	4,485
(F) Special Education_Preschool Grants	84.173	2015	1,138
Total Special Education_Preschool Grants			5,623
Total Special Education Grant Cluster			950,921
Education for Homeless Children and Youth	84.196	2016	36,038
Education for Homeless Children and Youth	84.196	2015	12,173
Total Education for Homeless Children and Youth			48,211
School Improvement Grants	84.377	2016	4,239
School Improvement Grants	84.377	2015	79,077
Total School Improvement Grants			83,316
Improving Teacher Quality State Grants	84.367	2016	198,168
Improving Teacher Quality State Grants	84.367	2015	34,129
Total Improving Teacher Quality State Grants			232,297
ARRA - State Fiscal Stabilization Fund (SFSF) - Race to the Top, Recovery Act	84.395	2015	2,062
ARRA - State Fiscal Stabilization Fund (SFSF) - Race to the Top, Recovery Act	84.395	2014	2,100
Total ARRA - State Fiscal Stabilization Fund (SFSF) - Race to the Top, Recovery Act			4,162
Total U.S. Department of Education			2,942,407
Total Federal Financial Assistance			\$ 4,411,392

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass-through numbers for fiscal year 2016.
- (B) This schedule includes the federal award activity of the Xenia Community School District under programs of the federal government for the fiscal year ended June 30, 2016 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared 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). Because the schedule presents only a selected portion of the operations of the Xenia Community School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Xenia Community School District.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Included as part of "Child Nutrition Grant Cluster" in determining major programs.
- (E) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (F) Included as part of "Special Education Grant Cluster" in determining major programs.
- (G) CFR 200.414 allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The District has not elected to use the 10% de minimis indirect cost rate.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Xenia Community School District
Greene County
819 Colorado Drive
Xenia, Ohio 45385

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of the Xenia Community School District, Greene County, Ohio, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Xenia Community School District's basic financial statements and have issued our report thereon dated December 15, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Xenia Community School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Xenia Community School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Xenia Community School District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Education
Xenia Community School District

Compliance and Other Matters

As part of reasonably assuring whether the Xenia Community School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Xenia Community School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Xenia Community School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 15, 2016



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Compliance With Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by The Uniform Guidance

Xenia Community School District
Greene County
819 Colorado Drive
Xenia, Ohio 45385

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Xenia Community School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Xenia Community School District's major federal program for the fiscal year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Xenia Community School District's major federal program.

Management's Responsibility

The Xenia Community School District's Management is responsible for complying 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 opine on the Xenia Community School District's compliance for the Xenia Community School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Xenia Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Xenia Community School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2016.

Board of Education
Xenia Community School District

Report on Internal Control Over Compliance

The Xenia Community School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Xenia Community School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Xenia Community School 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, its major fund and the aggregate remaining fund information of the Xenia Community School District as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Xenia Community School District's basic financial statements. We issued our unmodified report thereon dated December 15, 2016. We conducted our audit to opine on the Xenia Community School District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
December 15, 2016

**XENIA COMMUNITY SCHOOL DISTRICT
GREENE COUNTY, OHIO**

**SCHEDULE OF FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Special Education Grant Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Dave Yost • Auditor of State

XENIA COMMUNITY SCHOOL DISTRICT

GREENE 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
APRIL 6, 2017**