



Dave Yost • Auditor of State

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education</i>					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555	N/A			\$106,811
Cash Assistance:					
School Breakfast Program	10.553	N/A		\$71,129	
National School Lunch Program	10.555	N/A		604,700	
Total Child Nutrition Cluster				<u>675,829</u>	<u>106,811</u>
Total U.S. Department of Agriculture				<u>675,829</u>	<u>106,811</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education</i>					
Title I Grants to Local Educational Agencies	84.010	S010A170035	\$1,182	649,258	
Special Education Cluster:					
Special Education Grants to States	84.027	H027A170111	122,155	1,759,224	
Special Education Preschool Grants	84.173	H173A170119		52,820	
Total Special Education Cluster				<u>1,812,044</u>	<u>0</u>
Career and Technical Education - Basic Grants to States	84.048	N/A	98,854	211,941	
English Language Acquisition State Grants	84.365	S365A170035		41,542	
Improving Teacher Quality State Grants	84.367	S367A170034	22,991	174,181	
Student Support and Academic Enrichment Program	84.424	S424A170036	2,412	17,845	
Total U.S. Department of Education				<u>2,906,811</u>	<u>0</u>
Total Expenditures of Federal Awards			<u>\$247,594</u>	<u>\$3,582,640</u>	<u>\$106,811</u>

The accompanying notes are an integral part of this schedule.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Centerville City School District (the District's) under programs of the federal government for the fiscal year ended June 30, 2018. 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D – SUB-RECIPIENTS

The District passes certain federal awards received from the U.S. Department of Education to other governments or not-for-profit agencies (sub-recipients). As described in Note B, the District reports expenditures of Federal awards to sub-recipients when paid in cash.

As a sub-recipient, the District has certain compliance responsibilities, such as monitoring its sub-recipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that sub-recipients achieve the award's performance goals.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Centerville City School District
Montgomery County
111 Virginia Avenue
Centerville, Ohio 45458

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, the major fund, and the aggregate remaining fund information of the Centerville City School District, Montgomery County, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 18, 2018, wherein we noted that the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 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 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.

Compliance and Other Matters

As part of reasonably assuring whether the 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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 18, 2018



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Centerville City School District
Montgomery County
111 Virginia Avenue
Centerville, Ohio 45458

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited Centerville City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Centerville City School District's major federal program for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The 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 District's compliance for the 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 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 District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, Centerville City 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 year ended June 30, 2018.

Report on Internal Control Over Compliance

The 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 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 the 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 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, the major fund and the aggregate remaining fund information of Centerville City School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 18, 2018. Our opinion also explained that the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75 during the year. We conducted our audit to opine on the 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.



Dave Yost
Auditor of State
Columbus, Ohio

December 18, 2018

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

for the fiscal year ended June 30, 2018

CENTERVILLE

CITY SCHOOL DISTRICT



Centerville City School District
Centerville, Ohio 45458

**CENTERVILLE CITY SCHOOL DISTRICT
CENTERVILLE, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 201:**

**PREPARED BY:
OFFICE OF THE TREASURER
MITCH BIEDERMAN, TREASURER**

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INTRODUCTORY SECTION





Centerville City Schools

December 18, 2018

To the Citizens and Board of Education of the Centerville City School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Centerville City School District (District) for the fiscal year ended June 30, 2018. This report represents the commitment of the District to adhere to nationally recognized standards of excellence in financial reporting.

The report contains financial statements, supplemental statements and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District. Responsibility for the accuracy, completeness and fairness of this report rests with the District and more specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects. Our report is designed to present fairly the financial position, results of operation and budgetary comparisons of the District. This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative services and is representative of the District's continuing commitment to provide meaningful financial information to the citizens of the District.

Management is required to 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 MD&A can be found immediately following the independent auditor's report within the financial section.

Copies of this report will be distributed throughout the District. A copy will be sent to all school buildings, the Washington-Centerville Libraries, and other interested parties.

DISTRICT PROFILE

The District serves an area of 32 square miles in the southeastern part of Montgomery County, Ohio, encompassing the City of Centerville and Washington Township. The area is located approximately 8 miles south of the City of Dayton and 46 miles north of the City of Cincinnati on U.S. Interstate 675. U.S. Interstate 75 and U.S. Interstate 70 are 3 miles and 15 miles, respectively, from the area. With these major thoroughfares, Centerville and Washington Township provide a desirable location for many families who work in the Dayton and Cincinnati metropolitan areas.

The current charter as the District was adopted in 1969; yet, the first formal education in Washington Township was offered in 1803 to children from first to sixth grades. Additional higher education grades were added in 1848 with the first high school being built in 1885. Today, the District provides opportunities for its students to excel in academic, co-curricular, and community based activities.

Blue Ribbon School District

The District has five schools that have been recognized nationally as Blue Ribbon Schools by the U.S. Department of Education. This national recognition reflects the excellence that exists throughout the District. The District's Blue Ribbon schools are: Centerville High School (1984, 1993); Normandy Elementary (1992); Centerville Kindergarten Village [now Centerville Primary Village North] (1997); Tower Heights Middle School (1998); and Weller Elementary School (1999).

In 2014 Primary Village North (PVN) was designated a State and National School of Character.

Primary Villages

There are two primary villages housing preschool, kindergarten and grade one. The Centerville Preschool is an early childhood program that serves children with and without special needs who range in age from 3-5. The licensed program provides a comprehensive preschool experience to enhance each child's social skills, independence, communication skills, physical and academic growth. Both villages offer regular kindergarten programs in addition to Young 5s and Extended Day to provide developmentally appropriate programs for children ages five and six. The grade one program is similar to the elementary program.

Elementary

There are six elementary schools housing grades two through five. Students are taught reading, language arts, science, social studies, math and health by the classroom teacher with art, music and physical education being taught by specialists in those areas. Teachers work in grade level teams and there are regular grade level team meetings for horizontal coordination and subject area meetings for vertical subject coordination.

Middle School

The three middle schools house students in grades six through eight. Each middle school is divided into four family teams made up of a teacher in each of the academic areas as in the elementary program. The "school within a school" concept is designed to provide students the ability to change classes for each academic area while having closer personal contact with their "family" teachers as students spend all three years with the same family of students and teachers. Students also receive instruction in art, music, physical education and can take German, French or Spanish.

High School

Centerville High School is a comprehensive, four-year school that stresses academic excellence and physical and social development. Courses are offered in the fine and applied arts, business, career education, tech-prep and all academic areas.

ECONOMIC CONDITION AND OUTLOOK

Community

The estimated population (2010 U.S. Census data) of this area is 80,606 residents as Centerville (23,999)-Washington Township (56,607) is primarily a residential area. Both Centerville and Washington Township attracts white-collar professionals, particularly doctors and managers. The Community (City of Centerville and Washington Township) has grown rapidly over the past twenty years and, given its attractiveness as the residence and business location of choice in the region, it will continue to grow well into the next several decades.

The Centerville area continues to see growth in real estate and business development. Built on a diversified base of small businesses, Centerville continues to be well positioned and appears to be on a solid economic path.

District

Every year academic and co-curricular highlights are included in an annual report to the community and includes state and national recognition, student achievements and community contributions. Centerville staff and students excel in an extraordinary array of activities, including the following sampling.

Academic Achievements

- 2019 National Merit Finalist – 13
- 2019 National Merit Commended – 15
- 2018 National Merit Finalist – 7
- 2018 National Merit Commended – 14
- 54.3% of students who achieved Accelerated, Advanced or Advanced Plus level on state tests, and increase over the previous school year
- 1,150 AP exams administered in 20 subject areas, with CHS students scoring an average of 3.47 (national average was 2.87)
- Award winning groups and individuals in band, orchestra, chorus and visual arts
- Sinclair and University of Dayton partnerships assure students are prepared for success after graduation
- 3,400+ college credits earned by CHS students through Career Education programs and College Credit Plus
- National Schools of Character – Primary Village North and Stingley Elementary
- 9,756 Service hours logged by 414 parent and community members in the Academic Volunteer Program
- 30 languages spoken by English Language Learners

Athletic Achievements

- Girls Cross Country: GWOC East Champ, District Runner-Up, Regional Champ, State Champion (3rd Year in a Row)

- Boys Golf: GWOC East Champ, GWOC Overall Champ, Sectional Champ, District Champ, State Qualifier (7th)
- Girls Golf: GWOC East Champ, Overall GWOC Champ, Sectional Champ, District Champ, State Qualifier (9th)
- Girls Volleyball: GWOC East Champ, Sectional Champ, District Runner-Up
- Boys Soccer: District Runner-Up
- Girls Soccer: GWOC East Champ, District Runner-Up
- Girls Tennis: GWOC East Champ
- Cheer: State Champs, National Runner-Up
- Boys Basketball: District Runner-Up
- Girls Bowling: State Qualifier (5th)
- Gymnastics: Individual State Qualifier
- Boys Bowling: GWOC East Champs, District Runner-Up, State Qualifier (3rd)
- Boys Swimming: GWOC Est Champ, Overall GWOC Champ, State Qualifier (28th)
- Girls Swimming: GWOC East Champ, Overall GWOC Champ, State Qualifier (10th)
- Wrestling: Individual State Qualifiers
- Baseball: District Champ
- Softball: GWOC East Champ
- Boys Tennis: GWOC east Champs, Overall GWOC Champs, Six District Qualifiers
- Boys Track: District Champ
- Girls Track: GWOC East Champ, District Champ
- Boys Volleyball: State Qualifier (8th)
- Coeds: State Champs in Pm Category

Individual Student Achievements

- 175 seniors were inducted into the National Honor Society.
- 223 seniors earned the State of Ohio Honors Diploma.
- 233 seniors earned the President's Award for Educational Excellence or President's Award of Achievement by maintaining a 3.5 GPA.
- 131 seniors earned Scholar-Athlete status by earning a varsity letter and maintaining a 3.2 GPA.
- Over 90% of the Class of 2018 have been accepted to either two or four year institutions of higher learning.

Many more Centerville students and staff achieved levels of success we can celebrate. It is evident our students continue to pay a high return on your investment in their education. For them, we thank you for your continued support.

Major Initiatives

The mission of the District, a community of learners, is to provide diverse educational opportunities that develop the skills, attitudes, knowledge, and ethics needed to reach individual potential and create a foundation for lifelong learning. Toward that end, the District developed a Continuous Improvement Plan similar to a Strategic Plan to help focus our efforts. The four main goals from this plan document that are the guiding goals are as follows.

- Goal 1: We will encourage and advance community collaboration.

- Goal 2: The curricular and instruction program will prepare students to achieve their full potential in regards to academics, thinking and reasoning, and responsible citizenship.
- Goal 3: The District will annually demonstrate excellence.
- Goal 4: We will support comprehensive and purposeful staff development opportunities which foster professional growth to enhance classroom instruction and student learning.

FINANCIAL INFORMATION

District Organization and Reporting Entity

The operations of the District are managed by the Board of Education (Board) that is made up of five citizens who are elected by voters to serve four-year terms. The Board is a body politic and corporate as defined by Ohio Revised Code Section 3313.02, and derives its authority from federal and state law. The Board's major function is to develop operating policies that will best service the needs of the students. In addition, the Board acts as the taxing authority, contracting body, the approver of the annual appropriation resolution, as well as ensuring that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars. The Board employs the Superintendent to execute policies and provide leadership to the staff. The Board also employs the Treasurer to act as Chief Financial Officer to maintain financial records and invest funds of the District as specified by Ohio law.

The various funds of the District are used to account for the District's governmental assets, liabilities, fund balances, and results of operations (or revenues over/(under) expenditures) for those activities. In addition to the aforementioned services and general activities, the District acts as fiscal agent for State funds distributed to private schools located within the District's boundaries. This activity is included in the reporting entity as a special revenue fund due to the District's involvement in the distribution of funds. The parochial/private schools served are Church of the Incarnation, Miami Valley School, Spring Valley Academy, Montessori School of Centerville, and Alexandria Montessori. Although these organizations share operational and service similarity with the District, each is a separate and distinct entity. Because of their independent nature, none of these organizations' financial statements are included in this report.

Government-wide Financial Statements

These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities in nature. The District did not have any business-type activities during fiscal year 2018.

Fund Financial Statements

These statements present information for individual major funds rather than by fund type. Funds, which are not classified as major funds are presented in one column, titled "Other Governmental Funds". Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. The fiduciary funds are presented using the accrual basis of accounting.

Schedule of Budgetary Comparisons

These schedules present comparison of actual information to both the original and final amended budgets legally adopted by the District for the General Fund and any major special revenue funds. The District has no major special revenue funds. The budgetary basis, as provided by Ohio Law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

Internal Accounting and Budgetary Control

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. The management of the District is responsible for establishing and maintaining an internal control environment that provides reasonable assurance the District's financial statements are reliable, the District complied with applicable laws and regulations and the District is operating effectively and efficiently.

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

The District maintains its accounts and accounting records to facilitate budgetary control as outlined by Ohio Revised Code. Before October 1st of each fiscal year the Board adopts its annual appropriation measure. These appropriations may be amended as needed by Board action. Annual appropriations and any amendments may not exceed the County Budget Commissions official estimate of resources. The County Auditor must certify that the Board's appropriation measures do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the building principal, department supervisor, or appropriate central office director and must be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriations are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail month and year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal has access to view the status of the budget accounts for which they are responsible. As an additional safeguard, a blanket bond covers all employees; a separate, higher limit bond covers certain individuals in policy-making roles. Additional information on the District's budgetary accounts can also be found in notes to the required supplementary information.

Relevant Financial Policies

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. This Evidence-Based Model (OEBM) replaced a long-standing foundation formula that was declared unconstitutional by the

Ohio Supreme Court. Unfortunately, this Pathway to Student Success (PASS) funding formula, using the OEBM that started in FY10 was never fully funded and State revenue to the Centerville School District has declined.

On June 30, 2011, Ohio's Governor signed HB 153, the state biennium budget bill. The impact of this bill continued the same path of reductions to the Centerville School District. The funding mechanism for FY12 and FY13 basically guaranteed the same basic flat funding level.

On June 30, 2013, Ohio's Governor signed HB59, the state biennium budget bill. The Centerville School District did receive 6.25% increased funding in basic aid for FY14 and a projected 10.5% increase for FY15. There are some additional restrictions to this additional funding. Still, this potential increase in funding over the two year budget did not replace the lost revenue from the previous biennial budget.

On June 30, 2015, Ohio governor signed HB64 the state biennium budget bill. The Centerville City School District lost another \$500,000 over two years. Line item vetoes by the governor was the major reason for this loss of funding.

On June 30, 2017, Ohio's Governor signed HB49, the State biennium budget bill. The District gained \$706,758 by coming off the "Guarantee" and going onto the "Formula" in fiscal year 2018. Unfortunately, the continued loss of "Transportation" funding will cause the district to lose \$293,622 in fiscal year 2019. Line item vetoes by the Governor have impacted State revenue negatively. This has been a material trend for the Centerville School District.

Auditor of State

Included in this report is the unmodified opinion rendered on the District's basic financial statements as of and for the year ended June 30, 2018 by State of Ohio Auditor's Office. An annual independent audit of the District's financial statements is a requirement of Ohio statute, as well as an integral part of the annual preparation of a CAFR. This annual audit will continue to review, comment on and thereby strengthen the District's accounting and budgetary control.

AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Centerville City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The Treasurer's Office also received the Ohio Auditor of State Award with Distinction for fiscal year 2017. This award is presented for excellence in financial reporting related to the Comprehensive Annual Financial Report and compliance with applicable laws.

ACKNOWLEDGEMENTS

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. The members of the Treasurer's Office Staff are to be especially commended for their input and commitment. And, appreciation is extended to the District's Board of Education, Centerville Schools Administration and the Centerville Schools community for its continuing support.

Respectfully submitted,



Mitch Biederman, Treasurer



Dr. Thomas Henderson, Superintendent

Centerville City School District
List of Principal Officials
June 30, 2018

ELECTED OFFICIALS

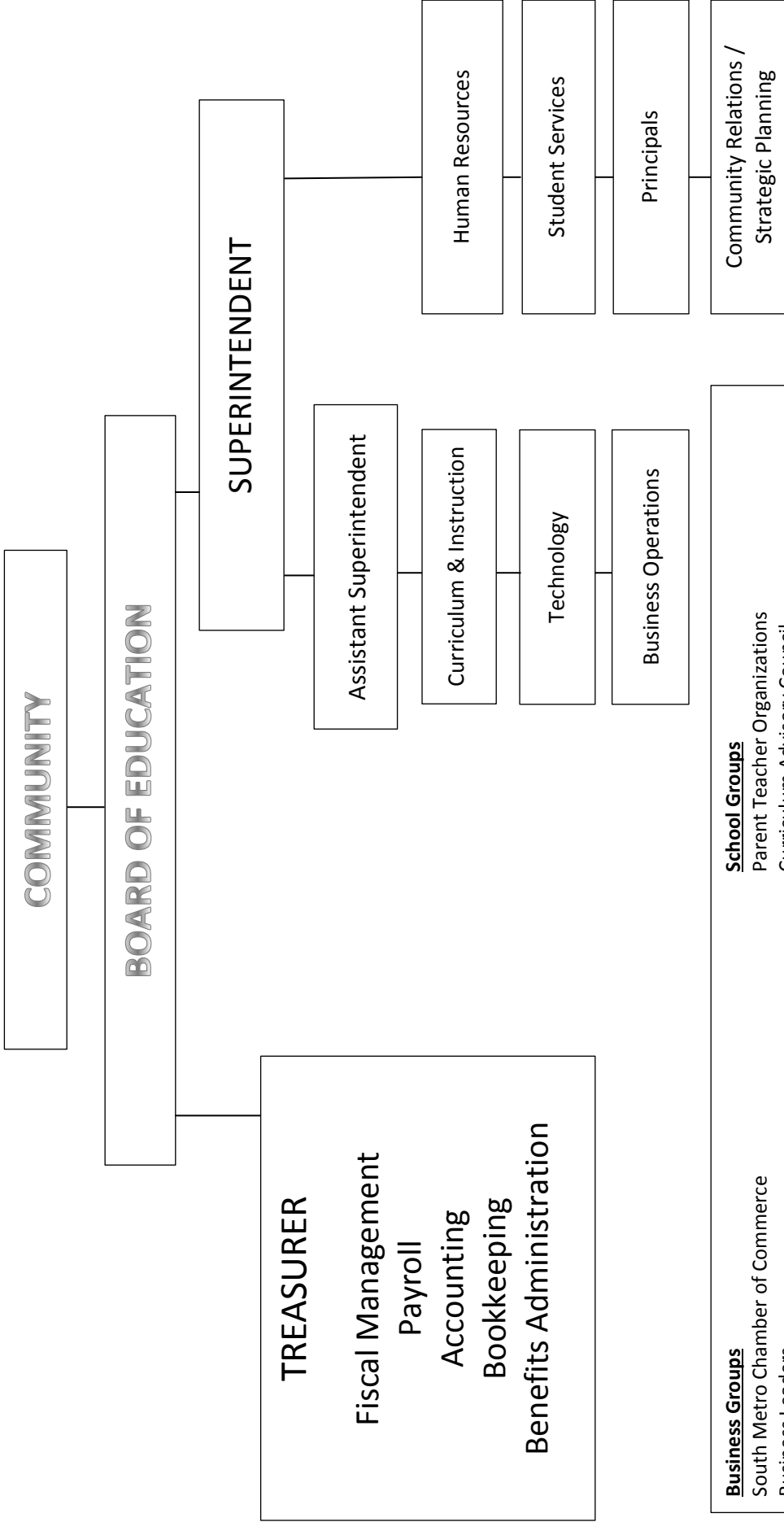
President, Board of Education	Mr. David Roer
Vice President, Board of Education	Mrs. Annie Self
Board of Education Member	Mr. John Doll
Board of Education Member	Mrs. Annie Self
Board of Education Member	Mrs. Megan Sparks

ADMINISTRATIVE OFFICIALS

Superintendent	Dr. Tom Henderson
Treasurer	Mr. Mitch Biederman
Director of Student Services	Mrs. Laura Collier
Director of Technology	Mrs. Shannon Morgan
Director of Human Resources	Mr. Dan Tarpey
Assistant Superintendent / Director of Curriculum and Instruction	Mr. Bob Yux
Director of Business Operations	Mr. Jon Wesney
Community Relations Specialist	Mrs. Sarah Swan

OFFICE OF THE TREASURER

Treasurer	Mr. Mitch Biederman
Accounting Supervisor	Mrs. Linda Bruner
Payroll Supervisor	Mrs. Chrissy Opperman
Accounts Payable Analyst	Mrs. Laura Baker
Payroll Analyst	Mrs. Shannon Geilenfeldt
Secretary/Benefits	Mrs. Janice Sipe



- Business Groups**
 South Metro Chamber of Commerce
 Business Leaders
 Committees
- Community Groups**
 Service Clubs
 Ministerial Association
 Rec West Enrichment Center
 Washington Township Rec Center
 Centerville Washington Diversity Council
- Education Groups**
 Greater Western Ohio Conference
 Montgomery County Superintendents
 Buckeye Association of School Administrators
 Alliance for Adequate School Funding
- Universities**
 Dayton Area Superintendents' Association
 American Association of School Administrators
 Education Tax Policy Institute
- School Groups**
 Parent Teacher Organizations
 Curriculum Advisory Council
 Boosters
- Government Entities**
 Washington Township
 City of Centerville
 Washington-Centerville Public Library
 Centerville-Washington Park District
 Montgomery County
 State of Ohio



Government Finance Officers Association

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

Presented to

**Centerville City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



OHIO AUDITOR OF STATE
AWARD WITH DISTINCTION

Presented to

Centerville City School District
Mitchell Biederman, Treasurer

This award is presented for excellence in financial reporting related to your Comprehensive Annual Financial Report and compliance with applicable laws for the fiscal year ended 2017.

Your exemplary reporting serves as the standard for clean, accountable government, representing the highest level of service to Ohioans.



Dave Yost

Dave Yost, Auditor of State

FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Centerville City School District
Montgomery County
111 Virginia Avenue
Centerville, Ohio 45458

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Centerville City School District, Montgomery County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for 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 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 District's internal control. Accordingly, we express no such 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, the major fund, and the aggregate remaining fund information of Centerville City School District, Montgomery County, Ohio, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis, required budgetary comparison schedule*, and schedules of net pension and other post-employment liabilities and pension and other post-employment benefit 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 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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, this information is 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 18, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 18, 2018

Centerville City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

The discussion and analysis of Centerville City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- Net position of governmental activities increased \$51,251,072 which represents a 40% increase from 2017.
- General revenues accounted for \$100,126,935 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$12,786,822 or 11% of total revenues of \$112,913,757.
- The District had \$61,662,685 in expenses related to governmental activities; \$12,786,822 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$100,126,935 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Government-wide Financial Statements answer this question. These statements include *all asset and deferred outflows of resources*, and *liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Centerville City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

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

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

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

Fund Financial Statements

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

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

Proprietary Funds The District maintains two proprietary internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self insurance of the District's workers' compensation benefits and medical insurance benefits.

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

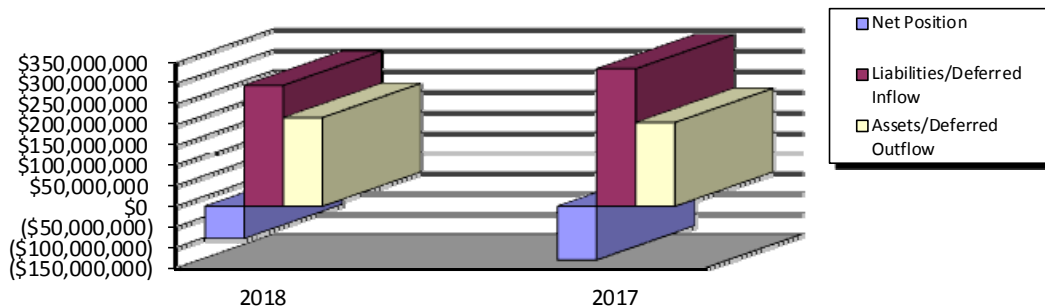
The District as a Whole

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

Centerville City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2018	2017-Restated
Assets:		
Current and Other Assets	\$125,054,914	\$121,815,557
Capital Assets	48,311,192	46,597,298
Total Assets	173,366,106	168,412,855
Deferred Outflows of Resources:		
Deferred Charge on Refunding	4,774,172	5,072,558
OPEB	1,479,746	241,888
Pension	38,581,030	32,657,906
Total Deferred Outflows of Resources	44,834,948	37,972,352
Liabilities:		
Other Liabilities	11,935,679	11,438,784
Long-Term Liabilities	210,107,062	262,522,152
Total Liabilities	222,042,741	273,960,936
Deferred Inflows of Resources:		
Property Taxes	66,769,833	62,056,381
Grants and Other Taxes	100,000	100,000
OPEB	3,248,823	0
Pension	4,520,695	0
Total Deferred Inflows of Resources	74,639,351	62,156,381
Net Position:		
Net Investment in Capital Assets	2,745,426	(117,507)
Restricted	9,130,603	8,385,062
Unrestricted	(90,357,067)	(137,999,665)
Total Net Position	(\$78,481,038)	(\$129,732,110)



Centerville City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

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

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

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

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

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

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

Centerville City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

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

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

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from (\$95,180,815) to (\$129,732,110).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$78,481,038.

At year-end, capital assets represented 28% of total assets. Capital assets include land, construction in progress, buildings and improvements, equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2018, was \$2,745,426. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$9,130,603 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current and Other Assets increased mainly due to an increase in taxes receivable. Long-term liabilities decreased due to a decrease in Net Pension Liabilities.

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

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Centerville City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2018	2017
Revenues:		
Program Revenues		
Charges for Services	\$5,912,372	\$4,891,449
Operating Grants, Contributions	6,874,450	6,762,964
General Revenues:		
Property Taxes	78,149,984	75,569,112
Grants and Entitlements	21,497,727	21,370,295
Investment Earnings	160,797	12,392
Other	318,427	254,415
Total Revenues	112,913,757	108,860,627
Program Expenses:		
Instruction	31,860,840	62,602,532
Support Services:		
Pupil and Instructional Staff	5,994,000	12,110,533
School Administrative, General		
Administration, Fiscal and Business	4,579,273	11,665,656
Operations and Maintenance	4,590,843	6,854,411
Pupil Transportation	5,120,992	8,823,566
Central	175,846	718,031
Operation of Non-Instructional Services	4,106,968	5,659,174
Extracurricular Activities	1,442,771	1,559,888
Unallocated Depreciation	1,712,295	1,668,555
Interest and Fiscal Charges	2,078,857	2,070,808
Total Program Expenses	61,662,685	113,733,154
Changes in Net Position	51,251,072	(4,872,527)
Net Position - Beginning of Year, Restated	(129,732,110)	N/A
Net Position - End of Year	(\$78,481,038)	(\$129,732,110)

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$241,888 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$4,151,301. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Centerville City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Total 2018 operating expenses under GASB 75	\$61,662,685
Negative OPEB expense under GASB 75	4,151,301
2018 contractually required contribution	320,478
Adjusted 2018 operating expenses	66,134,464
Total 2017 operating expenses under GASB 45	113,733,154
Change in operating expenses not related to OPEB	(\$47,598,690)

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

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts do not receive additional property tax revenue from increases in appraisal values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 69% of revenue for governmental activities for the District in fiscal year 2018.

Governmental Activities
Revenue Sources

Revenue Sources	2018	Percentage
General Grants	\$ 21,497,727	19.0%
Program Revenues	12,786,822	11.3%
General Tax Revenues	78,149,984	69.3%
Other Revenues	479,224	0.4%
Total Revenue Sources	\$ 112,913,757	100.0%



Centerville City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Instruction comprises 52% of governmental program expenses. Support services expenses were 33% of governmental program expenses. All other expenses including interest and fiscal charges were 15%. Interest expense was attributable to the outstanding bond and borrowings.

Total revenues increased mainly due to an increase in property tax revenue received during the fiscal year. Total expenses decreased primarily due to changes related to net pension liability and other post employment benefits liability.

Government Activities

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Instruction	\$31,860,840	\$62,602,532	(\$25,595,659)	(\$57,821,860)
Support Services:				
Pupil and Instructional Staff	5,994,000	12,110,533	(5,146,140)	(11,305,733)
School Administrative, General				
Administration, Fiscal and Business	4,579,273	11,665,656	(4,565,608)	(11,629,798)
Operations and Maintenance	4,590,843	6,854,411	(4,590,518)	(6,854,411)
Pupil Transportation	5,120,992	8,823,566	(4,708,112)	(8,420,489)
Central	175,846	718,031	(174,029)	(707,780)
Operation of Non-Instructional Services	4,106,968	5,659,174	(256,382)	(1,387,041)
Extracurricular Activities	1,442,771	1,559,888	(48,263)	(212,266)
Unallocated Depreciation	1,712,295	1,668,555	(1,712,295)	(1,668,555)
Interest and Fiscal Charges	2,078,857	2,070,808	(2,078,857)	(2,070,808)
Total Expenses	\$61,662,685	\$113,733,154	(\$48,875,863)	(\$102,078,741)

The District’s Funds

The District has one major governmental fund: the General Fund. Assets of this fund comprise \$107,700,222 (88%) of the total \$123,024,708 governmental funds’ assets.

General Fund: Fund balance at June 30, 2018 was \$35,920,272 including \$24,735,043 of unassigned balance. Fund balance remained relatively stable from 2017 to 2018.

General Fund Budgeting Highlights

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

Centerville City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

For the General Fund, original budget basis revenue was \$97,606,239 compared to final budget basis revenue of \$100,841,180. Of the \$3,234,941 difference, most was due to underestimation of tax revenues. Actual budget revenues for the year were \$100,888,297.

The District’s ending unobligated fund balance was \$40,751,239, which is \$600,631 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$48,311,192 invested in land, construction in progress, buildings and improvements, equipment, and vehicles. Table 4 shows fiscal year 2018 balances compared to fiscal year 2017:

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

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Land	\$5,229,968	\$2,420,016
Construction in Progress	211,588	561,887
Buildings and Improvements	38,960,522	40,197,190
Equipment	613,447	750,318
Vehicles	<u>3,295,667</u>	<u>2,667,887</u>
Total Net Capital Assets	<u>\$48,311,192</u>	<u>\$46,597,298</u>

The increase in capital assets from 2017 to 2018 is mainly due to current year additions being more than 2018 depreciation expense and disposals.

See Note 6 in the Notes to the Basic Financial Statements for further details on the District’s capital assets.

Debt

At fiscal year end, the District had \$51,347,710 in debt outstanding, \$1,440,420 due within one year. Table 5 summarizes debt outstanding.

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Centerville City School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2018	2017
<u>General Obligation Bonds</u>		
2013 Refunding Bonds		
Current Interest	\$45,365,000	\$46,510,000
Capital Appreciation - Principal	480,531	480,531
Capital Appreciation - Interest	1,007,772	738,367
Add: Bond Premium	4,230,173	4,494,559
2016 Field Turf Lease	264,234	302,273
Total Long-Term Debt	<u>\$51,347,710</u>	<u>\$52,525,730</u>

There have been no changes in credit ratings from the prior fiscal year. See Notes 10 and 11 in the Notes to the Basic Financial Statements for further details on the District’s long-term obligations.

For the Future

The Community (City of Centerville and Washington Township) has grown consistently over the past twenty-five years and, given its attractiveness as the residence and business location of choice in the region, it will continue to grow well into the future. The land to support past growth has been consumed at an increasing rate and will be exhausted, if present trends continue, within the next 5-10 years as the Community is 95% developed (95% city and 85% township). Eventually the Community will have matured, with redevelopment as the only option to accommodate growth and change. How this limited supply of land is used will dictate everything from fiscal health, to Community appearance, and ultimately its continued attractiveness as a place to live, work, and play.

The Community is in an excellent position today to make informed choices. Land use decisions can now be made in light of their fiscal consequences and their impact on the economic viability of the downtown area. Continued growth outward, extending utilities, continuously widening roads and consuming all the "vacant land" available is not the only alternative development pattern available. Building inward, looking first at underutilized and undeveloped land already served with infrastructure, is another approach the Community has indicated as a preference. This involves creating incentives to rebuild and, at the same time, selectively saying no to the relentless pressure to expand outward, one isolated subdivision at a time.

On June 30, 2017, Ohio’s Governor signed HB49, the State biennium budget bill. The District gained \$706,758 by coming off the “Guarantee” and going onto the “Formula” in fiscal year 2018. Unfortunately, the continued loss of “Transportation” funding will cause the District to lose \$293,622 in fiscal year 2019. Line item vetoes by the Governor have impacted State revenue negatively. This has been a material trend for the Centerville School District.

Centerville City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Taxpayers also took advantage of paying their property taxes early in fiscal year 2018 before the new IRS laws changed for 2018 federal tax filing. Property tax collections are anticipated to be down \$2,516,479 in fiscal year 2019 because of the early payments in fiscal year 2018.

The new report card data shows that the District continues to rank among the top 15% in overall performance among Ohio schools.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Centerville City School District, 111 Virginia Avenue, Centerville, OH 45458 or call (937) 433-8841.

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Centerville City School District, Ohio
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$52,223,573
Restricted Cash and Investments	141,886
Receivables (Net):	
Taxes	72,072,600
Interest	115,776
Intergovernmental	424,204
Inventory	76,875
Nondepreciable Capital Assets	5,441,556
Depreciable Capital Assets, Net	<u>42,869,636</u>
 Total Assets	 <u>173,366,106</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding	4,774,172
Pension	38,581,030
OPEB	<u>1,479,746</u>
 Total Deferred Outflows of Resources	 <u>44,834,948</u>
Liabilities:	
Accounts Payable	704,543
Accrued Wages and Benefits	9,471,248
Accrued Interest Payable	149,747
Claims Payable	1,610,141
Long-Term Liabilities:	
Due Within One Year	2,285,629
Due In More Than One Year:	
Net Pension Liability	124,731,390
Net OPEB Liability	28,310,439
Other Amounts	<u>54,779,604</u>
 Total Liabilities	 <u>222,042,741</u>
Deferred Inflows of Resources:	
Property Taxes	66,769,833
Grants and Other Taxes	100,000
OPEB	3,248,823
Pension	<u>4,520,695</u>
 Total Deferred Inflows of Resources	 <u>74,639,351</u>
Net Position:	
Net Investment in Capital Assets	2,745,426
Restricted for:	
Managed Student Services	492,298
Auxiliary Services	100,766
Food Service	186,701
Federal Grants	20,869
Debt Service	6,008,850
Capital Projects	2,289,762
Other Purposes	31,357
Unrestricted	<u>(90,357,067)</u>
 Total Net Position	 <u>(\$78,481,038)</u>

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$21,922,129	\$2,290,054	\$173,417	(\$19,458,658)
Special	6,878,951	471,418	3,076,719	(3,330,814)
Vocational	1,342,162	0	253,573	(1,088,589)
Other	1,717,598	0	0	(1,717,598)
Support Services:				
Pupil	5,109,401	0	703,697	(4,405,704)
Instructional Staff	884,599	0	144,163	(740,436)
General Administration	26,055	0	0	(26,055)
School Administration	2,924,182	0	13,665	(2,910,517)
Fiscal	1,178,216	0	0	(1,178,216)
Business	450,820	0	0	(450,820)
Operations and Maintenance	4,590,843	223	102	(4,590,518)
Pupil Transportation	5,120,992	16,492	396,388	(4,708,112)
Central	175,846	1,817	0	(174,029)
Operation of Non-Instructional Services	4,106,968	1,737,860	2,112,726	(256,382)
Extracurricular Activities	1,442,771	1,394,508	0	(48,263)
Unallocated Depreciation	1,712,295	0	0	(1,712,295)
Interest and Fiscal Charges	2,078,857	0	0	(2,078,857)
Totals	\$61,662,685	\$5,912,372	\$6,874,450	(48,875,863)

General Revenues:

Property Taxes Levied for:

General Purposes	72,556,616
Debt Service Purposes	3,269,968
Capital Projects Purposes	2,323,400
Grants and Entitlements, Not Restricted	21,497,727
Unrestricted Contributions	173,467
Investment Earnings	160,797
Other Revenues	144,960

Total General Revenues 100,126,935

Change in Net Position 51,251,072

Net Position - Beginning of Year, Restated (129,732,110)

Net Position - End of Year (\$78,481,038)

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2018

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$40,536,526	\$9,650,711	\$50,187,237
Restricted Cash and Investments	141,886	0	141,886
Receivables (Net):			
Taxes	66,799,904	5,272,696	72,072,600
Interest	115,776	0	115,776
Intergovernmental	100,000	324,204	424,204
Interfund	6,130	0	6,130
Inventory	0	76,875	76,875
Total Assets	107,700,222	15,324,486	123,024,708
Liabilities:			
Accounts Payable	223,560	480,983	704,543
Accrued Wages and Benefits	8,666,125	805,123	9,471,248
Compensated Absences	173,668	6,069	179,737
Interfund Payable	0	6,130	6,130
Total Liabilities	9,063,353	1,298,305	10,361,658
Deferred Inflows of Resources:			
Property Taxes	62,549,790	4,931,312	67,481,102
Grants and Other Taxes	100,000	168,289	268,289
Investment Earnings	66,807	0	66,807
Total Deferred Inflows of Resources	62,716,597	5,099,601	67,816,198
Fund Balances:			
Restricted	0	9,328,770	9,328,770
Assigned	11,185,229	0	11,185,229
Unassigned	24,735,043	(402,190)	24,332,853
Total Fund Balances	35,920,272	8,926,580	44,846,852
Total Liabilities, Deferred Inflows and Fund Balances	\$107,700,222	\$15,324,486	\$123,024,708

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2018

Total Governmental Fund Balance		\$44,846,852
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		48,311,192
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	711,269	
Interest	66,807	
Intergovernmental	<u>168,289</u>	
		946,365
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		
Internal Service Net Position		426,195
In the Statement of Net Position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(149,747)
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(5,537,786)
Deferred outflow of resources associated with long-term liabilities are not reported in the funds.		
		4,774,172
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	38,581,030	
Deferred inflows of resources related to pensions	(4,520,695)	
Deferred outflows of resources related to OPEB	1,479,746	
Deferred inflows of resources related to OPEB	<u>(3,248,823)</u>	
		32,291,258
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(124,731,390)	
Net OPEB Liability	(28,310,439)	
Other Amounts	<u>(51,347,710)</u>	
		<u>(204,389,539)</u>
Net Position of Governmental Activities		<u>(\$78,481,038)</u>

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	\$73,032,649	\$5,617,331	\$78,649,980
Tuition and Fees	2,716,946	0	2,716,946
Investment Earnings	169,057	3,815	172,872
Intergovernmental	22,800,290	5,486,153	28,286,443
Extracurricular Activities	668,596	727,729	1,396,325
Charges for Services	61,017	1,738,083	1,799,100
Other Revenues	235,635	75,687	311,322
Total Revenues	99,684,190	13,648,798	113,332,988
Expenditures:			
Current:			
Instruction:			
Regular	42,751,622	789,508	43,541,130
Special	11,280,947	1,718,696	12,999,643
Vocational	2,756,752	38,749	2,795,501
Other	1,932,390	0	1,932,390
Support Services:			
Pupil	10,054,088	735,522	10,789,610
Instructional Staff	1,728,023	158,391	1,886,414
General Administration	26,055	0	26,055
School Administration	8,720,420	15,779	8,736,199
Fiscal	1,670,107	63,243	1,733,350
Business	714,087	0	714,087
Operations and Maintenance	5,548,241	958,731	6,506,972
Pupil Transportation	7,723,712	766,452	8,490,164
Central	587,073	1,787	588,860
Operation of Non-Instructional Services	1,191,141	3,877,565	5,068,706
Extracurricular Activities	907,014	710,399	1,617,413
Capital Outlay	2,827,901	140,209	2,968,110
Debt Service:			
Principal Retirement	0	1,183,039	1,183,039
Interest and Fiscal Charges	0	1,779,783	1,779,783
Total Expenditures	100,419,573	12,937,853	113,357,426
Excess of Revenues Over (Under) Expenditures	(735,383)	710,945	(24,438)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	12,426	0	12,426
Refund of Prior Year Receipts	0	(134,747)	(134,747)
Total Other Financing Sources (Uses)	12,426	(134,747)	(122,321)
Net Change in Fund Balance	(722,957)	576,198	(146,759)
Fund Balance - Beginning of Year	36,643,229	8,350,382	44,993,611
Fund Balance - End of Year	\$35,920,272	\$8,926,580	\$44,846,852

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balance - Total Governmental Funds (\$146,759)

Amounts reported for governmental activities in the
 Statement of Activities are different because:

Governmental funds report capital asset additions as expenditures.
 However, in the Statement of Activities, the cost of those assets is
 allocated over their estimated useful lives as depreciation
 expense. This is the amount of the difference between capital
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	4,854,465	
Depreciation Expense	<u>(3,135,251)</u>	1,719,214

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

(5,320)

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

District pension contributions	8,997,019	
Cost of benefits earned net of employee contributions - Pension	38,255,374	
District OPEB contributions	320,478	
Cost of benefits earned net of employee contributions - OPEB	<u>4,151,301</u>	51,724,172

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

Delinquent Property Taxes	(499,996)	
Interest	(12,075)	
Intergovernmental	<u>85,734</u>	(426,337)

Repayment of bond principal and accretion is an expenditure
 in the governmental funds, but the repayment reduces long-term
 liabilities in the Statement of Net Position.

1,183,039

In the Statement of Activities interest expense is accrued when incurred;
 whereas, in governmental funds an interest expenditure is reported
 when due.

4,331

Some expenses reported in the Statement of Activities do not require the
 use of current financial resources and, therefore, are not reported as
 expenditures in governmental funds.

Compensated Absences	(1,049,370)	
Amortization of Bond Premium	264,386	
Amortization of Deferred Charge on Refunding	(298,386)	
Bond Accretion	<u>(269,405)</u>	(1,352,775)

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

Change in Net Position - Internal Service Funds	<u>(1,448,493)</u>
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Change in Net Position of Governmental Activities	<u>\$51,251,072</u>
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See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Statement of Net Position
Proprietary Funds
June 30, 2018

	<u>Governmental Activities- Internal Service Funds</u>
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$2,036,336</u>
Total Assets	<u>2,036,336</u>
Liabilities:	
Claims Payable	<u>1,610,141</u>
Total Liabilities	<u>1,610,141</u>
Net Position:	
Unrestricted	<u>426,195</u>
Total Net Position	<u>\$426,195</u>

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues:	
Charges for Services	<u>\$15,323,513</u>
Total Operating Revenues	<u>15,323,513</u>
Operating Expenses:	
Contractual Services	<u>16,775,992</u>
Total Operating Expenses	<u>16,775,992</u>
Operating Income (Loss)	<u>(1,452,479)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>3,986</u>
Total Non-Operating Revenues (Expenses)	<u>3,986</u>
Change in Net Position	<u>(1,448,493)</u>
Net Position - Beginning of Year	<u>1,874,688</u>
Net Position - End of Year	<u><u>\$426,195</u></u>

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Receipts from Interfund Services Provided	\$15,323,513
Cash Payments to Employees	(16,855,250)
Cash Payments to Suppliers	<u>(121,828)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,653,565)</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>3,986</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>3,986</u>
Net Increase (Decrease) in Cash and Investments	(1,649,579)
Cash and Investments - Beginning of Year	<u>3,685,915</u>
Cash and Investments - End of Year	<u>2,036,336</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(1,452,479)
Changes in Assets & Liabilities:	
Increase (Decrease) in Claims Payables	<u>(201,086)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$1,653,565)</u></u>

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$17,946	\$250,656
Restricted Cash and Investments	<u>8,889</u>	<u>0</u>
Total Assets	<u>26,835</u>	<u>250,656</u>
Liabilities:		
Accounts Payable	0	111
Other Liabilities	<u>0</u>	<u>250,545</u>
Total Liabilities	<u>0</u>	<u>\$250,656</u>
Net Position:		
Held in Trust	<u>26,835</u>	
Total Net Position	<u>\$26,835</u>	

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2018

	Private Purpose Trust
Additions:	
Investment Earnings	\$98
Other	<u>16,253</u>
Total Additions	<u>16,351</u>
Deductions:	
Other	<u>2,801</u>
Total Deductions	<u>2,801</u>
Change in Net Position	13,550
Net Position - Beginning of Year	<u>13,285</u>
Net Position - End of Year	<u><u>\$26,835</u></u>

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Note 1 - Description of the District and Reporting Entity

The Centerville City School District (the "District") is a body politic and corporate located in Montgomery County and encompasses the City of Centerville and Washington Township. The District serves an area of approximately 32 square miles. The District ranks as the 24th largest by enrollment among school districts in the State of Ohio, and it is the 2nd largest school district located within Montgomery County.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the District's instructional/support programs located at twelve instructional facilities and staffed by 450 non-certificated employees and 587 certified employees, who provide services to nearly over 8,000 students and other community members.

Reporting Entity

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

The primary government consists of all funds and departments, not legally separate from the District, which provide various services including instruction, student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing body and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations for which the District approves the budget, the issuance of debt or the levying of taxes. The District does not have any component units.

The District is associated with four organizations, which are defined as jointly governed and another organization that is classified as a related organization. These organizations are:

Jointly Governed Organizations:

Miami Valley Career Technology Center
Southwestern Ohio Educational Purchasing Council
Metropolitan Educational Technology Association

Related Organization:

Washington-Centerville Public Library

These organizations are presented in Note 12 and 13 to the basic financial statements.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

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

Fund Financial Statements

During the year, the District segregates transactions related to certain 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 District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Fund Accounting

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

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Governmental Funds

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

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

The other governmental funds of the District account for grants and other resources, debt service, and capital projects of the District whose uses are restricted to a particular purpose.

Proprietary Funds

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

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The internal service funds of the District account for self-insurance programs which provide workers' compensation benefits and medical insurance benefits to employees.

Fiduciary Funds

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

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Position. Private-purpose trust and agency funds are not included in entity-wide statements.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds. The private purpose trust funds are reported using the economic resources measurement focus. Agency funds do not have a measurement focus.

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. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the 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. 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed to be both measurable and available: property taxes available as an advance, grants, and other taxes.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources include a deferred charge on refunding, pension, and OPEB. The deferred outflows of resources related to a deferred charge on refunding, pension, and OPEB plans are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB, grants and other taxes (which includes tax incremental financing 'TIF'), and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Other taxes (TIF) have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and investment earnings are reported only on the governmental fund financial statements. Deferred inflows related to pension and OPEB plans are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Expenses/Expenditures

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related liability is incurred, if measurable. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by the employee. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

The accrual basis of accounting utilized on the government-wide financial statements and by private-purpose trust funds recognizes revenues when they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year is reported as an expense with a like amount reported as operating grants and contributions.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Equity in Pooled Cash and Investments

The District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund's portion of this pool is displayed in the financial statements as pooled cash and cash equivalents. The monies are either maintained in a central bank account or used to purchase legal investments.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificate of deposits; banker's acceptances; commercial paper notes rated prime and issued by United States Corporations; and STAR Ohio.

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

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following State statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment earnings are to be credited to the specified funds based on the month end fund balance. Interest was recorded in the General Fund, Other Governmental Funds, and Private Purpose Trust Funds in the amounts of \$169,057, \$3,815, and \$98, respectively.

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

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of food held for resale and consumable supplies.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other government or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for budget stabilization.

Estimates

The preparation of 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.

Capital Assets and Depreciation

General capital assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net position but are not reported in the fund statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also not capitalized. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

All reported capital assets except for land 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	20 - 80 years
Equipment	5 - 50 years
Vehicles	8 - 30 years

Interfund Activity

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

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables". These amounts are eliminated on the governmental activities columns of the statement of net position.

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued using the vesting method which states that the District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated sick leave for all employees after fifteen years of current service with the District.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that represents severance payments to individuals who retired prior to the end of the fiscal year, but did not receive payment until after year-end. These amounts are recorded in the account "compensated absences" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reflected in the fund statements.

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences, special termination benefits, and judgments and claims 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 year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Pensions/Other Postemployment Benefits (OPEB)

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the internal service fund. For the District, these revenues are charges for services for the primary activity of the fund. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Position

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the District's \$9,130,603 in restricted net position, none was restricted by enabling legislation.

Fund Balance

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

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

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

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or approved through the District’s formal purchase order procedure by the Superintendent and the Treasurer.

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

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

Note 3 - Equity in Pooled Cash and Investments

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

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

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

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

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

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2018, \$6,624,260 of the District's bank balance of \$6,875,581 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

Investments

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

Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Money Market Mutual Funds	\$172,895	N/A	0.00
STAR Ohio	250,570	N/A	0.13
Federal Home Loan Bank	6,838,763	Level 2	4.80
Federal Farm Credit Banks	7,612,709	Level 2	4.15
Federal Home Loan Mortgage Corporation	7,857,470	Level 2	4.96
Negotiable CD's	9,276,670	Level 2	4.05
Federal National Mortgage Association	9,026,852	Level 2	3.41
Commercial Paper	4,954,300	Level 2	2.37
Total Fair Value	\$45,990,229		
Portfolio Weighted Average Maturity			3.99

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2018. STAR Ohio is reported at its share price (Net Asset Value per share).

Interest Rate Risk – The District shall not purchase any security that has a remaining term to final maturity of more than five years. Through STAR Ohio's investment policy, it manages its exposure to fair value losses arising from increasing interest rates by limiting the final stated maturity on any investment not to exceed 397 days or that will cause the weighted average maturity of the portfolio to exceed 60 days.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association were rated AA+ by Standard and Poor's and Aaa by Moody's Investment Service. Investments in commercial paper were rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poors. Money Market Funds and Negotiable CDs were not rated.

Concentration of Credit Risk – The District should normally seek to diversify its holdings of other investments by avoiding concentration of specific issuers. The District has invested less than 1% in Money Market Mutual Funds and in STAR Ohio, 15% in Federal Home Loan Bank, 17% in Federal Farm Credit Bank, 20% in Negotiable CDs, 17% in Federal Home Loan Mortgage Corporation, 11% in Commercial Paper, and 19% in Federal National Mortgage Association. At fiscal year end the District had an 11% investment in commercial paper at Fifth Third Securities which represented in excess of 5% of the investment portfolio. The District's investment policy does not restrict investing more than 5% of the investment portfolio with one vendor.

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

Note 4 - Property Taxes

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

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from Montgomery County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2019 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, and public utility taxes that became measurable as of June 30, 2018. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations.

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

	<u>2018 First Half Collections</u>	<u>2017 Second Half Collections</u>
Agricultural/Residential and Other Real Estate	\$1,819,561,760	\$1,689,585,930
Public Utility Personal	<u>35,251,390</u>	<u>33,394,210</u>
Total Assessed Property Value	<u><u>\$1,854,813,150</u></u>	<u><u>\$1,722,980,140</u></u>

Note 5 – Receivables

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

Note 6 - Capital Assets

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

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Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$2,420,016	\$2,809,952	\$0	\$5,229,968
Construction in Progress	561,887	211,588	561,887	211,588
Total Capital Assets, not being depreciated	2,981,903	3,021,540	561,887	5,441,556
Capital Assets, being depreciated:				
Buildings and Improvements	92,953,705	834,312	0	93,788,017
Equipment	7,628,041	47,100	31,174	7,643,967
Vehicles	9,705,502	1,513,400	1,046,689	10,172,213
Total Capital Assets, being depreciated:	<u>110,287,248</u>	<u>2,394,812</u>	<u>1,077,863</u>	<u>111,604,197</u>
Totals at Historical Cost	<u>113,269,151</u>	<u>5,416,352</u>	<u>1,639,750</u>	<u>117,045,753</u>
Less Accumulated Depreciation:				
Buildings and Improvements	52,756,515	2,070,980	0	54,827,495
Equipment	6,877,723	183,368	30,571	7,030,520
Vehicles	7,037,615	880,903	1,041,972	6,876,546
Total Accumulated Depreciation	<u>66,671,853</u>	<u>3,135,251</u>	<u>1,072,543</u>	<u>68,734,561</u>
Governmental Activities Capital Assets, Net	<u>\$46,597,298</u>	<u>\$2,281,101</u>	<u>\$567,207</u>	<u>\$48,311,192</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$585,944
Special	1,036
Vocational	2,025
Support Services:	
Instructional Staff	1,539
School Administration	5,866
Operations and Maintenance	230,512
Pupil Transportation	591,981
Operation of Non-Instructional Services	3,809
Extracurricular Activities	244
Unallocated Depreciation	<u>1,712,295</u>
Total Depreciation Expense	<u>\$3,135,251</u>

Unallocated depreciation is depreciation of the individual school buildings throughout the District that essentially serve all functions/programs, and therefore is not included as a direct expense of any functions or program but disclosed as a separate expense.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
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Note 7 - Risk Management

The District is exposed to various risks of loss related to torts, thefts-of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters for which the District carries commercial insurance. During fiscal year 2018, the District contracted with Liberty Mutual Insurance for these various risks. Coverage terms provided by Liberty Mutual Insurance are as follows:

Buildings and Contents - replacement cost (\$5,000 deductible)	\$239,216,554
Employee Dishonesty - Money in Security	100,000
Automotive Liability (\$500/vehicle and \$500/bus deductible)	1,000,000
Uninsured Motorist Bodily Injury Liability	1,000,000
General Liability (Per Occurrence)	1,000,000
Data Compromise	250,000
Defense and Liability	250,000
Equipment Breakdown	250,000
Violent Event Response	1,000,000
Flood	1,000,000
Commercial Computer Coverage	7,006,000
Umbrella Policy	10,000,000

Settled claims have not exceeded this commercial coverage in any of the past five years. There has not been any significant reduction in insurance coverage from the previous year.

Beginning in August 2010, the District began to self-insure its workers' compensation costs. The District contracts with Hunter Consultants for the service. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The District accounts for the activities of this program in an internal service fund in accordance with GASB Statement No. 10.

A summary of the changes in self-insurance workers' compensation claims liability is as follows:

	<u>2018</u>	<u>2017</u>
Claims Liability at Beginning of Year	\$15,745	\$38,188
Claims Incurred	121,873	152,365
Claims Paid	<u>(121,828)</u>	<u>(174,808)</u>
Claims Liability at End of Year	<u>\$15,790</u>	<u>\$15,745</u>

Beginning in January 2012, the District began to self-insure its medical health-insurance costs. The District contracts with Anthem for the service. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The District accounts for the activities of this program in an internal service fund in accordance with GASB Statement No. 10.

A summary of the changes in self-insurance health insurance claims liability is as follows:

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

	2018	2017
Claims Liability at Beginning of Year	\$1,795,482	\$1,491,421
Claims Incurred	16,654,119	15,138,548
Claims Paid	<u>(16,855,250)</u>	<u>(14,834,487)</u>
Claims Liability at End of Year	<u>\$1,594,351</u>	<u>\$1,795,482</u>

Note 8 - 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 employer’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description – Non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.20% for the first thirty years of service and 2.50% for years of service credit over 30 or \$86.00 multiplied by the years of service credit. Final average salary is the average of the highest three years of salary.

Post-Retirement Increases – Before January 1, 2018; on each anniversary of the initial date of retirement, the allowances of all retirees and survivors are increased by 3% of the base benefit. On or after January 1, 2018; on each anniversary of the initial retirement, the allowance of all retirees and survivors are increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0% nor greater than 2.5%. COLA’s shall be suspended for calendar years 2018, 2019, and 2020.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the employer is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% was allocated to the Health Care Fund.

The contractually required contribution to SERS was \$2,058,919 for fiscal year 2018. Of this amount \$445,258 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – Licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

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 is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, plan members were required to contribute 14% of their annual covered salary. The employer was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The contractually required contribution to STRS was \$6,938,100 for fiscal year 2018. Of this amount \$1,245,436 is reported as accrued wages and benefits.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$26,973,630	\$97,757,760	\$124,731,390
Proportion of the Net Pension Liability:			
Current Measurement Date	0.45145820%	0.41152127%	
Prior Measurement Date	<u>0.44121440%</u>	<u>0.41313438%</u>	
Change in Proportionate Share	0.01024380%	-0.00161311%	
Pension Expense	(\$727,561)	(\$37,527,813)	(\$38,255,374)

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

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Notes to the Basic Financial Statements
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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$1,160,851	\$3,774,946	\$4,935,797
Changes of assumptions	1,394,827	21,380,696	22,775,523
Changes in employer proportionate share of net pension liability	720,049	1,152,642	1,872,691
Contributions subsequent to the measurement date	2,058,919	6,938,100	8,997,019
Total Deferred Outflows of Resources	\$5,334,646	\$33,246,384	\$38,581,030
Differences between expected and actual experience	\$0	\$787,890	\$787,890
Net difference between projected and actual earnings on pension plan investments	128,038	3,226,120	3,354,158
Changes in employer proportionate share of net pension liability	0	378,647	378,647
Total Deferred Inflows of Resources	\$128,038	\$4,392,657	\$4,520,695

\$8,997,019 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year	SERS	STRS	Total
Ending June 30:			
2019	\$1,396,566	\$4,723,537	\$6,120,103
2020	1,847,410	9,427,998	11,275,408
2021	532,524	6,056,314	6,588,838
2022	(628,811)	1,707,778	1,078,967
Total	\$3,147,689	\$21,915,627	\$25,063,316

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

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of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

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

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

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

Discount Rate

The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return 7.50%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.50%, or one percentage point higher 8.50% than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$37,432,389	\$26,973,630	\$18,212,287

Changes in Benefit Terms

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

Centerville City School District, Ohio
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For The Fiscal Year Ended June 30, 2018

Actuarial Assumptions - STRS

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

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

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

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

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

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

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Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

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

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

Discount Rate

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

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

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

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$140,132,422	\$97,757,760	\$62,063,459

Changes in Assumptions

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

Changes in Benefit Terms

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

Note 9 – Defined Benefit Other Postemployment Benefits (OPEB) Plans

Net Other Postemployment Benefits (OPEB) Liability

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

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

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

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

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

Centerville City School District, Ohio
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Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the surcharge obligation was \$244,222.

The surcharge, added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$320,478 for fiscal year 2018. Of this amount \$244,222 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020.

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The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$12,254,398	\$16,056,041	\$28,310,439
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.45661690%	0.41152127%	
Prior Measurement Date	0.44550879%	0.41313438%	
Change in Proportionate Share	<u>0.01110811%</u>	<u>-0.00161311%</u>	
OPEB Expense	\$760,463	(\$4,911,764)	(\$4,151,301)

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

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Centerville City School District, Ohio
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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$926,854	\$926,854
Changes in employer proportionate share of net pension liability	232,414	0	232,414
Contributions subsequent to the measurement date	<u>320,478</u>	<u>0</u>	<u>320,478</u>
Total Deferred Outflows of Resources	<u>\$552,892</u>	<u>\$926,854</u>	<u>\$1,479,746</u>
Changes of assumptions	\$1,162,879	\$1,293,365	\$2,456,244
Net difference between projected and actual earnings on pension plan investments	32,361	686,273	718,634
Changes in employer proportionate share of net pension liability	<u>0</u>	<u>73,945</u>	<u>73,945</u>
Total Deferred Inflows of Resources	<u>\$1,195,240</u>	<u>\$2,053,583</u>	<u>\$3,248,823</u>

\$320,478 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year			
Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	(\$345,216)	(\$244,977)	(\$590,193)
2020	(345,215)	(244,978)	(590,193)
2021	(264,305)	(244,978)	(509,283)
2022	(8,090)	(244,978)	(253,068)
2023	0	(73,409)	(73,409)
Thereafter	<u>0</u>	<u>(73,409)</u>	<u>(73,409)</u>
Total	<u>(\$962,826)</u>	<u>(\$1,126,729)</u>	<u>(\$2,089,555)</u>

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

Discount Rate

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

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

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

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	1% Decrease 2.63%	Current Discount Rate 3.63%	1% Increase 4.63%
Proportionate share of the net OPEB liability	\$14,798,746	\$12,254,398	\$10,238,625
	1% Decrease 6.50% decreasing to 4.00%	Current Trend Rate 7.50% decreasing to 5.00%	1% Increase 8.50% decreasing to 6.00%
Proportionate share of the net OPEB liability	\$9,943,526	\$12,254,398	\$15,312,877

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Actuarial Assumptions - STRS

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

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

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using

Centerville City School District, Ohio
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For The Fiscal Year Ended June 30, 2018

mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

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

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

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

Centerville City School District, Ohio
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Discount Rate

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

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

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

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Proportionate share of the net OPEB liability	\$21,554,978	\$16,056,041	\$11,710,085

	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$11,155,049	\$16,056,041	\$22,506,320

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%.

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Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

Note 10 - Long-Term Obligations

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018, was as follows:

General Obligation Bonds:	Interest Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
2013 Refunding Bonds						
Current Interest	2.00% - 5.00%	\$46,510,000	\$0	\$1,145,000	\$45,365,000	\$1,405,000
Capital Appreciation - Principal		480,531	0	0	480,531	0
Capital Appreciation - Interest		738,367	269,405	0	1,007,772	0
Bond Premium		4,494,559	0	264,386	4,230,173	0
Subtotal Bonds		<u>52,223,457</u>	<u>269,405</u>	<u>1,409,386</u>	<u>51,083,476</u>	<u>1,405,000</u>
2016 Field Turf Lease		302,273	0	38,039	264,234	35,420
Compensated Absences	N/A	4,621,885	1,839,713	744,075	5,717,523	845,209
Subtotal Bonds and Other Amounts		<u>57,147,615</u>	<u>2,109,118</u>	<u>2,191,500</u>	<u>57,065,233</u>	<u>2,285,629</u>
Net Pension Liability:						
STRS		138,288,531	0	40,530,771	97,757,760	0
SERS		32,292,823	0	5,319,193	26,973,630	0
Total Net Pension Liability		<u>170,581,354</u>	<u>0</u>	<u>45,849,964</u>	<u>124,731,390</u>	<u>0</u>
Net OPEB Liability:						
STRS		22,094,534	0	6,038,493	16,056,041	0
SERS		12,698,649	0	444,251	12,254,398	0
Total Net OPEB Liability		<u>34,793,183</u>	<u>0</u>	<u>6,482,744</u>	<u>28,310,439</u>	<u>0</u>
Total Long-Term Obligations		<u>\$262,522,152</u>	<u>\$2,109,118</u>	<u>\$54,524,208</u>	<u>\$210,107,062</u>	<u>\$2,285,629</u>

Compensated absences represent the long-term portion of the accrued liability associated with sick and vacation leave. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available. Net pension liability and Net OPEB liability represents the long-term portion of the accrued liability associated with STRS and SERS pension liability. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

The general obligation bonds balance at June 30, 2018 of \$50,075,704 is used in the calculation of net investment in capital assets. This amount equals total general obligation bonds of \$51,083,476 minus accreted interest of \$1,007,772.

Annual Debt Service Requirements

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2019	\$1,405,000	\$1,738,638	\$0	\$0
2020	780,000	1,716,400	169,903	540,097
2021	0	1,704,700	310,628	1,274,372
2022	1,820,000	1,668,300	0	0
2023	1,970,000	1,582,650	0	0
2024-2028	13,470,000	6,426,600	0	0
2029-2033	20,630,000	3,141,500	0	0
2034	5,290,000	105,800	0	0
Total	<u>\$45,365,000</u>	<u>\$18,084,588</u>	<u>\$480,531</u>	<u>\$1,814,469</u>

Note 11 – Capitalized Leases - Lessee

In December 2015 the District entered into a capitalized lease for the installation of athletic field turf. The cost of building improvements under capital lease at June 30, 2018 is \$378,200. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service in the basic financial statements for the governmental funds.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2018.

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For The Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30	Amount
2019	\$42,247
2020	42,247
2021	42,247
2022	42,247
2023	42,247
2024-2025	80,995
Total Minimum Lease Payments	292,230
Less: Amounts representing interest	27,996
Present Value of Minimum Lease Payments	<u>\$264,234</u>

Note 12 - Jointly Governed Organizations

Miami Valley Career Technology Center

The Miami Valley Career Technology Center (MVCTC) is a separate body politic and corporate, established by the Ohio Revised Code (ORC). The Board is comprised of one representative from each of the seven participating Districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Miami Valley Career Technical Center at 6800 Hoke Road, Clayton, Ohio 45315.

Southwestern Ohio Educational Purchasing Council

The District is a member of the Southwestern Ohio Educational Purchasing Council (SOEPC). The purpose of the cooperative is to obtain lower prices for supplies and materials commonly used by the member districts. The members are obligated to pay all fees, charges, and assessments as established by SOEPC.

Each member district has one voting representative. Title to any and all equipment and supplies purchased by SOEPC is held in trust for the member districts by the fiscal agent. Any district withdrawing from SOEPC shall forfeit its claim to any and all SOEPC assets. One year's prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member organizations. Payments to SOEPC are made from the District's General Fund. Financial information may be obtained from SOEPC by contacting the Director, at 303 Corporate Drive, Suite 208, Vandalia, OH 45377.

Metropolitan Educational Technology Association

The District is a participant in the Metropolitan Educational Technology Association (META). META is an association of public school districts within the boundaries of Darke, Greene, Miami and Montgomery 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 META consists of one representative from each member school district plus one representative from the fiscal agent. Financial information can be obtained from the Executive Director of META at 100 Executive Drive, Marion, Ohio 43302.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Note 13 - Related Organizations

Washington-Centerville Public Library

The Washington-Centerville Public Library (the Library) is a related organization to the District. The District's Board of Education is responsible for appointing Trustees and approving the budget of the Library as a ministerial function to the Library. The operations of the Library are managed by its Trustees, including the determination of the budget amounts necessary for operations. The Library does not receive any funding from the District.

Note 14 – Contingencies

Foundation Funding

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

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2018.

Litigation

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

Note 15 - Statutory Reserves

The District is required by State statute to annually set aside monies for the purchase of capital improvements. Amounts not spent by year-end or reduced by offsetting credits must be held in cash at year-end and carried forward to be used for the same purpose in future years.

During the fiscal year ended June 30, 2018, the reserve activity (cash-basis) was as follows:

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	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set Aside Reserve Balance as of June 30, 2017	\$0	\$141,886
Current Year Set Aside Requirement	1,372,918	0
Current Year Offsets	<u>(52,872,110)</u>	<u>0</u>
Total	<u>(\$51,499,192)</u>	<u>\$141,886</u>
Balance Carried Forward to Fiscal Year 2019	<u>(\$51,499,192)</u>	<u>\$0</u>
Set Aside Reserve Balance as of June 30, 2018	<u>\$0</u>	<u>\$141,886</u>

For capital acquisitions, the extra amount was a result of bond or note issuances, which will be used to offset set-aside requirements in future years.

Note 16 – Accountability

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

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Title VI-B	\$231,714
Reducing Class Size	30,288
Title I	126,029
Vocational Education	5,547
Miscellaneous State Grants	2,309
EHA Pre-School	6,303

The deficits in these Special Revenue funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2019. The General Fund is liable for any deficit in these funds and provides transfers when cash is required, not when the accruals occur.

Note 17 - Interfund Balances

Interfund transactions at June 30, 2018, consisted of the following individual fund receivables and payables:

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

	Interfund	
	Receivable	Payable
General Fund	\$6,130	\$0
Other Governmental Funds	0	6,130
Total All Funds	\$6,130	\$6,130

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

All interfund balances are expected to be paid within one year.

Note 18 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total
Restricted for:			
Other Grants	\$0	\$30,385	\$30,385
District Managed Student Services	0	492,298	492,298
Miscellaneous Federal Grants	0	14,693	14,693
Network Connection	0	972	972
Food Service	0	225,127	225,127
Auxiliary Services	0	172,801	172,801
Debt Service Payments	0	6,124,026	6,124,026
Permanent Improvement Building	0	75	75
Total Restricted	0	9,328,770	9,328,770
Assigned to:			
Budgetary Resource	10,077,481	0	10,077,481
Public School	754,386	0	754,386
Encumbrances	353,362	0	353,362
Total Assigned	11,185,229	0	11,185,229
Unassigned (Deficit)	24,735,043	(402,190)	24,332,853
Total Fund Balance	\$35,920,272	\$8,926,580	\$44,846,852

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Encumbrances (assigned) will be used for \$138,732 for regular instruction, \$7,673 for special instruction, \$21,475 for other instruction, \$7,346 for pupil support services, \$15,191 for instructional staff support services, \$27,253 for school administration support services, \$501 for business support services, \$34,779 for transportation support services, and \$100,412 for operations and maintenance support services.

Note 19 – Tax Abatements Entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) and Enterprise Zone Agreement (“EZA”) programs with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of the District, the City of Centerville has entered into CRA and EZA agreements. Under these agreements the District’s property taxes were reduced by \$147,529.

Note 20 – Implementation of New Accounting Principles and Restatement of Net Position

For the fiscal year ended June 30, 2018, the District has implemented GASB Statement No. 81, Irrevocable Split-Interest Agreements, GASB Statement No. 82, Pensions Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73, and GASB No. 86, Certain Debt Extinguishment Issues, and GASB Statement No. 85, Omnibus 2017, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, and related guidance from (GASB) Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).

GASB Statement No. 81 sets out to improve accounting and financial reporting for irrevocable split interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement also enhances the decision-usefulness of general purpose external financial reports, and their value for assessing accountability, by more clearly identifying the resources that are available for the government to carry out its mission. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and 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.

Centerville City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. The implementation of GASB Statement No. 82 was included in the footnote disclosures for 2018.

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

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

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

Net position June 30, 2017	(\$95,180,815)
Adjustments:	
Net OPEB Liability	(34,793,183)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>241,888</u>
Restated Net Position June 30, 2017	<u><u>(\$129,732,110)</u></u>

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

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.41152127%	0.41313438%	0.40756714%	0.40577311%	0.40577311%
District's Proportionate Share of the Net Pension Liability	\$97,757,760	\$138,288,531	\$112,639,636	\$98,698,063	\$117,251,867
District's Covered Payroll	\$44,845,371	\$42,573,000	\$41,653,364	\$44,647,946	\$46,905,692
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	217.99%	324.83%	270.42%	221.06%	249.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

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

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

See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.45145820%	0.44121440%	0.43571630%	0.42872300%	0.42872300%
District's Proportionate Share of the Net Pension Liability	\$26,973,630	\$32,292,823	\$24,862,394	\$21,697,427	\$25,502,425
District's Covered Payroll	\$14,574,636	\$13,702,479	\$18,368,012	\$12,583,687	\$16,232,428
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	185.07%	235.67%	135.36%	172.43%	157.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%

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

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

See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$6,938,100	\$6,278,352	\$5,960,220	\$5,831,472	\$5,804,232	\$6,097,740	\$6,005,304	\$5,962,908	\$6,403,188	\$6,321,960
Contributions in Relation to the Contractually Required Contribution	(6,938,100)	(6,278,352)	(5,960,220)	(5,831,472)	(5,804,232)	(6,097,740)	(6,005,304)	(5,962,908)	(6,403,188)	(6,321,960)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered Payroll	\$49,557,857	\$44,845,371	\$42,573,000	\$41,653,364	\$44,647,946	\$46,905,692	\$46,194,646	\$45,868,523	\$49,255,292	\$48,630,462
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$2,058,919	\$2,040,449	\$1,918,347	\$2,420,904	\$1,744,099	\$2,246,568	\$2,147,088	\$2,061,096	\$1,938,024	\$1,828,500
Contributions in Relation to the Contractually Required Contribution	(2,058,919)	(2,040,449)	(1,918,347)	(2,420,904)	(1,744,099)	(2,246,568)	(2,147,088)	(2,061,096)	(1,938,024)	(1,828,500)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District Covered Payroll	\$15,251,252	\$14,574,636	\$13,702,479	\$18,368,012	\$12,583,687	\$16,232,428	\$15,963,480	\$16,396,945	\$14,313,323	\$18,582,317
Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

See accompanying notes to the required supplementary information.

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

	2018	2017
District's Proportion of the Net OPEB Liability	0.41152127%	0.43134380%
District's Proportionate Share of the Net OPEB Liability	\$16,056,041	\$22,094,534
District's Covered Payroll	\$44,845,371	\$42,573,000
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	35.80%	51.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

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

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

See accompanying notes to the required supplementary information.

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

	2018	2017
District's Proportion of the Net OPEB Liability	0.45661690%	0.44550879%
District's Proportionate Share of the Net OPEB Liability	\$12,254,398	\$12,698,649
District's Covered Payroll	\$14,574,636	\$13,702,479
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	84.08%	92.67%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information.

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

	2018	2017	2016
Contractually Required Contribution to OPEB	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$49,557,857	\$44,845,371	\$42,573,000
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

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

See accompanying notes to the required supplementary information.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution to OPEB (2)	\$320,478	\$241,888	\$218,498
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(320,478)</u>	<u>(241,888)</u>	<u>(218,498)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$15,251,252	\$14,574,636	\$13,702,479
Contributions to OPEB as a Percentage of Covered Payroll	2.10%	1.66%	1.59%

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

(2) - Includes Surcharge.

See accompanying notes to the required supplementary information.

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$70,360,083	\$72,692,010	\$72,725,975	\$33,965
Tuition and Fees	1,365,635	1,410,896	1,411,555	659
Investment Earnings	626,415	647,177	647,479	302
Intergovernmental	22,058,560	22,789,642	22,800,290	10,648
Extracurricular Activities	374,093	386,491	386,672	181
Charges for Services	2,779,157	2,871,266	2,872,608	1,342
Other Revenues	42,296	43,698	43,718	20
Total Revenues	97,606,239	100,841,180	100,888,297	47,117
Expenditures:				
Current:				
Instruction:				
Regular	44,027,083	43,725,399	43,487,886	237,513
Special	11,529,476	11,450,473	11,388,275	62,198
Vocational	2,827,377	2,808,003	2,792,750	15,253
Other	1,975,026	1,961,493	1,950,838	10,655
Support Services:				
Pupil	10,564,409	10,492,019	10,435,027	56,992
Instructional Staff	1,824,526	1,812,024	1,802,181	9,843
General Administration	26,378	26,197	26,055	142
School Administration	9,201,907	9,138,854	9,089,212	49,642
Fiscal	1,715,796	1,704,039	1,694,783	9,256
Business	752,396	747,240	743,181	4,059
Operations and Maintenance	5,886,354	5,846,019	5,814,264	31,755
Pupil Transportation	7,828,420	7,774,778	7,732,546	42,232
Central	607,463	603,300	600,023	3,277
Extracurricular Activities	903,875	897,681	892,805	4,876
Capital Outlay	2,845,227	2,825,731	2,810,382	15,349
Total Expenditures	102,515,713	101,813,250	101,260,208	553,042
Excess of Revenues Over (Under) Expenditures	(4,909,474)	(972,070)	(371,911)	600,159
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	12,021	12,419	12,425	6
Advances In	86,138	88,992	89,034	42
Advances (Out)	(78,621)	(78,082)	(77,658)	424
Total Other Financing Sources (Uses)	19,538	23,329	23,801	472
Net Change in Fund Balance	(4,889,936)	(948,741)	(348,110)	600,631
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	41,099,349	41,099,349	41,099,349	0
Fund Balance End of Year	\$36,209,413	\$40,150,608	\$40,751,239	\$600,631

See accompanying notes to the required supplementary information.

Centerville City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Note 1 - Budgetary Process

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

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

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

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

Centerville City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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

Net Change in Fund Balance

	<u>General Fund</u>
GAAP Basis	(\$722,957)
Revenue Accruals	1,204,107
Expenditures Accruals	(308,491)
Proceeds of Capital Assets	(1)
Advances In	89,034
Advances Out	(77,658)
Encumbrances	(548,570)
Funds Budgeted Elsewhere	<u>16,426</u>
Budget Basis	<u><u>(\$348,110)</u></u>

Note 2 - SERS Change in Assumptions-Net Pension Liability

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

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

Changes in Assumptions

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

Changes in Benefit Terms

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

Note 4 - SERS Change in Assumptions-Net OPEB Liability

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

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Centerville City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

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

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Note 5 - STRS Change in Assumptions-Net OPEB Liability

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

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

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

The Capital Projects 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 projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Centerville City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,256,160	\$5,921,415	\$2,473,136	\$9,650,711
Receivables (Net):				
Taxes	0	3,114,216	2,158,480	5,272,696
Intergovernmental	324,204	0	0	324,204
Inventory	76,875	0	0	76,875
Total Assets	1,657,239	9,035,631	4,631,616	15,324,486
Liabilities:				
Accounts Payable	137,542	0	343,441	480,983
Accrued Wages and Benefits	805,123	0	0	805,123
Compensated Absences	6,069	0	0	6,069
Interfund Payable	6,130	0	0	6,130
Total Liabilities	954,864	0	343,441	1,298,305
Deferred Inflows of Resources:				
Property Taxes	0	2,911,605	2,019,707	4,931,312
Grants and Other Taxes	168,289	0	0	168,289
Total Deferred Inflows of Resources	168,289	2,911,605	2,019,707	5,099,601
Fund Balances:				
Restricted	936,276	6,124,026	2,268,468	9,328,770
Unassigned	(402,190)	0	0	(402,190)
Total Fund Balances	534,086	6,124,026	2,268,468	8,926,580
Total Liabilities, Deferred Inflows and Fund Balances	\$1,657,239	\$9,035,631	\$4,631,616	\$15,324,486

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$0	\$3,281,836	\$2,335,495	\$5,617,331
Investment Earnings	3,742	0	73	3,815
Intergovernmental	4,732,418	442,317	311,418	5,486,153
Extracurricular Activities	727,729	0	0	727,729
Charges for Services	1,738,083	0	0	1,738,083
Other Revenues	75,687	0	0	75,687
Total Revenues	7,277,659	3,724,153	2,646,986	13,648,798
Expenditures:				
Current:				
Instruction:				
Regular	211,729	0	577,779	789,508
Special	1,718,696	0	0	1,718,696
Vocational	38,749	0	0	38,749
Support Services:				
Pupil	735,522	0	0	735,522
Instructional Staff	158,391	0	0	158,391
School Administration	15,779	0	0	15,779
Fiscal	0	37,104	26,139	63,243
Operations and Maintenance	0	0	958,731	958,731
Pupil Transportation	0	0	766,452	766,452
Central	1,787	0	0	1,787
Operation of Non-Instructional Services	3,877,565	0	0	3,877,565
Extracurricular Activities	710,399	0	0	710,399
Capital Outlay	67,631	0	72,578	140,209
Debt Service:				
Principal Retirement	0	1,145,000	38,039	1,183,039
Interest and Fiscal Charges	0	1,772,075	7,708	1,779,783
Total Expenditures	7,536,248	2,954,179	2,447,426	12,937,853
Excess of Revenues Over (Under) Expenditures	(258,589)	769,974	199,560	710,945
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	(134,747)	0	0	(134,747)
Total Other Financing Sources (Uses)	(134,747)	0	0	(134,747)
Net Change in Fund Balance	(393,336)	769,974	199,560	576,198
Fund Balance - Beginning of Year	927,422	5,354,052	2,068,908	8,350,382
Fund Balance - End of Year	\$534,086	\$6,124,026	\$2,268,468	\$8,926,580

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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 specified purposes.

District Managed Student Services - To account for local funds generated to assist student activities, which are managed by District personnel. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services - A fund used to account for monies which provide services and materials to pupils attending non-public schools within the District.

Network Connect - A fund used to account for monies for the purpose of accessing the Ohio Education Computer Network.

Miscellaneous State Grants - To account for revenues received from state agencies which are not classified elsewhere.

Title VI-B - To account for monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Vocational Education - A fund used to account for revenues provided to boards of education, teacher training instructions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects.

Title III - To account for federal grant monies used to support the District's ESL population.

Title I - To account for monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

EHA Pre-School - A fund used to account for federal grant dollars to improve and expand the services for handicapped children ages three to five years.

Reducing Class Size - A fund used to account for monies to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants - To account for monies received under federal grants which are not classified elsewhere.

Food Service - To account for the financial transactions related to the food service operations of the District.

Centerville City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Other Grants	District Managed Student Services	Auxiliary Services	Network Connect
Assets:				
Equity in Pooled Cash and Investments	\$30,885	\$521,813	\$326,400	\$972
Receivables (Net):				
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
Total Assets	30,885	521,813	326,400	972
Liabilities:				
Accounts Payable	500	29,515	55,249	0
Accrued Wages and Benefits	0	0	98,350	0
Compensated Absences	0	0	0	0
Interfund Payable	0	0	0	0
Total Liabilities	500	29,515	153,599	0
Deferred Inflows of Resources:				
Grants and Other Taxes	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Restricted	30,385	492,298	172,801	972
Unassigned	0	0	0	0
Total Fund Balances	30,385	492,298	172,801	972
Total Liabilities, Deferred Inflows and Fund Balances	\$30,885	\$521,813	\$326,400	\$972

Miscellaneous State Grants	Title VI-B	Vocational Education	Title III	Title I	EHA Pre-School	Reducing Class Size
\$0	\$0	\$0	\$261	\$0	\$0	\$0
4,006	202,029	19,024	6,176	63,436	9,606	19,927
0	0	0	0	0	0	0
4,006	202,029	19,024	6,437	63,436	9,606	19,927
131	24,750	20,893	0	0	104	0
4,206	315,644	0	0	136,313	10,413	39,782
0	0	0	0	0	0	0
0	4,391	1,478	261	0	0	0
4,337	344,785	22,371	261	136,313	10,517	39,782
1,978	88,958	2,200	6,176	53,152	5,392	10,433
1,978	88,958	2,200	6,176	53,152	5,392	10,433
0	0	0	0	0	0	0
(2,309)	(231,714)	(5,547)	0	(126,029)	(6,303)	(30,288)
(2,309)	(231,714)	(5,547)	0	(126,029)	(6,303)	(30,288)
\$4,006	\$202,029	\$19,024	\$6,437	\$63,436	\$9,606	\$19,927

Continued

Centerville City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Miscellaneous Federal Grants	Food Service	Total Nonmajor Special Revenue Funds
Assets:			
Equity in Pooled Cash and Investments	\$14,693	\$361,136	\$1,256,160
Receivables (Net):			
Intergovernmental	0	0	324,204
Inventory	0	76,875	76,875
Total Assets	14,693	438,011	1,657,239
Liabilities:			
Accounts Payable	0	6,400	137,542
Accrued Wages and Benefits	0	200,415	805,123
Compensated Absences	0	6,069	6,069
Interfund Payable	0	0	6,130
Total Liabilities	0	212,884	954,864
Deferred Inflows of Resources:			
Grants and Other Taxes	0	0	168,289
Total Deferred Inflows of Resources	0	0	168,289
Fund Balances:			
Restricted	14,693	225,127	936,276
Unassigned	0	0	(402,190)
Total Fund Balances	14,693	225,127	534,086
Total Liabilities, Deferred Inflows and Fund Balances	\$14,693	\$438,011	\$1,657,239

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

	Other Grants	District Managed Student Services	Auxiliary Services	Network Connect
Revenues:				
Investment Earnings	\$0	\$0	\$0	\$0
Intergovernmental	0	0	1,164,256	21,600
Extracurricular Activities	0	727,729	0	0
Charges for Services	0	0	0	0
Other Revenues	5,773	63,495	0	0
Total Revenues	5,773	791,224	1,164,256	21,600
Expenditures:				
Current:				
Instruction:				
Regular	3,571	0	0	29,923
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
School Administration	0	0	0	0
Central	0	1,787	0	0
Operation of Non-Instructional Services	0	0	1,149,719	0
Extracurricular Activities	0	710,399	0	0
Capital Outlay	0	39,803	0	0
Total Expenditures	3,571	751,989	1,149,719	29,923
Excess of Revenues Over (Under) Expenditures	2,202	39,235	14,537	(8,323)
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	0	0	(134,747)	0
Total Other Financing Sources (Uses)	0	0	(134,747)	0
Net Change in Fund Balance	2,202	39,235	(120,210)	(8,323)
Fund Balance - Beginning of Year	28,183	453,063	293,011	9,295
Fund Balance - End of Year	\$30,385	\$492,298	\$172,801	\$972

Miscellaneous State Grants	Title VI-B	Vocational Education	Title III	Title I	EHA Pre-School	Reducing Class Size
\$0	\$0	\$0	\$0	\$0	\$0	\$0
25,388	1,637,664	221,053	41,234	597,296	51,452	161,159
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
25,388	1,637,664	221,053	41,234	597,296	51,452	161,159
0	0	0	0	0	0	162,803
0	972,912	0	41,238	642,518	62,028	0
0	0	38,749	0	0	0	0
26,052	699,401	10,069	0	0	0	0
0	0	158,391	0	0	0	0
0	0	15,779	0	0	0	0
0	0	0	0	0	0	0
0	114,623	0	0	1,182	0	23,431
0	0	0	0	0	0	0
0	0	0	0	0	0	0
26,052	1,786,936	222,988	41,238	643,700	62,028	186,234
(664)	(149,272)	(1,935)	(4)	(46,404)	(10,576)	(25,075)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(664)	(149,272)	(1,935)	(4)	(46,404)	(10,576)	(25,075)
(1,645)	(82,442)	(3,612)	4	(79,625)	4,273	(5,213)
(\$2,309)	(\$231,714)	(\$5,547)	\$0	(\$126,029)	(\$6,303)	(\$30,288)

Continued

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

	Miscellaneous Federal Grants	Food Service	Total Nonmajor Special Revenue Funds
Revenues:			
Investment Earnings	\$0	\$3,742	\$3,742
Intergovernmental	17,845	793,471	4,732,418
Extracurricular Activities	0	0	727,729
Charges for Services	0	1,738,083	1,738,083
Other Revenues	0	6,419	75,687
Total Revenues	17,845	2,541,715	7,277,659
Expenditures:			
Current:			
Instruction:			
Regular	15,432	0	211,729
Special	0	0	1,718,696
Vocational	0	0	38,749
Support Services:			
Pupil	0	0	735,522
Instructional Staff	0	0	158,391
School Administration	0	0	15,779
Central	0	0	1,787
Operation of Non-Instructional Services	2,413	2,586,197	3,877,565
Extracurricular Activities	0	0	710,399
Capital Outlay	0	27,828	67,631
Total Expenditures	17,845	2,614,025	7,536,248
Excess of Revenues Over (Under) Expenditures	0	(72,310)	(258,589)
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	0	0	(134,747)
Total Other Financing Sources (Uses)	0	0	(134,747)
Net Change in Fund Balance	0	(72,310)	(393,336)
Fund Balance - Beginning of Year	14,693	297,437	927,422
Fund Balance - End of Year	\$14,693	\$225,127	\$534,086

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

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$10,000	\$5,773	(\$4,227)
Total Revenues	10,000	5,773	(4,227)
Expenditures:			
Current:			
Instruction:			
Regular	5,655	3,823	1,832
Total Expenditures	5,655	3,823	1,832
Net Change in Fund Balance	4,345	1,950	(2,395)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	28,185	28,185	0
Fund Balance End of Year	\$32,530	\$30,135	(\$2,395)

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

	District Managed Student Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$1,149,689	\$727,729	(\$421,960)
Other Revenues	100,311	63,495	(36,816)
Total Revenues	<u>1,250,000</u>	<u>791,224</u>	<u>(458,776)</u>
Expenditures:			
Current:			
Support Services:			
Central	10,010	8,334	1,676
Extracurricular Activities	870,938	725,101	145,837
Capital Outlay	47,808	39,803	8,005
Total Expenditures	<u>928,756</u>	<u>773,238</u>	<u>155,518</u>
Net Change in Fund Balance	321,244	17,986	(303,258)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>486,177</u>	<u>486,177</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$807,421</u></u>	<u><u>\$504,163</u></u>	<u><u>(\$303,258)</u></u>

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

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,350,000	\$1,164,256	(\$185,744)
Total Revenues	1,350,000	1,164,256	(185,744)
Expenditures:			
Operation of Non-Instructional Services	1,110,862	1,385,396	(274,534)
Total Expenditures	1,110,862	1,385,396	(274,534)
Excess of Revenues Over (Under) Expenditures	239,138	(221,140)	(460,278)
Other financing sources (uses):			
Refund of Prior Year Receipts	(134,138)	(134,747)	(609)
Total Other Financing Sources (Uses)	(134,138)	(134,747)	(609)
Net Change in Fund Balance	105,000	(355,887)	(460,887)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	555,399	555,399	0
Fund Balance End of Year	\$660,399	\$199,512	(\$460,887)

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

	Network Connect Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$25,000	\$21,600	(\$3,400)
Total Revenues	25,000	21,600	(3,400)
Expenditures:			
Current:			
Instruction:			
Regular	25,000	31,612	(6,612)
Total Expenditures	25,000	31,612	(6,612)
Net Change in Fund Balance	0	(10,012)	(10,012)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,014	10,014	0
Fund Balance End of Year	\$10,014	\$2	(\$10,012)

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

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$29,000	\$28,061	(\$939)
Total Revenues	29,000	28,061	(939)
Expenditures:			
Current:			
Support Services:			
Pupil	26,107	26,038	69
Total Expenditures	26,107	26,038	69
Excess of Revenues Over (Under) Expenditures	2,893	2,023	(870)
Other financing sources (uses):			
Advances (Out)	(2,181)	(2,175)	6
Total Other Financing Sources (Uses)	(2,181)	(2,175)	6
Net Change in Fund Balance	712	(152)	(864)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$712	(\$152)	(\$864)

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

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,823,878	\$1,767,209	(\$56,669)
Total Revenues	<u>1,823,878</u>	<u>1,767,209</u>	<u>(56,669)</u>
Expenditures:			
Current:			
Instruction:			
Special	961,502	948,824	12,678
Support Services:			
Pupil	727,932	718,334	9,598
Operation of Non-Instructional Services	127,732	126,048	1,684
Total Expenditures	<u>1,817,166</u>	<u>1,793,206</u>	<u>23,960</u>
Excess of Revenues Over (Under) Expenditures	<u>6,712</u>	<u>(25,997)</u>	<u>(32,709)</u>
Other financing sources (uses):			
Advances In	76,122	73,757	(2,365)
Advances (Out)	(82,834)	(81,742)	1,092
Total Other Financing Sources (Uses)	<u>(6,712)</u>	<u>(7,985)</u>	<u>(1,273)</u>
Net Change in Fund Balance	0	(33,982)	(33,982)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$33,982)</u>	<u>(\$33,982)</u>

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

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$245,786	\$211,941	(\$33,845)
Total Revenues	<u>245,786</u>	<u>211,941</u>	<u>(33,845)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	35,921	38,749	(2,828)
Support Services:			
Pupil	10,911	11,770	(859)
Instructional Staff	152,172	164,153	(11,981)
School Administration	14,627	15,779	(1,152)
Total Expenditures	<u>213,631</u>	<u>230,451</u>	<u>(16,820)</u>
Excess of Revenues Over (Under) Expenditures	<u>32,155</u>	<u>(18,510)</u>	<u>(50,665)</u>
Other financing sources (uses):			
Advances In	4,214	3,634	(580)
Advances (Out)	(3,369)	(3,634)	(265)
Total Other Financing Sources (Uses)	<u>845</u>	<u>0</u>	<u>(845)</u>
Net Change in Fund Balance	33,000	(18,510)	(51,510)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$33,000</u>	<u>(\$18,510)</u>	<u>(\$51,510)</u>

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

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$47,402	\$41,542	(\$5,860)
Total Revenues	47,402	41,542	(5,860)
Expenditures:			
Current:			
Instruction:			
Special	47,700	41,542	6,158
Total Expenditures	47,700	41,542	6,158
Excess of Revenues Over (Under) Expenditures	(298)	0	298
Other financing sources (uses):			
Advances In	298	261	(37)
Total Other Financing Sources (Uses)	298	261	(37)
Net Change in Fund Balance	0	261	261
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$261	\$261

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

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$799,411	\$649,050	(\$150,361)
Total Revenues	799,411	649,050	(150,361)
Expenditures:			
Current:			
Instruction:			
Special	653,244	658,747	(5,503)
Support Services:			
Pupil Transportation	4,958	5,000	(42)
Operation of Non-Instructional Services	1,172	1,182	(10)
Total Expenditures	659,374	664,929	(5,555)
Excess of Revenues Over (Under) Expenditures	140,037	(15,879)	(155,916)
Other financing sources (uses):			
Advances In	589	478	(111)
Advances (Out)	(474)	(478)	(4)
Total Other Financing Sources (Uses)	115	0	(115)
Net Change in Fund Balance	140,152	(15,879)	(156,031)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	208	208	0
Fund Balance End of Year	\$140,360	(\$15,671)	(\$156,031)

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

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$61,355	\$52,820	(\$8,535)
Total Revenues	61,355	52,820	(8,535)
Expenditures:			
Current:			
Instruction:			
Special	61,355	52,820	8,535
Total Expenditures	61,355	52,820	8,535
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Final Budget	Actual	Variance from Final Budget
		Reducing Class Size Fund	
Revenues:			
Intergovernmental	\$186,566	\$174,181	(\$12,385)
Total Revenues	<u>186,566</u>	<u>174,181</u>	<u>(12,385)</u>
Expenditures:			
Current:			
Instruction:			
Regular	151,985	141,897	10,088
Special	5,346	4,991	355
Operation of Non-Instructional Services	<u>29,234</u>	<u>27,294</u>	<u>1,940</u>
Total Expenditures	<u>186,565</u>	<u>174,182</u>	<u>12,383</u>
Excess of Revenues Over (Under) Expenditures	<u>1</u>	<u>(1)</u>	<u>(2)</u>
Other financing sources (uses):			
Advances In	20	19	(1)
Advances (Out)	<u>(20)</u>	<u>(19)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	1	(1)	(2)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1</u></u>	<u><u>(\$1)</u></u>	<u><u>(\$2)</u></u>

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

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$17,058	\$17,845	\$787
Total Revenues	17,058	17,845	787
Expenditures:			
Current:			
Instruction:			
Regular	14,793	15,432	(639)
Operation of Non-Instructional Services	2,312	2,412	(100)
Total Expenditures	17,105	17,844	(739)
Excess of Revenues Over (Under) Expenditures	(47)	1	48
Other financing sources (uses):			
Advances In	942	986	44
Advances (Out)	(945)	(986)	(41)
Total Other Financing Sources (Uses)	(3)	0	3
Net Change in Fund Balance	(50)	1	51
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,692	14,692	0
Fund Balance End of Year	\$14,642	\$14,693	\$51

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

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$4,123	\$3,742	(\$381)
Intergovernmental	756,560	686,660	(69,900)
Charges for Services	1,982,244	1,799,100	(183,144)
Other Revenues	7,072	6,419	(653)
Total Revenues	<u>2,749,999</u>	<u>2,495,921</u>	<u>(254,078)</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	17,441	14,543	2,898
Operation of Non-Instructional Services	3,116,923	2,599,060	517,863
Total Expenditures	<u>3,134,364</u>	<u>2,613,603</u>	<u>520,761</u>
Net Change in Fund Balance	(384,365)	(117,682)	266,683
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>414,444</u>	<u>414,444</u>	<u>0</u>
Fund Balance End of Year	<u>\$30,079</u>	<u>\$296,762</u>	<u>\$266,683</u>

NONMAJOR DEBT SERVICE FUND

Fund Description

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

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

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$3,255,760	\$3,256,329	\$569
Intergovernmental	442,240	442,317	77
Total Revenues	<u>3,698,000</u>	<u>3,698,646</u>	<u>646</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	37,104	37,104	0
Debt Service:			
Principal Retirement	1,145,000	1,145,000	0
Interest and Fiscal Charges	1,772,076	1,772,075	1
Total Expenditures	<u>2,954,180</u>	<u>2,954,179</u>	<u>1</u>
Net Change in Fund Balance	743,820	744,467	647
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>5,176,950</u>	<u>5,176,950</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$5,920,770</u></u>	<u><u>\$5,921,417</u></u>	<u><u>\$647</u></u>

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NONMAJOR CAPITAL PROJECTS FUNDS

Fund Description

Permanent Improvement - The Permanent Improvement Fund is used to account for financial resources, specifically property and other local taxes generated by the District's permanent improvement levy, to be used to maintain the District's facilities, as well as provide for major equipment and instructional material purchases.

Building - The Building Fund is used to account for all transactions related to all special bond funds in the District. Proceeds from the issuance of bonds are paid into this fund.

Centerville City School District, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2018

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,473,061	\$75	\$2,473,136
Receivables (Net):			
Taxes	2,158,480	0	2,158,480
Total Assets	4,631,541	75	4,631,616
Liabilities:			
Accounts Payable	343,441	0	343,441
Total Liabilities	343,441	0	343,441
Deferred Inflows of Resources:			
Property Taxes	2,019,707	0	2,019,707
Total Deferred Inflows of Resources	2,019,707	0	2,019,707
Fund Balances:			
Restricted	2,268,393	75	2,268,468
Total Fund Balances	2,268,393	75	2,268,468
Total Liabilities, Deferred Inflows and Fund Balances	\$4,631,541	\$75	\$4,631,616

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

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
Property and Other Taxes	\$2,335,495	\$0	\$2,335,495
Investment Earnings	0	73	73
Intergovernmental	311,418	0	311,418
Total Revenues	2,646,913	73	2,646,986
Expenditures:			
Current:			
Instruction:			
Regular	577,779	0	577,779
Support Services:			
Fiscal	26,139	0	26,139
Operations and Maintenance	958,731	0	958,731
Pupil Transportation	766,452	0	766,452
Capital Outlay	54,661	17,917	72,578
Debt Service:			
Principal Retirement	0	38,039	38,039
Interest and Fiscal Charges	0	7,708	7,708
Total Expenditures	2,383,762	63,664	2,447,426
Net Change in Fund Balance	263,151	(63,591)	199,560
Fund Balance - Beginning of Year	2,005,242	63,666	2,068,908
Fund Balance - End of Year	\$2,268,393	\$75	\$2,268,468

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

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,319,511	\$2,326,454	\$6,943
Intergovernmental	310,489	311,418	929
Total Revenues	<u>2,630,000</u>	<u>2,637,872</u>	<u>7,872</u>
Expenditures:			
Current:			
Instruction:			
Regular	610,301	595,784	14,517
Support Services:			
Fiscal	26,776	26,139	637
Operations and Maintenance	1,735,187	1,693,913	41,274
Pupil Transportation	785,127	766,452	18,675
Capital Outlay	114,979	112,244	2,735
Total Expenditures	<u>3,272,370</u>	<u>3,194,532</u>	<u>77,838</u>
Net Change in Fund Balance	(642,370)	(556,660)	85,710
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,345,311</u>	<u>2,345,311</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$1,702,941</u></u>	<u><u>\$1,788,651</u></u>	<u><u>\$85,710</u></u>

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

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$73	\$73
Total Revenues	0	73	73
Expenditures:			
Current:			
Capital Outlay	63,664	63,664	0
Total Expenditures	63,664	63,664	0
Net Change in Fund Balance	(63,664)	(63,591)	73
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	63,664	63,664	0
Fund Balance End of Year	\$0	\$73	\$73

OTHER GENERAL FUNDS

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

Fund Descriptions

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

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

Special Enterprise - To account for monies used for the District's special enterprise fund.

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

	Public School Support Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$468	\$493	\$25
Investment Earnings	11,400	12,000	600
Extracurricular Activities	267,818	281,924	14,106
Other Revenues	182,314	191,917	9,603
Total Revenues	462,000	486,334	24,334
Expenditures:			
Current:			
Instruction:			
Regular	450,442	412,258	38,184
Support Services:			
Fiscal	61	56	5
Operations and Maintenance	5,921	5,419	502
Pupil Transportation	3,831	3,506	325
Extracurricular Activities	15,525	14,209	1,316
Total Expenditures	475,780	435,448	40,332
Net Change in Fund Balance	(13,780)	50,886	64,666
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	654,313	654,313	0
Fund Balance End of Year	\$640,533	\$705,199	\$64,666

(1) This fund is combined with the General fund in GAAP Statements.

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

	Uniform School Supply Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$480,000	\$487,860	\$7,860
Total Revenues	480,000	487,860	7,860
Expenditures:			
Current:			
Instruction:			
Regular	522,418	482,280	40,138
Total Expenditures	522,418	482,280	40,138
Net Change in Fund Balance	(42,418)	5,580	47,998
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	311,060	311,060	0
Fund Balance End of Year	\$268,642	\$316,640	\$47,998

(1) This fund is combined with the General fund in GAAP Statements.

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

	Special Enterprise Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$930,000	\$817,038	(\$112,962)
Total Revenues	930,000	817,038	(112,962)
Expenditures:			
Current:			
Instruction:			
Regular	950,000	732,310	217,690
Total Expenditures	950,000	732,310	217,690
Net Change in Fund Balance	(20,000)	84,728	104,728
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	24,321	24,321	0
Fund Balance End of Year	\$4,321	\$109,049	\$104,728

(1) This fund is combined with the General fund in GAAP Statements.

NONMAJOR FUNDS

Internal Service Funds

The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. The following is a description of the District's non-major internal service funds.

Fund Descriptions

Workers Comp Self Insurance - A fund used to account for workers' compensation self-insurance revenues and expenses.

Medical Self Insurance - A fund used to account for medical self-insurance revenues and expenses.

Centerville City School District, Ohio
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	<u>Workers Comp Self Insurance</u>	<u>Medical Self Insurance</u>	<u>Total Internal Service Funds</u>
Current Assets:			
Equity in Pooled Cash and Investments	<u>\$8,144</u>	<u>\$2,028,192</u>	<u>\$2,036,336</u>
Total Assets	<u>8,144</u>	<u>2,028,192</u>	<u>2,036,336</u>
Liabilities:			
Current Liabilities:			
Claims Payable	<u>15,790</u>	<u>1,594,351</u>	<u>1,610,141</u>
Total Liabilities	<u>15,790</u>	<u>1,594,351</u>	<u>1,610,141</u>
Net Position:			
Unrestricted	<u>(7,646)</u>	<u>433,841</u>	<u>426,195</u>
Total Net Position	<u><u>(\$7,646)</u></u>	<u><u>\$433,841</u></u>	<u><u>\$426,195</u></u>

Centerville City School District, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	Workers Comp Self Insurance	Medical Self Insurance	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$126,820	\$15,196,693	\$15,323,513
Total Operating Revenues	126,820	15,196,693	15,323,513
Operating Expenses:			
Contractual Services	121,873	16,654,119	16,775,992
Total Operating Expenses	121,873	16,654,119	16,775,992
Operating Income (Loss)	4,947	(1,457,426)	(1,452,479)
Non-Operating Revenues (Expenses):			
Investment Earnings	0	3,986	3,986
Total Non-Operating Revenues (Expenses)	0	3,986	3,986
Change in Net Position	4,947	(1,453,440)	(1,448,493)
Net Position - Beginning of Year	(12,593)	1,887,281	1,874,688
Net Position - End of Year	(\$7,646)	\$433,841	\$426,195

Centerville City School District, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	Workers Comp Self Insurance	Medical Self Insurance	Total Internal Service Funds
Cash Flows from Operating Activities:			
Receipts from Interfund Services Provided	\$126,820	\$15,196,693	\$15,323,513
Cash Payments to Employees	0	(16,855,250)	(16,855,250)
Cash Payments to Suppliers	(121,828)	0	(121,828)
Net Cash Provided (Used) by Operating Activities	4,992	(1,658,557)	(1,653,565)
Cash Flows from Investing Activities:			
Earnings on Investments	0	3,986	3,986
Net Cash Provided (Used) by Cash Flows from Investing Activities	0	3,986	3,986
Net Increase (Decrease) in Cash and Investments	4,992	(1,654,571)	(1,649,579)
Cash and Investments - Beginning of Year	3,152	3,682,763	3,685,915
Cash and Investments - End of Year	8,144	2,028,192	2,036,336
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	4,947	(1,457,426)	(1,452,479)
Changes in Assets & Liabilities:			
Increase (Decrease) in Claims Payables	45	(201,131)	(201,086)
Net Cash Provided (Used) by Operating Activities	\$4,992	(\$1,658,557)	(\$1,653,565)

NONMAJOR FUNDS

Fiduciary funds

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

Fund Descriptions

Scholarship Trust Fund - To account for restricted donations, where the donations themselves may be used, to provide scholarships to selected students graduating from the District.

Memorial Scholarship Trust Fund - To account for the restricted donations, where the corpus of the donations may not be used, which were provided in memory of individuals to provide scholarships to selected District students.

Agency Fund – Student Managed Activities - To account for the resources belonging to the various student groups in the District. The fund accounts for sales and other revenue generating activities by student activity programs that have students involved in the management of the program.

Centerville City School District, Ohio
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds - Private Purpose Trust
 June 30, 2018

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total Private Purpose Trust
Assets:			
Equity in Pooled Cash and Investments	\$17,946	\$0	\$17,946
Restricted Cash and Investments	0	8,889	8,889
Total Assets	17,946	8,889	26,835
Net Position:			
Held in Trust	17,946	8,889	26,835
Total Net Position	\$17,946	\$8,889	\$26,835

Centerville City School District, Ohio
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private Purpose Trust
For the Fiscal Year Ended June 30, 2018

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total Private Purpose Trust
Additions:			
Investment Earnings	\$0	\$98	\$98
Other	16,253	0	16,253
Total Additions	16,253	98	16,351
Deductions:			
Other	2,300	501	2,801
Total Deductions	2,300	501	2,801
Change in Net Position	13,953	(403)	13,550
Net Position - Beginning of Year	3,993	9,292	13,285
Net Position - End of Year	\$17,946	\$8,889	\$26,835

Centerville City School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$253,246	\$404,768	\$407,358	\$250,656
Total Assets	<u>253,246</u>	<u>404,768</u>	<u>407,358</u>	<u>250,656</u>
Liabilities:				
Accounts Payable	218	111	218	111
Other Liabilities	253,028	404,657	407,140	250,545
Total Liabilities	<u>\$253,246</u>	<u>\$404,768</u>	<u>\$407,358</u>	<u>\$250,656</u>

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STATISTICAL SECTION



Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax.

Debt Capacity

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

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information

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

Sources

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 (a)	2018
Governmental Activities										
Net Investment in Capital Assets	\$18,184,642	\$19,832,451	\$19,609,926	\$22,826,512	\$23,755,262	\$24,654,327	(\$3,598,250)	\$1,055,858	(\$117,507)	\$2,745,426
Restricted	15,791,775	18,084,408	15,063,531	17,422,268	14,924,816	11,539,215	11,746,911	8,851,343	8,385,062	9,130,603
Unrestricted	10,134,780	7,819,899	14,813,557	17,057,039	10,724,934	15,486,286	(107,611,438)	(100,215,489)	(137,995,665)	(90,357,067)
Total Net Position	\$44,111,197	\$45,736,758	\$49,487,014	\$57,305,819	\$49,405,012	\$51,679,828	(\$99,462,777)	(\$90,308,288)	(\$129,732,110)	(\$78,481,038)

Source: District Records

(a) - Restated for implementation of GASB 75, Accounting and Reporting for OPEB.

Centerville City School District, Ohio
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule Z

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
Instruction	\$52,259,836	\$51,972,550	\$53,820,326	\$52,373,986	\$53,699,518	\$55,001,081	\$55,873,786	\$53,625,448	\$62,602,532	\$31,860,840
Pupil	4,051,547	4,444,613	4,736,966	4,822,621	4,733,715	5,021,469	6,414,737	9,273,708	10,390,224	5,109,401
Instructional Staff	6,996,959	6,989,837	7,495,036	6,816,225	7,411,114	7,709,876	4,501,497	1,315,330	1,720,309	884,599
General Administration	33,370	30,057	18,192	21,396	23,561	23,934	23,525	25,445	25,566	26,055
School Administration	4,579,795	4,675,069	4,699,993	5,021,299	5,270,505	5,753,180	5,477,706	8,402,676	9,087,260	2,924,182
Fiscal	1,479,988	1,549,503	1,617,902	1,572,000	1,585,468	1,784,496	1,814,410	1,776,784	1,795,382	1,178,216
Business	660,909	536,689	520,931	529,138	526,133	555,158	472,414	532,427	757,448	450,820
Operations and Maintenance	5,991,427	5,886,180	6,070,571	6,429,544	7,007,402	7,065,457	6,144,537	6,820,755	6,854,411	4,590,843
Pupil Transportation	6,258,860	6,790,123	7,647,060	8,172,035	8,346,409	7,508,247	6,858,880	7,146,201	8,823,566	5,120,992
Central	99,859	69,029	66,148	57,117	67,309	56,703	631,619	735,117	718,031	175,846
Operation of Non-Instructional Services	4,647,458	4,602,539	4,652,500	3,703,033	4,998,273	4,079,825	5,024,917	4,900,984	5,659,174	4,106,968
Extracurricular Activities	663,382	717,549	795,539	779,430	905,109	802,191	813,476	1,672,175	1,559,888	1,442,771
Interest and Fiscal Charges	3,296,412	3,208,485	3,098,943	2,970,734	1,816,604	2,001,841	2,013,978	776,971	2,070,808	2,078,857
Unallocated Depreciation	1,652,651	1,942,562	2,149,162	2,188,015	2,216,722	2,219,387	1,629,219	1,606,780	1,668,555	1,712,295
Total Expenses	92,672,453	93,414,785	97,389,269	95,456,573	98,607,842	99,582,845	97,694,701	98,610,801	113,733,154	61,662,685
Program Revenues										
Governmental activities:										
Charges for Services and Sales										
Instruction	675,858	590,007	1,331,940	1,413,229	1,731,225	1,911,700	2,037,790	2,106,294	1,727,254	2,761,472
Instructional Staff	4,278	8,421	0	0	0	0	0	0	0	0
Operation and Maintenance	64,861	66,871	16,133	0	0	10,090	0	308	0	223
Pupil Transportation	58,796	98,687	95,143	53,182	39,872	9,602	64,215	15,789	27,307	16,492
Central	0	0	1,640	2,084	908	212	278	6,171	10,251	1,817
Operation of Non-Instructional Services	2,973,238	3,045,345	2,073,030	2,129,649	1,934,719	1,849,864	1,760,187	1,884,740	1,779,015	1,737,860
Extracurricular Activities	903,403	1,018,834	1,465,403	1,410,803	1,389,834	1,407,793	1,516,620	1,356,166	1,347,622	1,394,508
Operating Grants and Contributions	5,553,009	6,499,087	6,274,202	5,404,293	5,414,982	6,942,480	6,969,614	6,103,276	6,762,964	6,874,450
Total Program Revenues	10,233,443	11,327,252	11,257,491	10,413,240	10,511,540	12,131,741	12,348,704	11,472,744	11,654,413	12,786,822
Net (Expense)/Revenue	(\$82,439,010)	(\$82,087,533)	(\$86,131,778)	(\$85,043,333)	(\$88,096,302)	(\$87,451,104)	(\$85,345,997)	(\$87,138,057)	(\$102,078,741)	(\$48,875,863)

Source: District Records

* - Charges for services are mainly derived from food service and athletics.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue	(\$82,439,010)	(\$82,087,533)	(\$86,131,778)	(\$85,043,333)	(\$88,096,302)	(\$87,451,104)	(\$85,345,997)	(\$87,138,057)	(\$102,078,741)	(\$48,875,863)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	55,742,677	60,236,439	65,604,287	66,243,908	59,486,901	69,556,462	74,424,152	72,824,579	75,569,112	78,149,984
Payment in Lieu of Taxes	0	0	0	0	21,600	0	0	0	0	0
Grants and Entitlements Not Restricted to Specific Programs	21,338,489	22,666,873	23,546,918	21,835,387	20,375,498	19,971,742	21,330,949	22,060,076	21,370,295	21,497,727
Unrestricted Contributions	0	63,000	146,244	121,693	200,416	127,067	114,424	112,804	145,462	173,467
Investment Earnings	1,021,509	388,456	299,241	183,443	0	357,459	351,154	686,962	12,392	160,797
Insurance Recoveries	0	0	0	4,246,081	0	0	0	0	0	0
Other Revenue	261,376	358,326	285,344	231,626	111,080	137,835	211,203	608,125	108,953	144,960
Total General Revenues	78,364,051	83,713,094	89,882,034	92,862,138	80,195,495	90,150,565	96,431,882	96,292,546	97,206,214	100,126,935
Change in Net Position	(\$4,074,959)	\$1,625,561	\$3,750,256	\$7,818,805	(\$7,900,807)	\$2,699,461	\$11,085,885	\$9,154,489	(\$4,872,527)	\$51,251,072

Source: District Records

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

	Fiscal Year									
	2009	2010	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)
General Fund										
Reserved	\$3,650,175	\$3,777,674	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unreserved	8,667,764	9,012,820	0	0	0	0	0	0	0	0
Assigned			363,830	5,122,612	6,459,943	1,024,400	944,260	1,032,373	5,793,768	11,185,229
Unassigned			16,053,875	10,760,750	2,752,010	13,465,446	23,499,449	31,017,462	30,849,461	24,735,043
Total General Fund	12,317,939	12,790,494	16,417,705	15,883,362	9,211,953	14,489,846	24,443,709	32,049,835	36,643,229	35,920,272
All Other Governmental Funds										
Reserved	1,548,669	3,020,731	0	0	0	0	0	0	0	0
Unreserved, Reported in:										
Capital Project Funds	10,368,091	6,779,774	0	0	0	0	0	0	0	0
Debt Service Funds	7,802,259	7,640,126	0	0	0	0	0	0	0	0
Special Revenue Funds	713,027	487,182	0	0	0	0	0	0	0	0
Nonspendable			23,832	69,035	30,557	0	0	0	0	0
Restricted			15,358,789	17,100,523	14,749,320	11,553,186	11,819,463	9,002,072	8,522,919	9,328,770
Unassigned			(291,808)	(144,651)	(281,048)	(34,087)	(68,300)	(212,014)	(172,537)	(402,190)
Total all Other Governmental Funds	\$20,432,046	\$17,927,813	\$15,090,813	\$17,024,907	\$14,498,829	\$11,519,099	\$11,751,163	\$8,790,058	\$8,350,382	\$8,926,580

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$55,744,271	\$59,815,451	\$65,346,443	\$64,822,725	\$61,652,124	\$69,556,581	\$74,407,501	\$72,814,818	\$75,343,838	\$78,649,980
Revenue in Lieu of Taxes	0	0	0	0	21,600	0	0	0	0	0
Tuition and Fees	1,061,332	1,098,131	1,178,584	1,466,412	1,684,719	1,787,659	1,881,467	2,046,512	1,683,129	2,716,946
Investment Earnings	1,334,585	388,456	226,944	181,809	9,688	374,927	295,494	671,541	4,591	172,872
Intergovernmental	26,571,011	28,898,767	30,053,923	27,145,656	25,364,538	27,338,273	28,332,707	28,075,828	28,251,486	28,286,443
Extracurricular Activities	1,191,862	1,343,390	1,467,043	1,412,887	1,383,997	1,467,920	1,516,898	1,362,337	1,357,873	1,396,325
Charges for Services	2,427,631	2,386,643	2,423,906	2,129,649	1,934,719	1,859,954	1,760,187	1,885,048	1,779,015	1,799,100
Other Revenues	261,375	421,328	345,344	350,032	408,326	338,630	546,167	796,499	325,847	311,322
Total Revenues	\$88,592,067	\$94,352,166	\$101,042,187	\$97,509,170	\$92,459,711	\$102,723,944	\$108,740,421	\$107,652,583	\$108,745,779	\$113,332,988

Source: District Records

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction	\$52,433,915	\$51,281,544	\$53,032,086	\$53,382,253	\$53,947,184	\$54,208,496	\$55,880,735	\$53,717,399	\$56,455,794	\$61,268,664
Pupil	4,275,525	4,479,385	4,667,754	4,846,446	4,791,029	4,904,585	6,595,684	9,305,048	9,687,277	10,789,610
Instructional Staff	7,058,555	7,027,415	7,533,641	6,892,354	7,385,586	7,594,923	4,972,168	1,380,914	1,635,891	1,886,414
General Administration	33,370	30,057	18,192	21,396	23,561	23,934	23,525	25,445	25,566	26,055
School Administration	4,606,366	4,739,956	4,651,791	4,988,421	5,379,880	5,509,241	5,756,322	8,343,560	8,257,159	8,736,199
Fiscal	1,487,469	1,539,841	1,623,008	1,582,201	1,578,039	1,787,705	1,892,949	1,785,634	1,717,074	1,733,350
Business	656,005	542,435	514,055	540,334	551,454	556,092	486,310	538,491	694,077	714,087
Operation and Maintenance	5,781,291	5,662,639	5,807,690	6,164,381	6,391,690	6,853,275	6,082,407	6,946,797	6,245,578	6,506,972
Pupil Transportation	6,420,174	6,402,151	7,038,695	7,534,125	7,225,462	7,150,277	6,473,311	7,452,123	7,779,411	8,490,164
Central	99,859	69,029	66,148	57,117	67,309	56,703	613,843	751,829	674,767	588,860
Operation of Non-Instructional Services	4,648,664	4,631,046	4,633,203	3,715,033	4,990,839	4,027,841	5,018,992	4,919,320	5,499,955	5,068,706
Extracurricular Activities	662,240	716,407	794,397	778,288	903,967	801,875	813,328	1,672,386	1,559,226	1,617,413
Capital Outlay	5,543,888	2,918,319	3,436,577	3,315,960	1,408,105	350,409	928,018	3,507,838	1,481,060	2,968,110
Debt service										
Principal Retirement	2,735,000	3,225,000	3,450,000	3,715,000	3,525,000	3,975,000	1,130,000	1,212,247	1,083,680	1,183,039
Interest and Fiscal Charges	3,228,933	3,118,620	2,984,739	2,826,001	2,341,213	2,625,425	1,892,219	1,848,638	1,819,292	1,779,783
Bond Issuance Cost	0	0	0	0	413,542	0	0	0	0	0
Total Expenditures	\$99,671,254	\$96,383,844	\$100,251,976	\$100,359,310	\$100,923,860	\$100,425,781	\$98,559,811	\$103,407,669	\$104,615,807	\$113,357,426

Debt Service as a percentage of Noncapital Expenditures 6.45% 6.80% 6.64% 6.74% 6.28% 6.63% 3.09% 3.13% 2.80% 2.73%

Source: District Records

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Issuance of Long Term Debt	\$0	\$0	\$0	\$0	\$48,510,531	\$0	\$0	\$378,200	\$0	\$0
Premium on Issuance of Long Term Debt	0	0	0	0	5,816,489	0	0	0	0	0
Payment to Refunded Bonds Escrow Agent	0	0	0	0	(55,075,019)	0	0	0	0	0
Sale of Capital Assets	0	0	0	3,810	14,661	0	5,317	21,907	23,746	12,426
Refund of Prior Year Receipts	0	0	0	0	0	0	0	0	0	(134,747)
Insurance Recoveries	0	0	0	4,246,081	0	0	0	0	0	0
Transfers In	0	0	0	132,431	0	0	7,000	0	0	0
Transfers (Out)	0	0	0	(132,431)	0	0	(7,000)	0	0	0
Total Other Financing Sources (Uses)	0	0	0	4,249,891	(733,338)	0	5,317	400,107	23,746	(122,321)
Net Change in Fund Balances	(\$11,079,187)	(\$2,031,678)	\$790,211	\$1,399,751	(\$9,197,487)	\$2,298,163	\$10,185,927	\$4,645,021	\$4,153,718	(\$146,759)

Source: District Records

Centerville City School District, Ohio
 Assessed Value and Actual Value of Taxable Property
 Last Ten Calendar Years
 Schedule 8

Calendar Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Total Direct Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2008	\$1,666,917,860	\$4,762,622,457	\$21,998,498	\$91,660,408	\$21,909,160	\$49,236,433	\$1,710,825,518	\$4,903,519,298	67.65
2009	1,671,026,740	4,774,362,114	3,997,360	16,655,667	22,815,220	34,052,567	1,697,839,320	4,825,070,348	67.65
2010	1,698,384,630	4,852,527,514	687,780	2,865,750	22,613,600	33,751,642	1,721,686,010	4,889,144,906	73.55
2011	1,703,649,230	4,867,569,229	0	0	23,633,360	35,273,672	1,727,282,590	4,902,842,901	73.55
2012	1,639,940,410	4,685,544,029	0	0	25,003,230	37,318,254	1,664,943,640	4,722,862,283	73.55
2013	1,624,145,870	4,640,416,771	0	0	26,568,000	39,653,731	1,650,713,870	4,680,070,502	73.55
2014	1,638,788,470	4,682,252,771	0	0	29,072,030	43,391,090	1,667,860,500	4,725,643,861	77.77
2015	1,667,220,530	4,763,487,229	0	0	31,054,260	46,349,642	1,698,274,790	4,809,836,871	77.64
2016	1,689,585,930	4,827,388,371	0	0	33,394,210	49,842,104	1,722,980,140	4,877,230,475	77.56
2017	1,819,561,760	5,198,747,886	0	0	35,251,390	52,614,015	1,854,813,150	5,251,361,901	77.16

Source: County Auditor

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 12 1/2 percent for everything except inventories, which are assessed at 12 1/2 percent. Property is assessed annually.

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

Centerville City School District, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates			Total	Overlapping Rates				
	General Purpose	Debt	Capital Purpose		County	City of Centerville	City of Kettering	Library	Township/ Park
2008	62.17	3.68	1.80	67.65	20.94	2.35	6.79	2.70	16.85
2009	62.17	3.68	1.80	67.65	20.94	2.35	6.79	2.70	16.85
2010	68.07	3.68	1.80	73.55	20.94	2.35	6.79	2.70	16.80
2011	68.07	3.68	1.80	73.55	20.94	2.35	6.79	2.70	16.80
2012	68.07	3.68	1.80	73.55	20.94	2.35	6.79	3.00	16.80
2013	68.07	3.68	1.80	73.55	20.94	2.35	6.79	3.00	16.95
2014	73.97	2.00	1.80	77.77	20.94	2.35	6.79	3.00	18.60
2015	73.84	2.00	1.80	77.64	22.94	2.35	6.79	3.00	18.90
2016	73.76	2.00	1.80	77.56	22.94	2.35	6.79	3.00	18.90
2017	73.36	2.00	1.80	77.16	22.94	2.35	6.79	3.00	18.90

Source: County Auditor

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Centerville City School District, Ohio
Principal Property Tax Payers
Current Year and Nine Years Ago
Schedule 10

Taxpayer	2017 (1)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Dayton Power and Light Co.	\$25,010,340	1.45%
City of Centerville	8,835,410	0.51%
Vectren Energy Delivery of Ohio	7,829,860	0.45%
Miller Farm Apartments	6,605,810	0.38%
Washington Place Limited	5,941,750	0.34%
Cross Pointe Associates Inc.	5,789,910	0.34%
St. Leonard	4,913,020	0.29%
Miami Valley Hospital	4,658,040	0.27%
Township Square Shopping Center	4,375,000	0.25%
Steeplechase Advisors LTD	4,277,070	0.25%
Total Principal Tax Payers	78,236,210	4.53%
All Others	1,644,743,930	95.47%
Total Assessed Value	\$1,722,980,140	100.00%

Taxpayer	2008 (1)	
	Taxable Assessed Value	Percentage of Total Taxable Value
Dayton Power and Light Company	\$18,665,180	1.10%
Miller Farm Apartments	7,106,860	0.42%
Washington Place Limited	6,478,950	0.38%
Cross Pointe Associates, Inc	5,867,750	0.35%
Steeplechase Advisors Ltd	4,570,460	0.27%
Medford Hah LLC	4,322,160	0.25%
BCC Washington Township	4,272,260	0.25%
Chesapeake Landing	3,859,010	0.23%
Washington Park Office	3,657,500	0.22%
G&I Washington Park	3,630,180	0.21%
Total Principal Tax Payers	62,430,310	3.68%
All Others	1,635,409,010	96.32%
Total Assessed Value	\$1,697,839,320	100.00%

Source: County Auditor

(1) - Denotes calendar year

Centerville City School District, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2008	\$63,496,813	\$62,517,299	98.46%	\$979,514	\$63,496,813	100.00%
2009	62,933,120	61,546,296	97.80%	1,160,290	62,706,586	99.64%
2010	73,900,895	71,989,830	97.41%	1,226,072	73,215,901	99.07%
2011	74,369,554	72,393,492	97.34%	1,887,629	74,281,122	99.88%
2012	74,178,106	71,761,882	96.74%	808,135	72,570,017	97.83%
2013	73,841,162	72,605,510	98.33%	1,235,652	73,841,162	100.00%
2014	81,678,083	79,734,175	97.62%	1,303,157	81,037,332	99.22%
2015	82,272,522	80,746,415	98.15%	1,526,107	82,272,522	100.00%
2016	82,948,727	81,500,702	98.25%	1,448,025	82,948,727	100.00%
2017	83,899,943	82,708,931	98.58%	1,191,012	83,899,943	100.00%

Source: County Auditor

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

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

Centerville City School District, Ohio
 Outstanding Debt by Type
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	Governmental Activities		Debt Service Fund Balance	General Bonded Debt Outstanding	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases		Net General Obligation Bonds			
2009	\$70,663,795	\$0	\$8,194,620	\$62,469,175	1.46%	0.36%	\$1,334
2010	67,516,574	0	7,952,517	59,564,057	1.40%	0.36%	1,274
2011	64,171,609	0	7,818,706	56,352,903	1.31%	0.33%	1,133
2012	60,593,399	0	7,427,770	53,165,629	1.24%	0.30%	1,070
2013	55,705,689	0	6,150,723	49,554,966	1.18%	0.26%	984
2014	57,235,181	0	4,121,747	53,113,434	1.22%	0.27%	1,011
2015	55,858,558	0	4,472,658	51,385,900	1.18%	0.26%	986
2016	53,317,201	335,953	4,783,876	48,533,325	1.11%	0.24%	941
2017	52,223,457	302,273	5,354,052	46,869,405	1.07%	0.23%	922
2018	51,083,476	264,234	6,008,850	45,074,626	0.97%	N/A	902

Source: District Records

N/A - Information is not available

Centerville City School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2018
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
City of Kettering	\$8,045,000	0.09%	\$7,241
Subtotal Overlapping Debt	8,045,000		7,241
District Direct Debt	51,347,710	100.00%	51,347,710
Total Direct and Overlapping Debt	\$59,392,710		\$51,354,951

Source: Ohio Municipal Advisory Council

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government.

Centerville City School District, Ohio
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value (1)	\$1,854,813,150
Debt limit (9% of assessed value)	166,933,184
Debt applicable to limit	51,347,710
Legal debt margin	<u>\$115,585,474</u>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$153,974,297	\$152,805,539	\$154,951,741	\$155,455,433	\$149,844,928	\$148,564,248	\$150,107,445	\$152,844,731	\$155,068,213	\$166,933,184
Total net debt applicable to limit	68,235,000	65,010,000	61,560,000	57,845,000	55,705,689	57,235,181	55,858,558	53,653,154	52,525,730	51,347,710
Legal debt margin	<u>\$85,739,297</u>	<u>\$87,795,539</u>	<u>\$93,391,741</u>	<u>\$97,610,433</u>	<u>\$94,139,239</u>	<u>\$91,329,067</u>	<u>\$94,248,887</u>	<u>\$99,191,577</u>	<u>\$102,542,483</u>	<u>\$115,585,474</u>

Total net debt applicable to the limit	44.32%	42.54%	39.73%	37.21%	37.18%	38.53%	37.21%	35.10%	33.87%	30.76%
as a percentage of debt limit										

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2018 is calendar year 2017)

Centerville City School District, Ohio
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

Calendar Year	(1) Population	(2) Personal Income (Thousands of Dollars)	(3) Per Capita Personal Income	(4) Unemployment Rate
2008	52,991	\$19,487,632	\$36,245	11.4%
2009	52,991	18,829,675	35,176	11.1%
2010	56,638	19,347,596	36,108	9.6%
2011	56,638	20,258,807	37,684	9.4%
2012	56,638	21,263,616	39,795	7.8%
2013	56,638	21,514,166	40,150	5.5%
2014	56,638	21,695,498	40,742	6.0%
2015	56,638	22,473,513	42,223	5.0%
2016	56,638	22,870,434	43,051	4.6%
2017	56,638	N/A	N/A	4.6%

(1) - City of Centerville and Washington Township; 2003-2009 based on 2000 U.S. Census data, 2010 - 2013 based on 2010 U.S. Census data

(2) - Bureau of Economic Analysis Data. Information for Montgomery County

(3) - State of Ohio Bureau of Employment Services Annual averages. Information for Montgomery County

(4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average for 2006 - 2013, Current Unemployment rate for 2016

N/A - Information is not available

Centerville City School District, Ohio
 Major Employers (1)
 Current Fiscal Year and Fiscal Period Nine Years Ago
 Schedule 16

2018

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AES Corp/Dayton Power & Light	Util	(4)	(5)
Behr Dayton Thermal Products LLC	Mfg	(4)	(5)
Dayton City Schools	Govt	(4)	(5)
Dmax Ltd	Mfg	(4)	(5)
GE Capital	Fin	(4)	(5)
Green Tokai Co	Mfg	(4)	(5)
Kettering Health Network	Serv	(4)	(5)
PNC Financial Services Group	Fin	(4)	(5)
Premier Health Partners, Inc.	Serv	(4)	(5)
Reed Elsevier LexisNexis	Serv	(4)	(5)
Reynolds & Reynolds Co., Inc.	Mfg	(4)	(5)
University of Dayton	Serv	(4)	(5)
U.S. Federal Government	Govt	(4)	(5)

2009

Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
Behr Dayton Thermal Products, LLC	Mfg	(4)	(5)
Dayton City Board of Education	Govt	(4)	(5)
DPL, Inc./Dayton Power & Light Co.	Util	(4)	(5)
General Motors Corp.	Mfg	(4)	(5)
Kettering Medical Center	Health	(4)	(5)
NCR Corp.	Mfg	(4)	(5)
Premier Health Partners, Inc.	Health	(4)	(5)
Reed Elsevier LexisNexis	Pub	(4)	(5)
Reynolds & Reynolds Co., Inc.	Mfg	(4)	(5)
University of Dayton	Edu	(4)	(5)
U.S. Federal Government	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Montgomery County

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

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

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

Centerville City School District, Ohio
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Classroom Teachers	406.0	407.0	407.0	393.0	398.5	392.4	396.3	411.8	400.5	411.8
Special Education Teachers and Tutors	106.0	106.0	107.0	107.0	101.5	108.2	108.7	109.5	118.0	118.0
Educational Aides	56.0	58.0	58.0	49.0	48.6	51.0	52.0	51.6	49.5	50.1
Special Education Aides	77.0	75.0	74.0	61.0	60.0	65.5	68.0	82.4	74.5	82.6
Total Instruction	<u>645.0</u>	<u>646.0</u>	<u>646.0</u>	<u>610.0</u>	<u>608.6</u>	<u>617.1</u>	<u>625.0</u>	<u>655.3</u>	<u>642.5</u>	<u>662.5</u>
Support and Administration										
Support Personnel										
Librarians, Nurses, Counselors, Visiting Teacher	51.0	52.0	52.0	47.0	49.0	51.6	51.6	54.5	69.0	68.4
Principals	14.0	14.0	14.0	14.0	14.0	14.0	14.0	15.0	16.0	16.0
Central Office Administration	7.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	9.0	9.0
Secretaries and Clerical	37.0	38.0	38.0	38.0	36.0	36.0	37.0	31.0	41.0	41.0
Transportation	99.0	99.0	100.0	99.0	99.0	100.0	104.0	127.0	128.0	129.0
Food Service	60.0	60.0	60.0	60.0	60.0	59.0	59.0	49.0	46.0	49.0
Custodial	47.0	47.0	48.0	48.0	48.0	48.0	49.0	54.1	47.0	51.0
Maintenance and Mechanics	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	12.0	12.0
Total Support and Administration	<u>325.0</u>	<u>326.0</u>	<u>328.0</u>	<u>322.0</u>	<u>323.0</u>	<u>325.6</u>	<u>331.6</u>	<u>347.6</u>	<u>368.0</u>	<u>375.4</u>
Total Employees	<u>970.0</u>	<u>972.0</u>	<u>974.0</u>	<u>932.0</u>	<u>931.6</u>	<u>942.7</u>	<u>956.6</u>	<u>1002.9</u>	<u>1010.5</u>	<u>1037.9</u>

Source: District Records

Centerville City School District, Ohio
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2009	8,287	\$88,163,433	\$10,639	1.83%	\$92,672,453	\$11,183	(0.70%)	406.0	20.4	14.20%
2010	8,350	87,121,905	10,434	-1.93%	93,414,785	11,187	(0.05%)	407.0	20.5	14.40%
2011	8,344	90,380,660	10,832	3.82%	97,389,269	11,672	4.34%	407.0	20.5	14.62%
2012	8,391	90,502,349	10,786	(0.43%)	95,456,573	11,376	(2.52%)	393.0	21.4	14.67%
2013	8,391	94,644,105	11,279	4.58%	98,607,842	11,752	3.31%	398.5	21.1	14.53%
2014	8,372	93,825,356	11,207	(0.64%)	99,582,845	11,895	1.23%	392.4	21.3	16.50%
2015	8,375	95,537,592	11,407	1.79%	97,694,701	11,665	(1.92%)	396.3	21.1	16.62%
2016	8,254	100,346,784	12,157	6.57%	98,610,801	11,947	(2.42%)	411.8	20.0	16.00%
2017	7,772	101,712,835	13,087	7.65%	113,733,154	14,634	22.49%	400.5	19.4	15.40%
2018	7,796	110,394,604	14,160	8.20%	61,662,685	7,910	(45.95%)	411.8	18.9	15.00%

Source: District Records

Centerville City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>School</u>										
Primary Schools (2)										
Centerville Primary Village North (1970)										
Square feet	64,371	64,371	64,371	64,371	64,371	64,371	64,371	64,371	64,371	64,371
Capacity (1)	500	500	500	500	500	500	500	500	500	500
Enrollment	454	458	457	457	476	557	557	577	587	587
Site Acreage	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Centerville Primary Village South (2007)										
Square feet	72,990	72,990	72,990	72,990	72,990	72,990	72,990	72,990	72,990	72,990
Capacity (1)	700	700	700	700	700	700	700	700	700	700
Enrollment	765	771	770	770	777	698	698	681	670	670
Site Acreage	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Elementary Schools (2)										
Cline Elementary (1954)										
Square feet	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500
Capacity (1)	550	550	550	550	550	550	550	550	550	550
Enrollment	478	482	481	481	442	440	440	435	390	390
Site Acreage (with Magsig)	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1
Driscoll Elementary (1962)										
Square feet	55,047	55,047	55,047	55,047	55,047	55,047	55,047	55,047	55,047	55,047
Capacity (1)	400	400	400	400	400	400	400	400	400	400
Enrollment	312	314	314	314	306	307	307	287	250	250
Site Acreage	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
Dr. John Hole Elementary (1956)										
Square feet	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100
Capacity (1)	400	400	400	400	400	400	400	400	400	400
Enrollment	354	357	356	356	340	337	337	360	364	364
Site Acreage	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Normandy Elementary (1964)										
Square feet	58,108	58,108	58,108	58,108	58,108	58,108	58,108	58,108	58,108	58,108
Capacity (1)	550	550	550	550	550	550	550	550	550	550
Enrollment	465	468	468	468	544	507	507	477	461	461
Site Acreage	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
Stingley Elementary (1962)										
Square feet	48,727	48,727	48,727	48,727	48,727	48,727	48,727	48,727	48,727	48,727
Capacity (1)	400	400	400	400	400	400	400	400	400	400
Enrollment	348	351	350	350	267	266	266	244	246	246
Site Acreage (with Tower Hts)	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Weller Elementary (1959)										
Square feet	54,955	54,955	54,955	54,955	54,955	54,955	54,955	54,955	54,955	54,955
Capacity (1)	550	550	550	550	550	550	550	550	550	550
Enrollment	492	496	496	496	493	491	491	523	529	529
Site Acreage	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6

Source: District Records

- (1) Capacity considers many variables just as class size, federally required programs, and district-level programs thus may change accordingly.
- (2) During fiscal year 2008, a school re-configuration occurred moving grade 1 out of six elementary schools into two primary schools and splitting kindergarten into each primary school from the once-centralized kindergarten village.

Centerville City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19 (continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>School</u>										
Middle Schools										
Magsig Middle School (1919)										
Square feet	90,100	90,100	90,100	90,100	90,100	90,100	90,100	90,100	90,100	90,100
Capacity (1)	600	600	600	600	600	600	600	600	600	600
Enrollment	592	596	600	600	602	607	607	596	607	607
Site Acreage (with Cline)	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1	25.1
Tower Heights Middle School (1966)										
Square feet	82,685	82,685	82,685	82,685	82,685	82,685	82,685	82,685	82,685	82,685
Capacity (1)	600	600	600	600	600	600	600	600	600	600
Enrollment	578	582	586	586	544	517	517	535	536	536
Site Acreage (with Stingley)	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Watts Middle School (1969)										
Square feet	97,369	97,369	97,369	97,369	97,369	97,369	97,369	97,369	97,369	97,369
Capacity (1)	750	750	750	750	750	750	750	750	750	750
Enrollment	739	743	749	748	762	760	760	727	693	693
Site Acreage	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
High School										
Centerville High School (1973)										
Square feet	489,243	489,243	489,243	489,243	489,243	489,243	489,243	489,243	489,243	489,243
Capacity (1)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Enrollment	2,682	2,698	2,718	2,718	2,821	2,824	2,824	2,812	2,807	2,807
Site Acreage	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0

Source: District Records

- (1) Capacity considers many variables just as class size, federally required programs, and district-level programs thus may change accordingly.
- (2) During fiscal year 2008, a school re-configuration occurred moving grade 1 out of six elementary schools into two primary schools and splitting kindergarten into each primary school from the once-centralized kindergarten village.

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Dave Yost • Auditor of State

CENTERVILLE CITY SCHOOL DISTRICT

MONTGOMERY 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
DECEMBER 27, 2018**