



# West Clermont Local School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018

**Cincinnati, Ohio**

- ◆ Amelia > Brantner > Clough Pike > Holly Hill > Merwin > Summerside  
> Willowville > Withamsville-Tobasco Elementary Schools
  - ◆ West Clermont Middle School
  - ◆ West Clermont High School



# OHIO AUDITOR OF STATE KEITH FABER



Board of Education  
West Clermont Local School District  
4350 Aicholtz Road, Suite 220  
Cincinnati, Ohio 45245

We have reviewed the *Independent Auditor's Report* of the West Clermont Local School District, Clermont County, prepared by Julian & Grube, Inc., for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

March 21, 2019

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Cincinnati, Ohio

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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PREPARED BY:  
OFFICE OF THE TREASURER/CFO  
KELLY SININGER

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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# **INTRODUCTORY SECTION**

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## WEST CLERMONT LOCAL SCHOOL DISTRICT

4350 Aicholtz Road, Suite 220  
Cincinnati, OH 45245  
(513) 943-5000  
www.westcler.org

Natasha L Adams - Superintendent  
Kelly Sininger - Treasurer

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February 26, 2019

To the Citizens and Board of Education of the West Clermont Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the West Clermont Local School District (District) for the fiscal year ended June 30, 2018. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. This report will provide taxpayers of the West Clermont Local School District with comprehensive financial data in a format, which will enable them to gain an understanding of the District's financial affairs. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Financial Officer's Office and includes an opinion from Julian & Grube, Inc.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, Clermont County Administrative Offices, Union Township, Pierce Township, Batavia Township, other governments in Clermont County, Moody's financial rating services, and any other interested parties.

The Comprehensive Annual Financial Report is divided into three sections:

The Introductory Section includes this transmittal letter, and a list of principal officials and the District's organizational chart. Also included are the District's major current and future initiatives.

The Financial Section includes the independent auditor's report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, combining statements for non-major funds and schedules that provide detailed information relative to the basic financial statements, required supplementary information, and notes to the required supplementary information.

The Statistical Section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). The District's MD&A can be found immediately following the report of the independent auditors.

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

The District is comprised of several townships in Clermont County, including Union Township, Pierce Township, and Batavia Township. Enrollment for the 2017-2018 school year was 8,038 students, grades pre-K through 12. The District consists of eight elementary schools, one middle school, and one high school campus. West Clermont is the 21<sup>st</sup> largest of Ohio's 610 school districts.

## **ORGANIZATION OF THE SCHOOL DISTRICT**

The Board of Education of the West Clermont Local School District (Board) is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body and policy initiator of the operation of the District. The Board is also responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code. The current Board members, their terms and years on the Board as of June 30, 2018 are:

<b><u>Board Member</u></b>	<b><u>Current Term</u></b>	<b><u>Total Years</u></b>
Tammy Brinkman	01/01/16 -12/31/2019	6.50
Tina Sanborn	01/01/16 -12/31/2019	6.50
Jim Rudy	01/01/18 - 12/31/2021	.50
David Schaeff	01/01/18 -12/31/2021	1.25
Denise Smith	01/01/18 -12/31/2021	6.60

The Superintendent is the chief executive director of the District and is responsible directly to the Board for all operations of the District. The Board of Education appointed Dr. Keith Kline as Superintendent, effective February 1, 2013. Dr. Kline served in that position until his retirement on June 30, 2018. Mrs. Natasha Adams was named Superintendent effective July 1, 2018.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mrs. Alana Cropper was named District Treasurer effective January 1, 2005. Mrs. Cropper served in that position until her retirement on October 31, 2018. Mrs. Kelly Sininger was named District Treasurer effective November 1, 2018.

Treasurer's office personnel report directly to the Treasurer. All other District employees are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

## **EMPLOYEE RELATIONS**

The District currently has approximately 714 full-time and 150 part-time employees.

The District's teachers are represented for collective bargaining purposes by the West Clermont Education Association (WCEA, an affiliate of the Ohio Education Association (OEA) and the National Education Association (NEA)). The District has a collective bargaining agreement with WCEA, which expires July 31, 2020. The District's support staff is represented by the West Clermont Helping Ohio's Public Employees (HOPE, an OEA and NEA Affiliate). The District has a collective bargaining agreement with HOPE, which expires June 30, 2020.

## **ECONOMIC CONDITION AND OUTLOOK**

Located in Clermont County, the West Clermont Local School District serves a population of approximately 68,262 people. Within the District boundaries are the majority of Union Township, as well as parts of Pierce Township, Batavia Township, Ohio Township and Monroe Township. These rapidly growing and thriving communities are a blend of residential, business, high technology, and light industrial areas. Convenient access to State Route 32 and interstate connector I-275 has helped in the spectacular growth of the area during the last twenty years. The greater Cincinnati area has long been noted as one of the premiere areas to live and work in the United States.

A strong industrial base in Union Township is currently in mid-development stage. A tax incentive district supports this multi-use development. The District has entered into an agreement with the Union Township trustees to provide the District reimbursement for lost tax revenue as a result of the tax incentives used to attract new businesses. In addition, significant residential growth in all segments continues to provide a stable tax base for the District for many years. With general economic conditions improving, prospects for continued growth look favorable. We are always striving to provide the very best opportunities to every child, while carefully guarding the District's resources.

The last tax levy was passed in May 2009. The residents of the District approved a 6.9 mill substitute levy. This levy will continue the collections of the 5 year emergency levy passed in March of 2004.

## ENROLLMENT

The District is growing as we restructure our facilities and revise our programs and services to attract and retain students.

School Year	PreK-5	6-8	9-12	Total Enrollment
2014-2015	3921	1820	2364	8105
2015-2016	3926	1781	2432	8139
2016-2017	3958	1864	2450	8272
2017-2018	3957	1897	2506	8360

Projected enrollment in the District for the school years 2018-2019 through 2022-2023 is shown in the table below:

School Year	K-5	6-8	9-12	Total Enrollment
2018-2019	3928	1932	2597	8457
2019-2020	4074	1937	2697	8708
2020-2021	4186	1955	2739	8880
2021-2022	4249	2005	2793	9047
2022-2023	4369	2021	2770	9160

## SERVICES PROVIDED

The District provides a wide variety of education and support services, as mandated by the Ohio Revised Code or board directives.

Transportation is provided for over 4,199 students each day. The District fleet of 84 buses travels over 4,837 miles each day, transporting to 30 different sites. In addition to making more than 70 daily runs, the department transported both public and non-public students on 856 extra-curricular trips during the year.

The food service department served 533,176 plate lunches throughout the District's kitchens. This is accomplished through the full operation of 10 kitchens. The District currently offers a breakfast program at all buildings.

In addition to transportation and school lunch support services, students in the District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

Limited health services are provided by 4 registered nurses and 14 health aides throughout the District.

The District offers regular instructional programs daily to students in grades K-12. Approximately 322 students participated in the specific trades through Great Oaks Institute of Technology and Career Development programs. About 1,243 students receive special services, due to physical or mental handicapping conditions. In grades K-12, approximately 177 students have been identified as gifted.

## **MAJOR CURRENT AND FUTURE INITIATIVES**

### Creating the Schools We Need

Under the direction of Dr. Kline, West Clermont's strategic plan, *Creating the Schools We Need*, was developed in collaboration between parents, staff, students and community members involved on a District Planning Council. The following purpose statements were adopted by the West Clermont School Board and endorsed by the West Clermont Education Association.

- Develop a school culture that embraces all students.
- Teach from a curriculum that is based on state and national standards.
- Base instruction on current research and utilize proven best practices.
- Hold students accountable to high standards.
- Engage students in active learning and quality work in the classroom.
- Develop critical and creative thinkers.
- Foster a love of learning.
- Provide safe facilities conducive to learning.

## **CHALLENGES FOR 2018-2019 AND BEYOND**

- Provide sufficient facilities and classrooms for the student population.
- Recruit and retain a quality staff.
- Provide resources for staff development.
- Ensure that technology in the schools keeps pace with the needs of students.
- Increase communications with our community to ensure meeting the changing needs of our community.

Building a solid foundation of literacy is a core precept of the District curriculum and classroom focus. Beginning in elementary, students' skills and achievements are measured to ensure progress is being made on an individual basis. This gives teachers and parents specific, individualized information about the student's development, which allows them to better work with them. As they progress through elementary school, they are taught by highly trained teachers whose skills are developed through literacy based programs.

## **BELIEFS**

### The District's vision

Our Mission is to provide a safe, united, academically challenging environment where all students achieve excellence.

## **LONG RANGE BUILDING AND MAINTENANCE PLANS**

The District, as part of its strategic planning, in conjunction with the Ohio Facilities Construction Commission, embarked on completing an Educational Facilities Master Plan in 2003. This plan has provided the blueprint for our facility improvement plan. On November 6, 2007, the District's residents approved a 1.36 mill levy for the purpose of replacing two elementary buildings. Amelia Elementary, originally built in 1932 and WT Elementary, originally built in 1936, replacements were funded with the 2007 bond levy. The two new elementary buildings were opened in September 2010 and represented the first step of the facility improvement plan.



Current ages of our buildings are as follows:

<u>Building</u>	<u>Year Built</u>	<u>Age</u>
Amelia Elementary	2010	8
Brantner Elementary	1963	55
Clough Pike Elementary	1968	50
Holly Hill Elementary	1982	36
Merwin Elementary	1969	49
Summerside Elementary	1951	67
Willowville Elementary	1968	50
Withamsville Elementary	2010	8
West Clermont Middle	1961	57
West Clermont High	2017	1

The District completed the second major step of the facility improvement plan in the fall of 2017 with the opening of West Clermont High School and West Clermont Middle School. Through a unique tax financing arrangement with Union Township, the District built one new high school to replace the former Amelia and Glen Este High Schools. The plan provides for Union Township to sell the sites of the former Glen Este High School and Middle Schools to developers. Those sites, along with other properties, will form a development district and the taxes will be used to fund debt costs of the new high school. In addition to building a new high school, the District consolidated its middle school operations from two buildings to one. This was accomplished by constructing a connector between the former Amelia Middle and Amelia High School buildings.

The third step of our facility improvement plan began in the spring of 2017, as we began planning for the construction of a new Summerside Elementary, a new Willowville Elementary, and renovations to the existing Clough Pike Elementary. These projects are being funded by credits accumulated through our participation in the Ohio Facilities Construction Commission program. After completion of the third step of our program, the District will have addressed our buildings most in need of improvement.

## **FINANCIAL INFORMATION**

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

### Internal Accounting and Budgetary Controls

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

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.

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary measure is first adopted, the permanent appropriation must be adopted within three months. The District's most significant fund budgeted is the General fund.

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

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

The manual accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished monthly reports showing the status of the budget account(s) for which he or she is responsible. Each program manager may request additional financial reports during the month when necessary.

As an additional safeguard, all employees involved with receiving and depositing funds are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher bond.

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

#### Independent Audit

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. Julian & Grube, Inc.'s unmodified opinion rendered on the District's basic financial statements is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

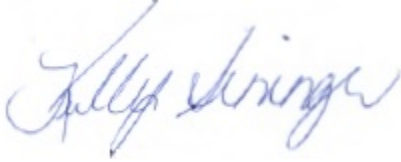
#### Awards

The District received the coveted Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the 2017 Comprehensive Annual Financial Report. This year's report will also be submitted for this award. We feel that the contents of the report are easily readable, efficiently organized and conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The District believes our current report conforms to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The District will also seek the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2018. The District received the Certificate of Excellence in Financial Reporting from ASBO for the 2017 Comprehensive Annual Financial Report. This award certifies that a Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

The preparation of the 2018 Comprehensive Annual Financial Report of the West Clermont Local School District was made possible by the dedicated service of the entire Treasurer's staff. Sincere appreciation is extended to Toni Meyer for her efforts. The publication of this comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kelly Sininger". The signature is written in a cursive style with a large initial "K".

Kelly Sininger  
Treasurer/CFO

**WEST CLERMONT LOCAL SCHOOL DISTRICT**  
**LIST OF PRINCIPAL OFFICIALS**  
**JUNE 30, 2018**

**BOARD OF EDUCATION**

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President .....Tina Sanborn  
Vice President .....Jim Rudy  
Board Member .....David Schaeff  
Board Member .....Tammy Brinkman  
Board Member .....Denise Smith

**ADMINISTRATIVE OFFICIALS**

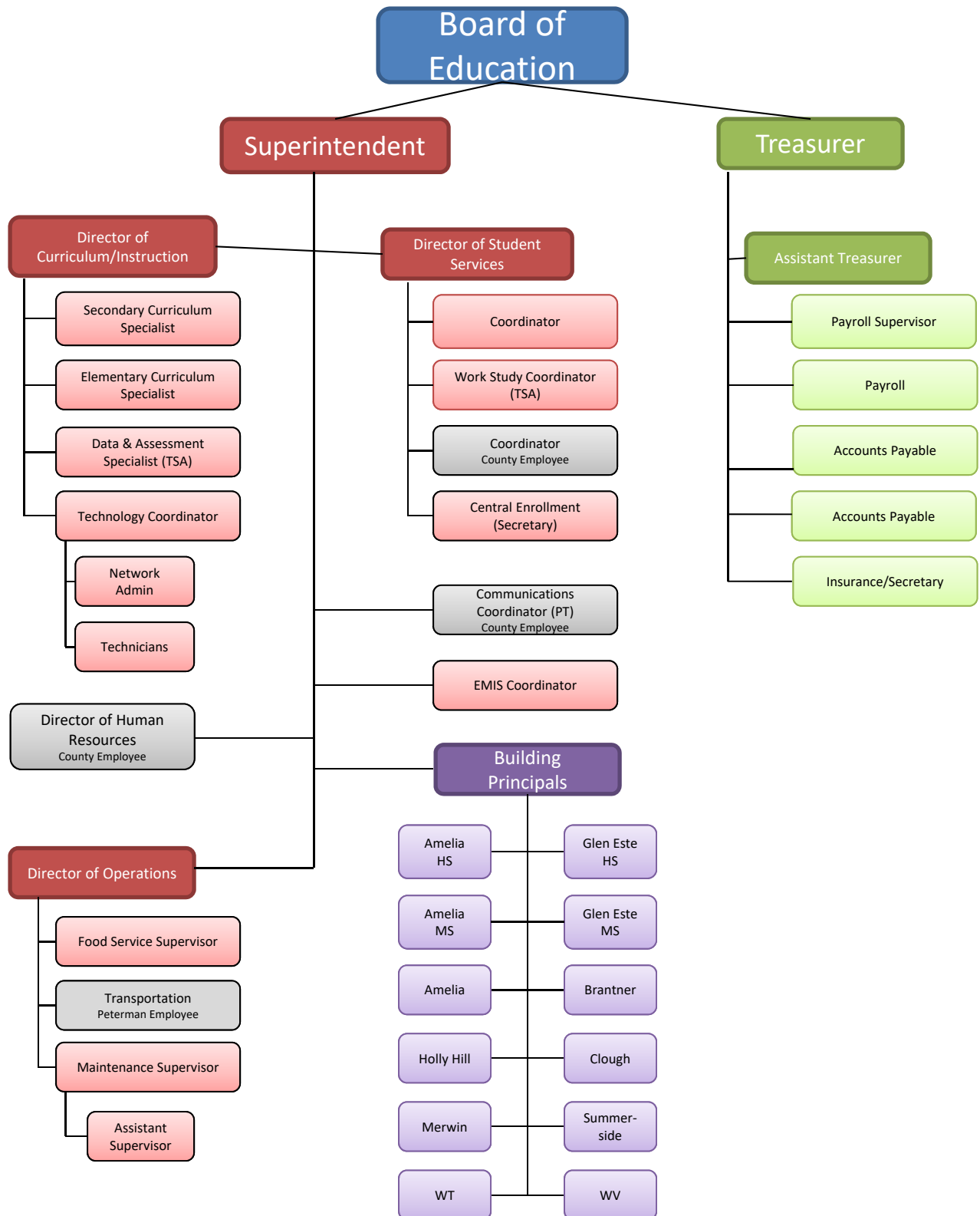
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Superintendent\* .....Dr. Keith Kline  
Treasurer\*\* .....Alana G. Cropper, CPA  
Director of Human Resources.....David Fultz  
Director of Curriculum & Instruction.....Ellen Preston  
Director of Pupil Personnel/Special Education.....Tracy Quattrone  
Director of Operations .....Lance Perry  
Supervisor of Educational Programs .....Amy Storer  
Supervisor of Educational Programs .....Jessica West

\* Natasha Adams was named Superintendent effective July 1, 2018

\*\*Kelly Sininger was named Treasurer/CFO effective November 1, 2018

# West Clermont School District Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**West Clermont Local School District**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**West Clermont Local School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE  
Executive Director

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# **FINANCIAL SECTION**

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# Julian & Grube, Inc.

*Serving Ohio Local Governments*

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

## Independent Auditor's Report

West Clermont Local School District  
Clermont County  
4350 Aicholtz Road, Suite 220  
Cincinnati, Ohio 45245

To the Board of Education:

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the West Clermont Local School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the West Clermont Local School 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, each major fund, and the aggregate remaining fund information of the West Clermont Local School District, Clermont County, Ohio, as of June 30, 2018, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during fiscal year 2018, the West Clermont Local School 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*, and schedules of net pension and other postemployment benefit liabilities and pension and other postemployment 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 West Clermont Local School District's basic financial statements taken as a whole.

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected 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 February 26, 2019, on our consideration of the West Clermont Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Clermont Local School District's internal control over financial reporting and compliance.

*Julian & Grube, Inc.*

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

The management's discussion and analysis of the West Clermont Local 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 basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2018 are as follows:

- In total, net position of governmental activities increased \$28,193,255 from \$(13,238,377) to \$14,954,878 which represents a 212.97% increase from 2017's restated net position. The increase in net position is primarily the result of a reduction in the District's net pension liability.
- General revenues accounted for \$74,625,084 in revenue or 81.95% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$16,436,515 or 18.05% of all revenues. The District had total revenues of \$91,061,599.
- The District had \$62,868,344 in expenses related to governmental activities; only \$16,436,515 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs.
- The District's major governmental funds are the General Fund, Permanent Improvement Fund and Classroom Facilities Fund. The General Fund had \$74,159,708 in revenues and other financing sources and \$79,553,082 in expenditures and other financing uses. During fiscal year 2018, the General Fund's fund balance decreased from \$28,871,943 to \$23,478,569.
- The District's Permanent Improvement Fund had \$5,619,517 in revenues and other financing sources and \$10,094,449 in expenditures and other financing uses. During fiscal year 2018, the Permanent Improvement Fund's fund balance decreased from \$691,942 to a deficit balance of \$3,782,990, the result of an interfund loan payable reported as a liability at fiscal year-end.
- The District's Classroom Facilities Fund had \$19,315,732 in revenues and \$4,202,351 in expenditures. During fiscal year 2018, the Classroom Facilities Fund's fund balance increased from \$1,493,365 to \$16,606,746. The District received \$19,245,213 in drawdowns from the Ohio Facilities Construction Commission (OFCC) during fiscal year 2018 for the construction of two new elementary school buildings.

**Using the Basic 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 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. In the case of the District, the General Fund, Permanent Improvement Fund and Classroom Facilities Fund are by far the most significant funds, and the only governmental funds reported as major funds.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

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

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

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

The District's statement of net position and statement of activities can be found on pages 17-18 of this report.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 12. 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. The District's major governmental funds are the General Fund, Permanent Improvement Fund and Classroom Facilities Fund.

***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 than can readily be converted to cash. The governmental fund financial 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 on the statement of net position and in the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-23 of this report.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for student activities payroll withholding liabilities. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 24 and 25. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 27-75 of this report.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability. The required supplementary information can be found on pages 78-91 of this report.

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table on the following page provides a summary of the District's net position for fiscal years 2018 and 2017. The net position at June 30, 2017, has been restated as described in Note 3.A of the notes to the basic financial statements.

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	<b>Net Position</b>	
	Governmental Activities <u>2018</u>	Restated Governmental Activities <u>2017</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 115,349,226	\$ 133,700,018
Capital assets, net	<u>154,191,636</u>	<u>146,221,641</u>
Total assets	<u>269,540,862</u>	<u>279,921,659</u>
<b><u>Deferred outflows of resources</u></b>	<u>29,489,850</u>	<u>22,497,588</u>
<b><u>Liabilities</u></b>		
Current liabilities	10,909,637	16,093,839
Long-term liabilities:		
Due within one year	2,670,500	2,945,046
Due in more than one year:		
Net pension liability	83,439,800	111,091,343
Net OPEB liability	19,350,955	23,119,672
Other amounts	<u>126,490,545</u>	<u>128,910,702</u>
Long-term liabilities	<u>231,951,800</u>	<u>266,066,763</u>
Total liabilities	<u>242,861,437</u>	<u>282,160,602</u>
<b><u>Deferred inflows of resources</u></b>	<u>41,214,397</u>	<u>33,497,022</u>
<b><u>Net position</u></b>		
Net investment in capital assets	26,287,391	21,801,177
Restricted	50,778,802	57,706,101
Unrestricted (deficit)	<u>(62,111,315)</u>	<u>(92,745,655)</u>
Total net position (deficit)	<u>\$ 14,954,878</u>	<u>\$ (13,238,377)</u>

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 School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the 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.



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
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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.

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 \$9,705,836 to (\$13,238,377).

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

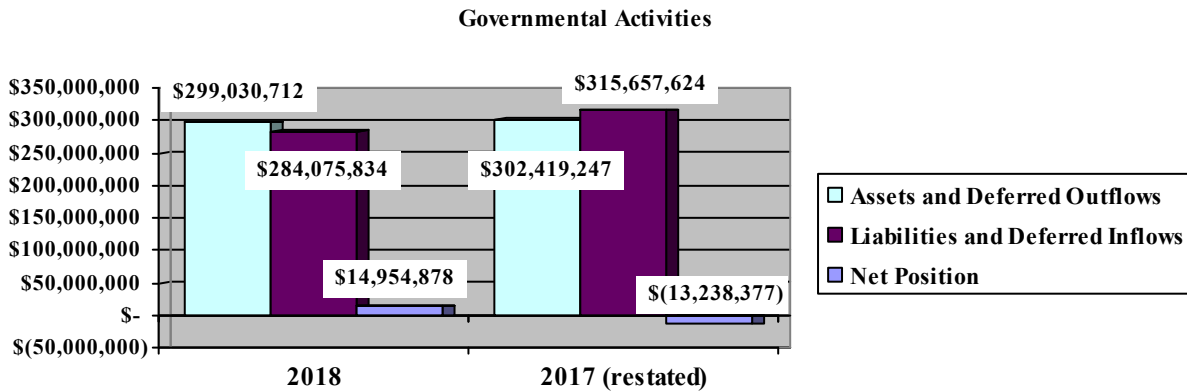
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,954,878. The net investment in capital assets at June 30, 2018 was \$26,287,391. A portion of the District's net position, \$50,778,802, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$62,111,315.

The overall increase in assets is mainly due to increases in capital assets due to the completion of the new West Clermont High School building and Mercy West Clermont HealthPlex facility during fiscal year 2018.

At year-end, capital assets represented 57.21% of total assets. Capital assets include land, construction in progress, buildings and improvements, equipment and vehicles. Capital assets are used to provide services to the students and are not available for future spending.

Liabilities decreased for the District, mostly due to a significant reduction in the net pension liability and net OPEB liability. Other long-term liabilities, consisting primarily of bonds payable, also decreased as the District continues to pay off the debt.

The chart below shows the District's governmental activities assets and deferred outflows, liabilities and deferred inflows and net position at June 30, 2018 and 2017. The amounts at June 30, 2017 have been restated as described in Note 3.A.



The table on the following page shows the change in net position for fiscal years 2018 and 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

	<b>Change in Net Position</b>	
	Governmental	Restated
	Activities	Governmental
	<u>2018</u>	<u>2017</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 4,107,093	\$ 3,630,060
Operating grants and contributions	12,324,422	6,145,682
Capital grants and contributions	5,000	-
General revenues:		
Property taxes and PILOT	43,383,056	44,886,192
Grants and entitlements	30,632,090	81,374,065
Other	<u>609,938</u>	<u>2,807,755</u>
Total revenues	<u>91,061,599</u>	<u>138,843,754</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	22,075,567	41,861,700
Special	11,466,774	11,495,177
Vocational	279,281	544,478
Other	2,639	8,587
Support services:		
Pupil	4,061,991	5,192,950
Instructional staff	1,719,680	2,703,808
Board of education	331,304	
Administration	2,871,575	5,723,401
Fiscal	1,441,938	1,907,796
Business	80,614	57,363
Operations and maintenance	3,182,130	6,705,393
Pupil transportation	6,740,293	6,085,872
Central	331,260	390,406
Operation of non-instructional services:		
Food service operations *	399,229	-
Other non-instructional services	1,863,015	2,339,604
Extracurricular activities	1,062,392	1,243,981
Interest and fiscal charges	<u>4,958,662</u>	<u>5,574,546</u>
Total expenses	<u>62,868,344</u>	<u>91,835,062</u>
Change in net position	28,193,255	47,008,692
Net position (deficit) at beginning of year (restated)	<u>(13,238,377)</u>	<u>N/A</u>
Net position (deficit) at end of year	<u>\$ 14,954,878</u>	<u>\$ (13,238,377)</u>

\*For fiscal year 2017, food service operations expense was included in other non-instructional services expense.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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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 \$175,459 computed under GASB 45. GASB 45 required recognizing OPEB 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 \$2,551,610. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$ 62,868,344
Negative OPEB expense under GASB 75	2,551,610
2018 contractually required contributions	<u>228,633</u>
Adjusted 2018 program expenses	65,648,587
Total 2017 program expenses under GASB 45	<u>91,835,062</u>
Decrease in program expenses not related to OPEB	<u>\$ (26,186,475)</u>

**Governmental Activities**

Net position of the District's governmental activities increased \$28,193,255. Total governmental expenses of \$62,868,344 were offset by program revenues of \$16,436,515 and general revenues of \$74,625,084. Program revenues supported 26.14% of the total governmental expenses.

Total revenues for fiscal year 2018 were 34.41% lower than the prior year, mostly as a result of decreased restricted grants and entitlements general revenue. During fiscal year 2017, the District received an OFCC grant award of \$45,363,991, which was recognized as revenue in the statement of activities. For fiscal year 2018, the presentation of certain revenues in the statement of activities were reclassified: payments in lieu of taxes were broken out separately from property tax revenue, and state foundation revenue restricted for special education, transportation and career tech educational funding was reported in operating grants and contributions program revenues rather than unrestricted grants and entitlements not restricted in general revenues.

The District depends greatly upon 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 appraised 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 school districts do not receive additional property taxes related to increases in appraised values and must regularly return to the voters to maintain a constant level of service. Property taxes levied for general purposes made up 46% of total governmental activities revenue for fiscal year 2018.

Expenses of the governmental activities decreased \$28,966,718 or 31.54%. This decrease is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the District reported (\$25,341,968) in pension expense and (\$2,551,610) in OPEB expense mainly due to these benefit changes.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table that follows shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>
<b>Governmental Activities</b>				
<b>Program expenses</b>				
Instruction:				
Regular	\$ 22,075,567	\$ 18,754,073	\$ 41,861,700	\$ 39,051,946
Special	11,466,774	4,391,872	11,495,177	7,944,326
Vocational	279,281	233,719	544,478	544,478
Other	2,639	2,639	8,587	8,587
Support services:				
Pupil	4,061,991	3,874,954	5,192,950	5,066,150
Instructional staff	1,719,680	1,470,533	2,703,808	2,461,234
Board of education	331,304	331,304	-	-
Administration	2,871,575	2,799,314	5,723,401	5,662,892
Fiscal	1,441,938	1,441,938	1,907,796	1,907,796
Business	80,614	69,574	57,363	57,363
Operations and maintenance	3,182,130	3,126,428	6,705,393	6,639,273
Pupil transportation	6,740,293	5,160,507	6,085,872	6,085,872
Central	331,260	331,260	390,406	390,406
Operations of non-instructional services:				
Food service operations *	1,863,015	(665,485)	-	-
Other non-instructional services	399,229	(376,629)	2,339,604	(30,047)
Extracurricular activities	1,062,392	527,166	1,243,981	694,498
Interest and fiscal charges	<u>4,958,662</u>	<u>4,958,662</u>	<u>5,574,546</u>	<u>5,574,546</u>
Total expenses	<u>\$ 62,868,344</u>	<u>\$ 46,431,829</u>	<u>\$ 91,835,062</u>	<u>\$ 82,059,320</u>

\*For fiscal year 2017, food service operations expense was included in other non-instructional services expense.

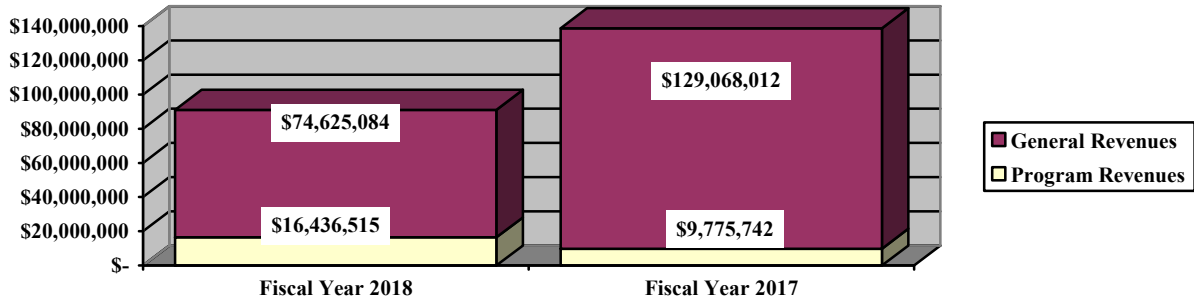
The dependence upon tax and other general revenues for governmental activities is apparent; 69.13% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 73.86%. The District's taxpayers and unrestricted grants are by far the primary support for District's students.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The graph below presents the District's governmental activities revenue for fiscal year 2018 and 2017.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds (as presented on page 19) reported a combined fund balance of \$42,709,953, compared to last year's total of \$39,427,068. The table below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	Fund Balance <u>June 30, 2018</u>	Fund Balance <u>June 30, 2017</u>	<u>Change</u>
General	\$ 23,478,569	\$ 28,871,943	\$ (5,393,374)
Permanent improvement	(3,782,990)	691,942	(4,474,932)
Classroom facilities	16,606,746	1,493,365	15,113,381
Nonmajor governmental funds	<u>6,407,628</u>	<u>8,369,818</u>	<u>(1,962,190)</u>
Total	<u>\$ 42,709,953</u>	<u>\$ 39,427,068</u>	<u>\$ 3,282,885</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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***General Fund***

The District's General Fund reported a fund balance of \$23,478,569 at June 30, 2018, which represents a decrease of \$5,393,374 from the prior year. The table that follows assists in illustrating the financial activities of the General Fund.

	2018 <u>Amount</u>	2017 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 35,652,086	\$ 37,367,066	(4.59) %
Tuition	1,950,386	2,045,068	(4.63) %
Earnings on investments	260,526	67,114	288.18 %
Intergovernmental	35,526,897	35,108,713	1.19 %
Other revenues	<u>761,978</u>	<u>1,387,035</u>	(45.06) %
Total	<u>\$ 74,151,873</u>	<u>\$ 75,974,996</u>	(2.40) %
<b><u>Expenditures</u></b>			
Instruction	\$ 47,587,202	\$ 44,209,740	7.64 %
Support services	30,226,589	26,434,348	14.35 %
Operation of non-instructional services	15,497	47,470	(67.35) %
Extracurricular activities	497,530	394,713	26.05 %
Facilities acquisition and construction	758,425	-	100.00 %
Capital outlay	-	54,051	(100.00) %
Debt service	<u>60,645</u>	<u>-</u>	100.00 %
Total	<u>\$ 79,145,888</u>	<u>\$ 71,140,322</u>	11.25 %

The District experienced growth in earnings on investments and intergovernmental revenues. As mentioned previously, intergovernmental revenue increased due to collections for the construction project. Higher interest rates on investments contributed to an increase in earnings on investments. Other revenues decreased due to less received during fiscal year 2018 from refunds and reimbursements.

Most of the increase in General Fund expenditures is due to an increase in overall staffing and higher wages and benefits costs for the District's instructional and support staff. Operation of non-instructional expenditures related to services provided to other entities decreased from the prior year. Debt service expenditures increased due to the capital lease debt service payments paid from the General Fund during fiscal year 2018 for energy conservation improvements. The District incurred more facilities acquisition and construction expenditures from the General Fund during fiscal year 2018 than the prior year.

***Permanent Improvement Fund***

The Permanent Improvement Fund is a major fund that accounts for resources received from property taxes, payment in lieu of taxes, and intergovernmental revenues to be used for the acquisition, construction or improvement of capital facilities and other capital assets. The Permanent Improvement Fund had \$5,619,517 in revenues and other financing sources and \$10,094,449 in expenditures and other financing uses during fiscal year 2018.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

***Classroom Facilities Fund***

The Classroom Facilities Fund is a major fund that was established to account for the construction of two new elementary schools in conjunction with the OFCC. The fund had \$19,315,732 in revenues and \$4,202,351 in facilities acquisition and construction expenditures during fiscal year 2018. The District drew down \$19,245,213 in state funds during fiscal year 2018, and the remaining state share of the project, \$26,118,778, has been reported as a receivable at June 30, 2018. The District will draw down on the state funds over the duration of the project.

***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.

During the course of fiscal year 2018, the District amended its General Fund budget several times. For the General Fund, original and final budget revenues and other financing sources were \$68,000,000 and \$74,764,212, respectively. Actual revenues and other financing sources were \$80,010,930, which is \$5,246,718 or 7.02% higher than the final budget.

General Fund original appropriations (appropriated expenditures plus other financing uses) of \$75,288,110 were increased to \$83,738,895 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2018 totaled \$83,791,966, which is \$53,071 or 0.06% higher than the final budget appropriations. There were no significant variances between the actual and final budget appropriations. The District uses site-based budgeting and the budgeting systems are designed to tightly control site budgets but provide flexibility for site management.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2018, the District had \$154,191,636 (net of accumulated depreciation) invested in land, construction in progress, buildings and improvements, equipment and vehicles. This entire amount is reported in governmental activities. The table that follows shows fiscal year 2018 balances compared to 2017.

<b>Capital Assets at June 30 (Net of Depreciation)</b>		
<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>
Land	\$ 8,555,584	\$ 8,555,584
Construction in progress	970,986	98,214,860
Building and improvements	142,273,011	36,733,210
Equipment	2,250,678	2,545,411
Vehicles	<u>141,377</u>	<u>172,576</u>
 Total	 <u>\$ 154,191,636</u>	 <u>\$ 146,221,641</u>



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

The increase in capital assets is a result of capital asset additions of \$18,924,898 (net of \$112,909,391 in disposals of construction in progress, which was transferred to buildings and improvements) exceeding depreciation expense of \$6,133,774 and disposals net of accumulated depreciation of \$4,821,129. See Note 10 in the notes to the basic financial statements for additional detail on the District's capital assets.

***Debt Administration***

At June 30, 2018, the District had \$125,388,265 in bonds and capital leases outstanding. Of this total, \$1,943,000 is due within one year and \$123,445,265 is due in greater than one year.

The following table summarizes the debt outstanding.

**Outstanding Debt, at Fiscal Year End**

	Governmental Activities	
	2018	2017
Revenue Bonds Payable	\$ 99,255,000	\$ 99,255,000
General Obligation Bonds Payable	25,515,000	27,235,000
Capital Leases Payable	618,265	840,590
Total	\$ 125,388,265	\$ 127,330,590

At June 30, 2018, the District's overall legal debt margin was \$106,503,124 and the unvoted debt margin was \$1,416,288. See Note 11 in the notes to the basic financial statements for additional information on the District's debt administration.

**Current Financial Related Activities**

Financially, the future of the District is not without challenges. In prior years, reductions in State aid to Ohio schools and the downturn in the real estate market had negatively impacted the District's revenues. This past year saw revenues rebound slightly while still not to the levels of past years. This financial environment requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years. To meet this challenge, the administration and the Board of Education implemented many budget reductions and our District continues to analyze all costs for greater efficiency while being mindful of any negative impact to student services and programs.

All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Kelly Sininger, Treasurer at West Clermont Local School District, 4350 Aicholtz Road, Suite 220, Cincinnati, Ohio 45245.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2018

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 41,014,599
Receivables:	
Property taxes . . . . .	44,443,062
Payment in lieu of taxes . . . . .	1,730,798
Accounts . . . . .	16,987
Accrued interest . . . . .	64,535
Intergovernmental . . . . .	27,492,614
Prepayments . . . . .	550,925
Inventory held for resale . . . . .	35,706
Capital assets:	
Nondepreciable capital assets . . . . .	9,526,570
Depreciable capital assets, net . . . . .	144,665,066
Capital assets, net . . . . .	154,191,636
Total assets . . . . .	269,540,862
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding . . . . .	1,235,273
Pension . . . . .	26,909,438
OPEB . . . . .	1,345,139
Total deferred outflows of resources . . . . .	29,489,850
<b>Liabilities:</b>	
Accounts payable . . . . .	655,596
Contracts payable . . . . .	1,821,654
Accrued wages and benefits payable . . . . .	6,611,223
Intergovernmental payable . . . . .	1,401,259
Accrued interest payable . . . . .	419,905
Long-term liabilities:	
Due within one year . . . . .	2,670,500
Due in more than one year:	
Net pension liability (see Note 14) . . . . .	83,439,800
Net OPEB liability (see Note 15) . . . . .	19,350,955
Other amounts due in more than one year . . . . .	126,490,545
Total liabilities . . . . .	242,861,437
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year . . . . .	32,810,443
Payment in lieu of taxes levied for the next fiscal year . . . . .	1,730,798
West Clermont HealthPlex naming rights . . . . .	188,889
Pension . . . . .	4,326,113
OPEB . . . . .	2,158,154
Total deferred inflows of resources . . . . .	41,214,397
<b>Net position:</b>	
Net investment in capital assets . . . . .	26,287,391
Restricted for:	
Capital projects . . . . .	44,618,283
Classroom facilities maintenance . . . . .	842,768
Debt service . . . . .	4,157,843
Locally funded programs . . . . .	14,854
State funded programs . . . . .	24,855
Federally funded programs . . . . .	204,022
Student activities . . . . .	209,303
Food service operations . . . . .	706,874
Unrestricted (deficit) . . . . .	(62,111,315)
Total net position . . . . .	\$ 14,954,878

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total
<b>Governmental activities:</b>					
Instruction:					
Regular . . . . .	\$ 22,075,567	\$ 2,049,506	\$ 1,271,988	\$ -	\$ (18,754,073)
Special . . . . .	11,466,774	374,934	6,699,968	-	(4,391,872)
Vocational . . . . .	279,281	-	45,562	-	(233,719)
Other . . . . .	2,639	-	-	-	(2,639)
Support services:					
Pupil . . . . .	4,061,991	61,661	125,376	-	(3,874,954)
Instructional staff . . . . .	1,719,680	432	248,715	-	(1,470,533)
Board of education . . . . .	331,304	-	-	-	(331,304)
Administration . . . . .	2,871,575	-	72,261	-	(2,799,314)
Fiscal . . . . .	1,441,938	-	-	-	(1,441,938)
Business . . . . .	80,614	11,040	-	-	(69,574)
Operations and maintenance . . . . .	3,182,130	55,702	-	-	(3,126,428)
Pupil transportation . . . . .	6,740,293	-	1,579,786	-	(5,160,507)
Central . . . . .	331,260	-	-	-	(331,260)
Operation of non-instructional services:					
Other non-instructional services . . . . .	399,229	74,462	701,396	-	376,629
Food service operations . . . . .	1,863,015	973,192	1,555,308	-	665,485
Extracurricular activities . . . . .	1,062,392	506,164	24,062	5,000	(527,166)
Interest and fiscal charges . . . . .	4,958,662	-	-	-	(4,958,662)
<b>Total governmental activities . . . . .</b>	<b>\$ 62,868,344</b>	<b>\$ 4,107,093</b>	<b>\$ 12,324,422</b>	<b>\$ 5,000</b>	<b>(46,431,829)</b>
			<b>General revenues:</b>		
			Property taxes levied for:		
			General purposes . . . . .	34,210,526	
			Debt service . . . . .	2,718,386	
			Classroom facilities and maintenance . . . . .	628,000	
			Capital outlay . . . . .	4,423,868	
			Payments in lieu of taxes . . . . .	1,402,276	
			Grants and entitlements not restricted		
			to specific programs . . . . .	30,632,090	
			Investment earnings . . . . .	436,033	
			Miscellaneous . . . . .	173,905	
			<b>Total general revenues . . . . .</b>	<b>74,625,084</b>	
			Change in net position . . . . .	28,193,255	
			<b>Net position (deficit) at beginning of year (restated) . . . . .</b>	<b>(13,238,377)</b>	
			<b>Net position at end of year . . . . .</b>	<b>\$ 14,954,878</b>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>General</u>	<u>Permanent Improvement</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and investments. . . . .	\$ 16,324,272	\$ -	\$ 18,428,400	\$ 6,261,927	\$ 41,014,599
Receivables:					
Property taxes. . . . .	36,831,715	4,320,554	-	3,290,793	44,443,062
Payment in lieu of taxes . . . . .	1,038,478	692,320	-	-	1,730,798
Accounts . . . . .	14,389	1,398	-	1,200	16,987
Accrued interest . . . . .	64,535	-	-	-	64,535
Interfund loans . . . . .	5,980,702	-	-	-	5,980,702
Intergovernmental. . . . .	12,982	-	26,118,778	1,360,854	27,492,614
Prepayments. . . . .	94,203	-	-	18,273	112,476
Inventory held for resale. . . . .	-	-	-	35,706	35,706
Total assets . . . . .	<u>60,361,276</u>	<u>5,014,272</u>	<u>44,547,178</u>	<u>10,968,753</u>	<u>120,891,479</u>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 613,760	\$ -	\$ -	\$ 41,836	\$ 655,596
Contracts payable. . . . .	-	-	1,821,654	-	1,821,654
Accrued wages and benefits payable . . . . .	6,064,353	-	-	546,870	6,611,223
Compensated absences payable . . . . .	111,237	-	-	-	111,237
Intergovernmental payable . . . . .	1,279,969	-	-	121,290	1,401,259
Interfund loans payable . . . . .	-	5,170,851	-	809,851	5,980,702
Total liabilities. . . . .	<u>8,069,319</u>	<u>5,170,851</u>	<u>1,821,654</u>	<u>1,519,847</u>	<u>16,581,671</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year. . . . .	27,404,545	2,886,671	-	2,519,227	32,810,443
Payment in lieu of taxes levied for the next fiscal year . . . . .	1,038,478	692,320	-	-	1,730,798
Delinquent property tax revenue not available. . . . .	355,104	47,420	-	25,517	428,041
Intergovernmental revenue not available. . . . .	-	-	26,118,778	496,534	26,615,312
Accrued interest not available. . . . .	15,261	-	-	-	15,261
Total deferred inflows of resources . . . . .	<u>28,813,388</u>	<u>3,626,411</u>	<u>26,118,778</u>	<u>3,041,278</u>	<u>61,599,855</u>
<b>Fund balances:</b>					
Nonspendable:					
Prepays. . . . .	94,203	-	-	18,273	112,476
Restricted:					
Debt service . . . . .	-	-	-	4,552,231	4,552,231
Capital improvements . . . . .	-	-	16,606,746	71,105	16,677,851
Classroom facilities maintenance . . . . .	-	-	-	842,768	842,768
Federal grants . . . . .	-	-	-	16,389	16,389
State grants . . . . .	-	-	-	9,000	9,000
Local grants . . . . .	-	-	-	14,854	14,854
Food service operations . . . . .	-	-	-	729,924	729,924
Non-public schools . . . . .	-	-	-	31,688	31,688
District managed student activities. . . . .	-	-	-	208,115	208,115
Committed:					
West Clermont HealthPlex. . . . .	-	-	-	270,214	270,214
Assigned:					
Student instruction . . . . .	230,099	-	-	-	230,099
Student and staff support. . . . .	620,422	-	-	-	620,422
Facilities acquisition and construction . . . . .	3,500	-	-	-	3,500
Non-instructional services. . . . .	1,255	-	-	-	1,255
Supplies . . . . .	325,001	-	-	-	325,001
Subsequent year appropriations . . . . .	1,872,793	-	-	-	1,872,793
Unassigned . . . . .	<u>20,331,296</u>	<u>(3,782,990)</u>	<u>-</u>	<u>(356,933)</u>	<u>16,191,373</u>
Total fund balances . . . . .	<u>23,478,569</u>	<u>(3,782,990)</u>	<u>16,606,746</u>	<u>6,407,628</u>	<u>42,709,953</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 60,361,276</u>	<u>\$ 5,014,272</u>	<u>\$ 44,547,178</u>	<u>\$ 10,968,753</u>	<u>\$ 120,891,479</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2018

<b>Total governmental fund balances</b>		<b>\$ 42,709,953</b>
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		154,191,636
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 428,041	
Accrued interest receivable	15,261	
Intergovernmental receivable	26,615,312	
<b>Total</b>	<b>27,058,614</b>	27,058,614
The naming rights fee associated with the West Clermont Health Plex is recognized as revenue in the governmental funds, but is amortized and reported as a deferred inflow of resources on the statement of net position.		(188,889)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows of resources are not reported in the governmental funds.		
Deferred outflows of resources - pension	26,909,438	
Deferred inflows of resources - pension	(4,326,113)	
Net pension liability	(83,439,800)	
<b>Total</b>	<b>(60,856,475)</b>	(60,856,475)
The net OPEB liability is not due and payable in the current period, therefore, the liability and related deferred inflows/outflows of resources are not reported in the governmental funds.		
Deferred outflows of resources - OPEB	1,345,139	
Deferred inflows of resources - OPEB	(2,158,154)	
Net OPEB liability	(19,350,955)	
<b>Total</b>	<b>(20,163,970)</b>	(20,163,970)
Unamortized premiums on bonds issued are not recognized in the funds.		(2,065,903)
Unamortized discounts on bonds issued are not recognized in the funds.		136,304
Unamortized amounts on refundings are not recognized in the funds.		1,235,273
Prepaid bond insurance associated with long-term assets are not reported in the funds.		438,449
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(419,905)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds	(124,770,000)	
Capital lease obligations	(618,265)	
Compensated absences	(1,731,944)	
<b>Total</b>	<b>(127,120,209)</b>	(127,120,209)
<b>Net position of governmental activities</b>		<b>\$ 14,954,878</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Permanent Improvement</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
From local sources:					
Property taxes . . . . .	\$ 34,676,501	\$ 4,456,181	\$ -	\$ 3,363,773	\$ 42,496,455
Payment in lieu of taxes . . . . .	975,585	426,691	-	-	1,402,276
Tuition . . . . .	1,950,386	-	-	-	1,950,386
Transportation fees . . . . .	29,838	-	-	-	29,838
Earnings on investments . . . . .	260,526	18,568	70,519	90,296	439,909
Charges for services . . . . .	-	-	-	973,192	973,192
Extracurricular . . . . .	37,693	-	-	506,164	543,857
Classroom materials and fees . . . . .	464,840	-	-	-	464,840
Rental income . . . . .	55,702	11,040	-	74,462	141,204
Contributions and donations . . . . .	19,794	5,000	-	35,645	60,439
Contract services . . . . .	677	-	-	3,775	4,452
Other local revenues . . . . .	153,434	-	-	727,107	880,541
Intergovernmental - state . . . . .	35,526,897	699,497	19,245,213	1,088,107	56,559,714
Intergovernmental - federal . . . . .	-	-	-	5,011,875	5,011,875
Total revenues . . . . .	<u>74,151,873</u>	<u>5,616,977</u>	<u>19,315,732</u>	<u>11,874,396</u>	<u>110,958,978</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	33,574,224	-	-	1,328,568	34,902,792
Special . . . . .	13,682,100	-	-	2,445,682	16,127,782
Vocational . . . . .	321,316	-	-	-	321,316
Other . . . . .	9,562	-	-	-	9,562
Support services:					
Pupil . . . . .	5,531,987	-	-	131,277	5,663,264
Instructional staff . . . . .	2,180,861	-	-	256,429	2,437,290
Board of education . . . . .	347,326	-	-	-	347,326
Administration . . . . .	6,065,560	334	-	73,021	6,138,915
Fiscal . . . . .	1,798,025	77,760	-	41,834	1,917,619
Business . . . . .	145,029	-	-	-	145,029
Operations and maintenance . . . . .	7,202,835	-	-	99,457	7,302,292
Pupil transportation . . . . .	6,738,273	-	-	-	6,738,273
Central . . . . .	216,693	-	-	-	216,693
Operation of non-instructional services:					
Other non-instructional services . . . . .	15,497	-	-	544,845	560,342
Food service operations . . . . .	-	-	-	2,498,785	2,498,785
Extracurricular activities . . . . .	497,530	-	-	1,029,668	1,527,198
Facilities acquisition and construction . . . . .	758,425	5,520,050	4,202,351	3,105,567	13,586,393
Debt service:					
Principal retirement . . . . .	39,764	182,561	-	1,720,000	1,942,325
Interest and fiscal charges . . . . .	20,881	4,313,744	-	978,056	5,312,681
Total expenditures . . . . .	<u>79,145,888</u>	<u>10,094,449</u>	<u>4,202,351</u>	<u>14,253,189</u>	<u>107,695,877</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(4,994,015)</u>	<u>(4,477,472)</u>	<u>15,113,381</u>	<u>(2,378,793)</u>	<u>3,263,101</u>
<b>Other financing sources (uses):</b>					
Sale of assets . . . . .	7,835	2,540	-	9,409	19,784
Transfers in . . . . .	-	-	-	407,194	407,194
Transfers (out) . . . . .	(407,194)	-	-	-	(407,194)
Total other financing sources (uses) . . . . .	<u>(399,359)</u>	<u>2,540</u>	<u>-</u>	<u>416,603</u>	<u>19,784</u>
Net change in fund balances . . . . .	(5,393,374)	(4,474,932)	15,113,381	(1,962,190)	3,282,885
<b>Fund balances at beginning of year . . . . .</b>	<u>28,871,943</u>	<u>691,942</u>	<u>1,493,365</u>	<u>8,369,818</u>	<u>39,427,068</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 23,478,569</u>	<u>\$ (3,782,990)</u>	<u>\$ 16,606,746</u>	<u>\$ 6,407,628</u>	<u>\$ 42,709,953</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<b>Net change in fund balances - total governmental funds</b>		\$ 3,282,885
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 18,924,898	
Current year depreciation	<u>(6,133,774)</u>	
Total		12,791,124
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(4,821,129)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(515,675)	
Earnings on investments	8,705	
Intergovernmental	<u>(19,201,520)</u>	
Total		(19,708,490)
The naming rights fee associated with the West Clermont Health Plex is recognized as revenue in the governmental funds, but is reported as a deferred inflow of resources and amortized in the statement of activities.		
Naming rights fee	(200,000)	
Amortization	<u>11,111</u>	
Total		(188,889)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	1,720,000	
Capital leases	<u>222,325</u>	
Total		1,942,325
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
(Increase) decrease in accrued interest payable	31,935	
Amortization of bond premiums	405,387	
Amortization of bond discounts	(3,849)	
Amortization of deferred charges	(67,074)	
Amortization of prepaid bond insurance	<u>(12,380)</u>	
Total		354,019
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		233,538
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		6,185,661
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		25,341,968
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows of resources.		
		228,633
Except for amounts reported as deferred inflows/outflows of resources, changes in the net OPEB liability are reported as pension expense in the statement of activities.		
		<u>2,551,610</u>
<b>Change in net position of governmental activities</b>		<u><u>\$ 28,193,255</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 30,734,342	\$ 33,791,601	\$ 36,072,015	\$ 2,280,414
Payment in lieu of taxes. . . . .	831,225	913,910	975,585	61,675
Tuition. . . . .	1,579,406	1,736,516	1,853,704	117,188
Earnings on investments . . . . .	316,222	347,678	424,398	76,720
Rental income . . . . .	43,407	47,724	50,945	3,221
Contributions and donations . . . . .	3,408	3,747	4,000	253
Contract services. . . . .	577	634	677	43
Other local revenues . . . . .	50,944	56,011	59,791	3,780
Intergovernmental - state . . . . .	30,134,944	33,132,579	35,516,544	2,383,965
Total revenues . . . . .	<u>63,694,475</u>	<u>70,030,400</u>	<u>74,957,659</u>	<u>4,927,259</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	29,172,371	32,446,852	32,445,302	1,550
Special. . . . .	12,360,461	13,747,873	13,788,244	(40,371)
Vocational. . . . .	289,937	322,481	322,466	15
Other. . . . .	8,685	9,659	9,659	-
Support services:				
Pupil. . . . .	4,699,631	5,227,146	5,227,711	(565)
Instructional staff . . . . .	1,898,833	2,111,969	2,112,714	(745)
Board of education . . . . .	297,457	330,846	330,996	(150)
Administration. . . . .	5,174,885	5,755,745	5,755,630	115
Fiscal . . . . .	1,586,512	1,764,591	1,764,507	84
Business . . . . .	118,591	131,902	131,896	6
Operations and maintenance. . . . .	6,683,356	7,433,536	7,436,249	(2,713)
Pupil transportation . . . . .	6,082,162	6,764,860	6,767,103	(2,243)
Central. . . . .	198,154	220,397	220,386	11
Other operation of non-instructional services.	21,406	23,809	23,808	1
Extracurricular activities. . . . .	431,431	479,858	488,256	(8,398)
Facilities acquisition and construction . . . .	685,066	761,961	761,925	36
Total expenditures . . . . .	<u>69,708,938</u>	<u>77,533,485</u>	<u>77,586,852</u>	<u>(53,367)</u>
Excess of expenditures over revenues . . . . .	<u>(6,014,463)</u>	<u>(7,503,085)</u>	<u>(2,629,193)</u>	<u>4,873,892</u>
<b>Other financing sources (uses):</b>				
Transfers (out) . . . . .	(366,118)	(407,213)	(407,194)	19
Advances in. . . . .	4,298,849	4,726,472	5,045,436	318,964
Advances (out) . . . . .	(5,213,053)	(5,798,197)	(5,797,920)	277
Sale of assets . . . . .	6,676	7,340	7,835	495
Total other financing sources (uses) . . . . .	<u>(1,273,646)</u>	<u>(1,471,598)</u>	<u>(1,151,843)</u>	<u>319,755</u>
Net change in fund balance . . . . .	(7,288,109)	(8,974,683)	(3,781,036)	5,193,647
<b>Fund balance at beginning of year . . . . .</b>	18,185,769	18,185,769	18,185,769	-
<b>Prior year encumbrances appropriated . . . .</b>	846,593	846,593	846,593	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 11,744,253</u>	<u>\$ 10,057,679</u>	<u>\$ 15,251,326</u>	<u>\$ 5,193,647</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018

	<b>Private-Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . . .	\$ 4,705	\$ 285,144
Receivables:		
Accounts . . . . .	-	3,338
Total assets. . . . .	4,705	\$ 288,482
<b>Liabilities:</b>		
Accounts payable. . . . .	-	\$ 35
Due to student groups. . . . .	-	137,132
Deposits held and due to others . . . . .	-	151,315
Total liabilities . . . . .	-	\$ 288,482
<b>Net position:</b>		
Held in trust for scholarships . . . . .	4,705	
Total net position. . . . .	\$ 4,705	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Private-Purpose Trust</u>
	<u>Scholarship</u>
Net position at beginning of year . . . . .	\$ 4,705
Net position at end of year. . . . .	<u>\$ 4,705</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

West Clermont Local School District (the “District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the District’s thirteen instructional/support facilities staffed by 339 noncertified and 525 certificated personnel who provide services to students and other community members.

The District was established in 1967 through the consolidation of Amelia Local School District, Glen Este-Mt. Carmel Local School District, and the Withamsville Tobasco School District and operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. The legislative power of the District is vested in the Board of Education, elected at-large for staggered four-year terms.

The District is located in western Clermont County, including portions of Union and Pierce townships. It is the 21<sup>st</sup> largest in the state of Ohio (among 610 school districts) in terms of enrollment and the largest in Clermont County. It currently operates 8 elementary schools, 2 middle schools, 1 comprehensive high school, and 1 administrative building.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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 Board 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; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

Union Township, Pierce Township, and the Clermont County Public Library, and the Clermont County Ohio Port Authority are separate bodies politic and corporate. Elected or appointed officials are independent of any District relationships, administer the provisions of each entity's services and act as the taxing authority for these services.

The following activities are included within the reporting entity:

Parochial Schools - Within the District boundaries, St. Bernadette, St. Thomas More, St. Veronica (operated through the Cincinnati Catholic Diocese) and Eastern Hills Educational Building are operated as private schools. Current State legislation provides funding to these parochial and private schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the District, as directed by the schools. The activity of these State monies by the District are reflected in a special revenue fund for financial reporting purposes.

The District is associated with four organizations; three of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations include the Hamilton Clermont Cooperative Association/Unified Purchasing Association, the Southwest Ohio Organization of School Health, The Great Oaks Institute of Technology and Career Development and the Ohio School Boards Association Workers' Compensation Group Rating Plan.

*JOINTLY GOVERNED ORGANIZATIONS*

The Hamilton Clermont Cooperative Association/Unified Purchasing Association

The Hamilton Clermont Cooperative Association/Unified Purchasing Association is a jointly governed organization among a two county consortium of school districts. The Unified Purchasing Cooperative was organized under the Hamilton Clermont Cooperative Association to benefit member districts with a more economically sound purchasing mechanism for general school, office and cafeteria supplies. The Unified Purchasing Cooperative organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility by the participating governments. Complete financial statements for H/CCA can be obtained from their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

Southwest Ohio Organization of School Health

In prior fiscal years the District joined together with Lebanon City School District, Milford Exempted Village School District, Northwest Local School District, Southwest Local School District, Winton Woods City School District, Forest Hills Local School District and Indian Hill Exempted Village School District (collectively, the “Members”) to establish a regional council of governments, organized under Chapter 167 of the Ohio Revised Code, known as the Southwest Ohio Organization of School Health (SWOOSH). The purpose of the SWOOSH is to maximize benefits and/or reduce costs of medical, prescription drugs, vision, dental, life and/or other group insurance coverage for the Members’ employees and the eligible dependents and designated beneficiaries of such employees.

The SWOOSH is governed by a Board of Directors (Board). Each Member is represented on the Board by its superintendent or his/her designee. In addition, any Member that exceeds five hundred total employees enrolled in a policy shall appoint a second representative to the Board. No Member may have more than two voting representatives. The fiscal agent for SWOOSH is the Hamilton County Educational Service Center (HCESC). The Treasurer of the Milford Exempted Village School District serves as the Treasurer of SWOOSH. The Board approves all benefit programs to be offered by or through the SWOOSH and all policies and contracts to be accepted or entered into by the SWOOSH. The Board also sets or determines all premium and other amounts to be paid by Members. The Board also has the authority to waive premiums and other payments.

Members assume no liability beyond the payment of any dues, fees, or cooperative costs assessed by the SWOOSH and any contractual obligations for agreements entered into between the Member and the SWOOSH. Members do not assume liability for the debts of the SWOOSH and any Member withdrawing from the SWOOSH forfeits any claim to the cooperative’s assets. No Member may withdraw during the first two years after joining the SWOOSH. After the first two years of membership, a Member may withdraw at the end of any fiscal year by providing written notice of its intent to withdraw to the Board by March 1 of such fiscal year. Upon withdrawal from the SWOOSH, a school district may not become a Member again for two years and until it has fully complied with the criteria and procedures for membership established by the Board. Financial information for the SWOOSH can be obtained from Debbie Caudle, Treasurer of the Milford Exempted Village School District at 777 Garfield Avenue, Milford, OH 45150.

Great Oaks Institute of Technology & Career Development

The Great Oaks Institute of Technology & Career Development, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district’s elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. The Great Oaks Institute of Technology & Career Development was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the West Clermont Local School District. The District has no ongoing financial interest in, nor responsibility for the Great Oaks Institute of Technology & Career Development. To obtain financial information, write to the Great Oaks Institute of Technology & Career Development, Attention: Treasurer, at 3254 East Kemper Rd., Cincinnati, Ohio 45241-1545.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

*INSURANCE PURCHASING POOL*

The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP)

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary funds.

*GOVERNMENTAL FUNDS*

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

General Fund - The General Fund is used to account for all financial resources not accounted for and reported in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement Fund - The Permanent Improvement Fund accounts for and reports financial resources received from property taxes and payment in lieu of taxes to be used for the acquisition, construction, or improvement of capital facilities and other capital assets.

Classroom Facilities Fund - The Classroom Facilities Fund accounts for monies received and expended in connection with contracts entered into by the school district and the Ohio Facilities Construction Commission (OFCC) for the building and equipping of classroom facilities.



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The District's fiduciary funds consist of a private purpose trust fund and agency funds. The trust fund is used to account for assets held by the District under a trust agreement for student scholarships and is therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for student activities and for payroll withholding liabilities.

**C. Basis of Presentation and Measurement Focus**

*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. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of 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.

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

*Fund Financial Statements* - Fund financial statements report detailed information about the District. 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, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

Revenue from 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 nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, See Notes 14 and 15 for deferred outflows of resources related the District's net pension liability and OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and West Clermont HealthPlex naming rights. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, See Notes 14 and 15 for deferred inflows of resources related to the District's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

**E. Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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 fiscal year.

**F. Cash and Investments**

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

During fiscal year 2018, investments were limited to federal agency securities, U.S. Government money market accounts, commercial paper, negotiable certificates of deposit (CDs) and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

During fiscal year 2018, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The 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 the fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2018 amounted to \$260,526, which includes \$41,501 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**G. Inventory**

On government-wide financial statements, supply inventories are presented at cost, inventories held for resale are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventory is presented at cost on first-in, first-out basis and is expensed/expensed when used. Inventories are accounted for using the consumption method on the government-wide statements and the fund financial statements.

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

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$2,500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Buildings and improvements	5 - 50 years
Equipment	5 - 30 years
Vehicles	7 - 15 years

**I. Interfund Balances**

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**J. Compensated Absences**

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

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments.

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

For governmental fund financial statements, the expenditure for unpaid compensated absences are recognized when due. The related liability is recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid.

**K. Prepayments**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed. Fund balance has been presented as nonspendable equal to the balance of the prepaid item at fiscal year end.

**L. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims, net pension/OPEB liabilities and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and capital lease obligations are recognized as a liability on the fund financial statements when due.

**M. Fund Balance**

Fund balance is divided into five classifications 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 classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

**N. Net Position**

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

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**O. Estimates**

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

**P. 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 basic financial statements.

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District did not have any extraordinary or special items during fiscal year 2018.

**R. Bond Issuance Costs and Unamortized Bond Premiums, Discounts and Prepaid Bond Insurance**

On the governmental fund financial statements, insurance costs, and bond premiums/discounts are recognized in the current period. On governmental fund financial statements and government-wide financial statements, bond issuance costs are recognized in the current period.

Bond premiums and discounts are deferred and amortized over the term of the bonds. Bond premiums/discounts are presented as an addition/reduction to the face amount of the bonds.

Prepaid bond insurance is amortized over the period of coverage and reported as a prepayment on the government-wide financial statements.

**S. Pensions/ Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, 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.

**T. Fair Value**

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



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles/Restatement of Net Position**

For fiscal year 2018, the District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 81 "Irrevocable Split-Interest Agreements" GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the District's postemployment benefit plan disclosures, as presented in Note 15 to the basic financial statements and added required supplementary information.

GASB Statement No. 81 improves the 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. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

GASB Statement No. 86 improves 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. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities at July 1, 2017 have been restated as follows:

	Governmental Activities
Net position as previously reported	\$ 9,705,836
Deferred outflows - payments subsequent to measurement date	175,459
Net OPEB liability	(23,119,672)
Restated net position at July 1, 2017	\$ (13,238,377)

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. The restatement had no effect on fund balances.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at June 30, 2018 included the following individual fund deficits:

<u>Major Fund</u>	<u>Deficit</u>
Permanent Improvement	\$ 3,782,990
<u>Nonmajor Governmental Funds</u>	
Miscellaneous State Grants	2,227
Title VI-B	197,199
Title I	110,075
Miscellaneous Federal Grants	45,000

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

**A. Deposits with Financial Institutions**

At June 30, 2018, the carrying amount of all District deposits was \$2,556,234 and the bank balance of all District deposits was \$3,320,330. Of the bank balance, \$250,000 was covered by the FDIC and \$3,070,330 was covered by the Ohio Pooled Collateral System (OPCS).

Custodial credit risk 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. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) 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 percent of the deposits being secured, or (2) 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 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

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

<u>Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair value:</i>						
FHLB	\$ 2,345,066	\$ -	\$ -	\$ -	\$ -	\$ 2,345,066
FFCB	2,489,940	-	-	-	-	2,489,940
FHLMC	1,380,377	-	-	246,557	-	1,133,820
Negotiable CDs	3,910,104	1,240,459	-	246,024	-	2,423,621
Commercial paper	5,207,332	5,207,332	-	-	-	-
U.S. Government money market mutual funds	111,749	111,749	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	<u>23,303,646</u>	<u>23,303,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 38,748,214</u>	<u>\$ 29,863,186</u>	<u>\$ -</u>	<u>\$ 492,581</u>	<u>\$ -</u>	<u>\$ 8,392,447</u>

The weighted average maturity of investments is 0.78 years.

The District's investments in U.S. Government money market accounts are valued using quoted market prices in active markets (Level 1 inputs).

The District's investments in federal agency securities, negotiable CDs and commercial paper are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The District's investments in federal agency securities were rated AA+ and Aaa by Moody's Investor Services and Standard & Poor's, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Investments in U.S. Government money markets are not rated. Commercial paper was rated P-1 and A-1 by Moody's and Standard & Poor's respectively. The negotiable certificates of deposit are fully covered by FDIC and are not rated. The District's investment policy does not address investment credit risk beyond the requirements of State statutes.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Custodial Credit Risk:* For an investment, 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. The federal agency securities, negotiable CDs and U.S. Government obligations are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2018:

<u>Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
FHLB	\$ 2,345,066	6.05%
FFCB	2,489,940	6.43%
FHLMC	1,380,377	3.56%
Negotiable CDs	3,910,104	10.09%
Commercial paper	5,207,332	13.44%
U.S. Government money market mutual funds	111,749	0.29%
<i>Amortized cost:</i>		
STAR Ohio	<u>23,303,646</u>	<u>60.14%</u>
Total	<u>\$ 38,748,214</u>	<u>100.00%</u>

**C. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2018:

Cash and investments per note

Carrying amount of deposits	\$ 2,556,234
Investments	<u>38,748,214</u>
Total	<u>\$ 41,304,448</u>

Cash and investments per statement of net position

Governmental activities	\$ 41,014,599
Private-purpose trust fund	4,705
Agency funds	<u>285,144</u>
Total	<u>\$ 41,304,448</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the year ended June 30, 2018, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from General Fund to:</u>	
<i>Nonmajor Governmental Funds</i>	
Food Service	\$ 9
District Managed Student Activities	407,185
Total	\$ 407,194

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers from the General Fund to the nonmajor special revenue funds were to move unrestricted balances to support food service and district managed student activity programs and services accounted for in the funds.

Transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund loans receivable/payable consisted of the following at June 30, 2018, as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Permanent Improvement	\$ 5,170,851
General	Nonmajor Governmental Funds:	
	Miscellaneous State Grants	9,836
	Title VI-B	403,411
	Title III	16,398
	Title I	250,129
	Preschool Grant	7,425
	Improving Teacher Quality	77,652
	Miscellaneous Federal Grants	45,000
	Subtotal	809,851
	Total	\$ 5,980,702

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide statement of net position.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Clermont 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 2018 operations. The amount available as an advance at June 30, 2018 was \$9,072,066 in the General Fund, \$746,049 in the Bond Retirement Fund (a nonmajor governmental fund) and \$1,386,463 in the Permanent Improvement Fund. This amount is recorded as revenue. The amount available for advance at June 30, 2017 was \$10,467,580 in the General fund, \$750,062 in the Bond Retirement fund (a nonmajor governmental fund) and \$1,393,920 in the Permanent Improvement Fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 6 - PROPERTY TAXES - (Continued)**

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

	2017 Second Half Collections		2018 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,216,484,510	95.84	\$ 1,361,627,320	96.14
Public utility personal	<u>52,860,740</u>	<u>4.16</u>	<u>54,660,380</u>	<u>3.86</u>
Total	<u>\$ 1,269,345,250</u>	<u>100.00</u>	<u>\$ 1,416,287,700</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 57.50		\$ 56.70	

**NOTE 7 - PAYMENTS IN LIEU OF TAXES**

According to State law, Union Township and Pierce Township have entered into agreements with property owners under which Clermont County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Clermont County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$1,402,276 in payments in lieu of taxes during fiscal year 2018, and a receivable of \$1,730,798 has been reported on the statement of net position.

**NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

Clermont County provides tax abatements under two programs: the Community Reinvestment Area (CRA) Program and the Enterprise Zone Program.

The CRA Program provides tax exemptions on real property for residents and businesses who renovate an existing or construct new buildings in designated areas. Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA programs are an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.



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FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS - (Continued)**

The Enterprise Zone Program provides designated areas in which businesses can receive tax exemptions on eligible new investment of real property in conjunction with the creation of new jobs. These tax abatements reduce assessed value by a percentage agreed upon by the parties that authorize these types of agreements.

Under these agreements the District property taxes were reduced by \$713,619 for fiscal year 2018.

**NOTE 9 - RECEIVABLES**

Receivables at June 30, 2018, consisted of property taxes, payments in lieu of taxes (PILOT), interfund, accounts (rent and student fees), accrued interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivable amounts, except delinquent property taxes and Ohio School Facilities Construction Commission receivable, are expected to be received within one year.

A list of the District's intergovernmental receivables follows:

	<u>Amount</u>
<i>Major Funds:</i>	
General	
State Foundation	\$ 12,982
Classroom Facilities	
OFCC Grant	26,118,778
<i>Nonmajor Governmental Funds:</i>	
Miscellaneous State Grants	12,329
Title VI-B	623,548
Title III	14,472
Title I	397,798
Preschool Grant	7,425
Improving Teacher Quality	74,203
Miscellaneous Federal Grants	231,079
Total	\$ 27,492,614

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 10 - CAPITAL ASSETS**

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

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 8,555,584	\$ 29,882	\$ (29,882)	\$ 8,555,584
Construction in progress	<u>98,214,860</u>	<u>15,665,517</u>	<u>(112,909,391)</u>	<u>970,986</u>
Total capital assets, not being depreciated	<u>106,770,444</u>	<u>15,695,399</u>	<u>(112,939,273)</u>	<u>9,526,570</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	66,715,900	115,571,363	(13,281,213)	169,006,050
Equipment	8,734,409	567,527	-	9,301,936
Vehicles	<u>616,822</u>	<u>-</u>	<u>-</u>	<u>616,822</u>
Total capital assets, being depreciated	<u>76,067,131</u>	<u>116,138,890</u>	<u>(13,281,213)</u>	<u>178,924,808</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(29,982,690)	(5,240,315)	8,489,966	(26,733,039)
Equipment	(6,188,998)	(862,260)	-	(7,051,258)
Vehicles	<u>(444,246)</u>	<u>(31,199)</u>	<u>-</u>	<u>(475,445)</u>
Total accumulated depreciation	<u>(36,615,934)</u>	<u>(6,133,774)</u>	<u>8,489,966</u>	<u>(34,259,742)</u>
Governmental activities capital assets, net	<u>\$ 146,221,641</u>	<u>\$ 125,700,515</u>	<u>\$ (117,730,520)</u>	<u>\$ 154,191,636</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 3,597,114
Special	103,949
<u>Support services:</u>	
Pupil	165,497
Instructional staff	14,520
Administration	113,410
Fiscal	669
Operations and maintenance	1,483,544
Pupil transportation	2,020
Central	186,811
<u>Operation of noninstructional services:</u>	
Other non-instructional services	253,363
Food service operations	187,929
Extracurricular activities	<u>24,948</u>
Total depreciation expense	<u>\$ 6,133,774</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 11 - LONG-TERM OBLIGATIONS**

During the fiscal year 2018, the following changes occurred in governmental activities long-term obligations. The long-term obligations at June 30, 2017 have been restated as described in Note 3.A.

	Original Issue	Maturity Dates	(Restated) Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
<i>Revenue Bonds Payable:</i>							
Clermont County Port Authority							
Lease Revenue Bonds 2015 2.25% - 5.00%	99,255,000	12/1/2053	\$ 99,255,000	\$ -	\$ -	\$ 99,255,000	\$ -
Unamortized Discount			(140,153)	-	3,849	(136,304)	-
Total Revenue Bonds			<u>99,114,847</u>	<u>-</u>	<u>3,849</u>	<u>99,118,696</u>	<u>-</u>
<i>General Obligation Bonds Payable:</i>							
Classroom Facilities Refunding 2016, 1.75% - 5.00%	\$ 2,770,000	12/1/2036	22,770,000	-	(65,000)	22,705,000	85,000
Unamortized Premium			2,035,671	-	(104,841)	1,930,830	-
School Improvement Refunding 2013, 1.75% - 4.00%	3,740,000	12/1/2019	2,900,000	-	(890,000)	2,010,000	975,000
Unamortized Premium			385,997	-	(275,735)	110,262	-
Classroom Facilities 2008, 4.49%	30,000,000	12/1/2018	1,565,000	-	(765,000)	800,000	800,000
Unamortized Premium			49,622	-	(24,811)	24,811	-
Total General Obligation Bonds			<u>29,706,290</u>	<u>-</u>	<u>(2,125,387)</u>	<u>27,580,903</u>	<u>1,860,000</u>
Net Pension Liability			111,091,343	-	(27,651,543)	83,439,800	-
Net OPEB Liability			23,119,672	-	(3,768,717)	19,350,955	-
Compensated Absences			2,194,021	648,378	(999,218)	1,843,181	727,500
Capital Leases			840,590	-	(222,325)	618,265	83,000
Total Governmental Activities			<u>\$ 266,066,763</u>	<u>\$ 648,378</u>	<u>\$ (34,763,341)</u>	<u>\$ 231,951,800</u>	<u>\$ 2,670,500</u>

The Clermont County Port Authority Lease Revenue Bonds, Series 2015 will be paid from the Permanent Improvement Fund. All other general obligation bonds will be paid from the Bond Retirement Fund (a nonmajor governmental fund). Compensated absences will be paid from the fund from which the person is paid, which is primarily the General Fund. Capital lease obligations will be paid from the Permanent Improvement Fund and the General Fund.

Detail on the net pension liability and OPEB liability can be found in Notes 14 and 15, respectively. The District pays obligations related to employee compensation from the fund benefitting from their services.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire the revenue bonds and general obligation bonds outstanding at year-end are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,860,000	\$ 5,212,615	\$ 7,072,615
2020	2,460,000	5,146,189	7,606,189
2021	1,685,000	5,078,957	6,763,957
2022	2,345,000	5,010,608	7,355,608
2023	2,395,000	4,938,920	7,333,920
2024-2028	13,900,000	22,990,964	36,890,964
2029-2033	16,740,000	19,789,268	36,529,268
2034-2038	19,035,000	15,638,794	34,673,794
2039-2043	15,865,000	12,093,712	27,958,712
2044-2048	19,335,000	8,499,050	27,834,050
2049-2053	23,770,000	3,900,150	27,670,150
2054	5,380,000	132,462	5,512,462
Total	<u>\$ 124,770,000</u>	<u>\$ 108,431,689</u>	<u>\$ 233,201,689</u>

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2018 are a voted debt margin of \$106,503,124 and an un-voted debt margin of \$1,416,288. The Lease Revenue Bonds, Series 2015 are not subject to these limitations.

Classroom Facilities Refunding General Obligation Bonds, Series 2016

On November 7, 2016, the District issued \$22,770,000 in general obligation bonds (Series 2016 Refunding Bonds) to advance refund \$22,825,000 of the series 2008 Classroom Facilities general obligation bonds.

The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds, par value \$22,770,000. The interest rates on the current interest bonds range from 1.75% to 5.00%. Interest payments of the current interest bonds are due on June 1 and December 1 of each year. The final maturity date stated on the issue is December 1, 2036.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,347,063. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 20 years by \$3,028,533 and resulted in a net present value economic gain of \$2,345,742.

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**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

Clermont County Port Authority Lease Revenue Bonds, Series 2015 - On October 1, 2015, the Clermont County Port Authority (the "Port Authority") issued \$99,255,000 in serial and term lease revenue bonds. The bonds were issued by the Port on behalf of the District to acquire, construct, improve, furnish, and equip a new high school. The Series 2015 Bonds are special obligations of the Port Authority. The Series 2015 Bonds do not constitute a general obligation, general debt or general bonded indebtedness of the Port Authority, the Township, the County, or the State or any of its political subdivisions.

In order to finance the project, which is located on real property owned by the District, the District leased the project site to the Port Authority pursuant to a ground lease dated as of October 1, 2015 (the "Ground Lease"). In addition, the District has agreed to provide a ground lease in the property on which the District's two existing high schools are located during the term of the construction project, under the Ground Lease. In addition, the District and the Port Authority entered into a lease agreement (the "Lessee") dated as of October 1, 2015 pursuant to which the Port Authority (the "Lessor") will lease the project site to the District in consideration for the District's agreement to construct, improve, furnish and equip the project facilities as agent of the Lessor, and make payments of base rent and certain additional rents. By the assignment of the Lease dated October 1, 2015, the Lessor assigned to the U.S. Bank National Association (the "Trustee") all of its rights, title and interest under the Ground Lease and Lease in the project to the Trustee for the benefit of the owners of the Series 2015 Bonds. By the Trust Indenture dated as of October 1, 2015, the Lessor transferred certain rights in the project to the Trustee and provided for receipt and disbursements of all lease payments. The Lessor is not financially liable for the lease payments, and owners of the Series 2015 Bonds will have no right to look to the Lessor for payment.

The Series 2015 Bonds are payable primarily from the base rent to be paid by the District to the Trustee as an assignee of all rights of the Lessor. The sources of payment of the Series 2015 Bonds are the pledged revenues, which include base rent paid by the District under the Lease, amounts held by the Trustee in the bond fund and the bond reserve fund, and all income and profit from the investment of the foregoing moneys. While all General Fund revenues of the District will be available to pay the base rent due under the lease, it is expected the base rent will primarily be paid from the District TIF revenues and a portion of the inside millage allocated for permanent improvement purposes.

The Series 2015 Bonds are guaranteed by a municipal insurance policy provided by Build America Mutual. The policy guarantees the scheduled payment of principal and interest on the bonds when due as set forth in the form of the policy. The Series 2015 issue is comprised of serial bonds, par value \$29,385,000 and term bonds, par value \$69,870,000. Interest on the serial bonds ranges from 2.25% - 5.00% and will be paid each June 1 and December 1, commencing December 1, 2015. The serial bond payments are December 1, 2040, December 1, 2045 and December 1, 2053.

The term bonds maturing on or after December 1, 2040, are subject to mandatory sinking redemption price of 100% of the principal amount to be redeemed, plus accrued interest at the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption</u>
2036	\$ 2,705,000
2037	2,815,000
2038	2,925,000
2039	3,045,000

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**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

The remaining principal amount of such bonds (\$3,170,000) will, unless previously redeemed, mature at stated maturity on December 1, 2040.

The term bonds maturing on or before December 1, 2045, are subject to mandatory sinking redemption price of 100% of the principal amount to be redeemed, plus accrued interest at the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption</u>
2041	\$ 3,295,000
2042	3,430,000
2043	3,565,000
2044	3,710,000

The remaining principal amount of such bonds (\$3,860,000) will, unless previously redeemed, mature at stated maturity on December 1, 2045.

The term bonds maturing on or before December 1, 2053, are subject to mandatory sinking redemption price of 100% of the principal amount to be redeemed, plus accrued interest at the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption</u>
2046	\$ 4,015,000
2047	4,185,000
2048	4,365,000
2049	4,550,000
2050	4,745,000
2051	4,950,000
2052	5,160,000

The remaining principal amount of such bonds (\$5,380,000) will, unless previously redeemed, mature at stated maturity on December 1, 2053.

In years prior to 2016, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

School Improvement Refunding Bonds, Series 2013

In March 2013, the District refunded \$3,990,000 of General Obligation Bonds, Series 2002, through the issuance of \$3,740,000 of General Obligation Bonds. The net proceeds of the 2013 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds are not included in the District's outstanding debt since the District has in-substance satisfied its obligation through the refunding.

The balance outstanding of the Series 2013 at June 30, 2018 is \$2,010,000. Interest payments on the Series 2008 bonds are due on June 1 and December 1 of each year.

Classroom Facilities General Obligation Bonds, Series 2008

In 2008, the District issued \$30,000,000 in Classroom Facilities General Obligation Bonds. During fiscal year 2017, the District advance refunded \$22,825,000 of the Series 2008 Bonds with the Series 2016 Refunding Bonds.

The outstanding balance of the Series 2008 Bonds at June 30, 2018 is \$800,000. Interest payments on the Series 2008 bonds are due on June 1 and December 1 of each year.

**NOTE 12 - LEASES**

**A. Capital Leases - Lessee Disclosure**

The District has lease agreements which meet the criteria of a capital lease. A capital lease generally is one that transfers benefits and risks of ownership to the lessee.

During prior fiscal years, the District entered into capital leases in the amount of \$1,543,950, of which \$1,022,000 was with the Rickenbacker Port Authority (RTA) for the purpose of energy conservation measures throughout the District, and for copiers in the amount of \$466,321. The RPA capital lease has a variable interest rate which is paid monthly and an annual principal payment due on January 1 through 2019. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as capital assets in the governmental activities of the statement of net position.

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 fiscal year-end:

<u>Year Ended June 30</u>	<u>Amount</u>
2019	\$ 203,230
2020	66,157
2021	66,157
2022	66,157
2023	66,157
2024 - 2027	<u>270,141</u>
Total minimum lease payment	737,999
Less: amount representing interest	<u>(119,734)</u>
Present value of minimum lease payments	<u>\$ 618,265</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - LEASES - (Continued)**

**B. Operating Leases - Lessor Disclosure**

The District entered into an agreement on September 20, 2017, with Mercy Health Cincinnati, LLC, (“Lessee”) to lease square footage located in the health and wellness facility constructed by the District in conjunction with the new West Clermont High School (the “HealthPlex”), the right to use shared space within the HealthPlex, and the non-exclusive right to use the driveways, sidewalks and parking areas serving the District campus. The Lessee shall have the right to use the premises as medical offices, related healthcare uses, excluding, however, medical practices primarily dealing with behavioral health or drug addiction. The lease commenced in September 2017, the first day of the month in which the District turned over the premises and shared space to the Lessee. The lease term is for a period of fifteen years, with an option for the Lessee to renew the lease for two additional five-year terms by giving the District written notice of the intent to renew 365 days before the expiration of the original term.

The Lessee shall pay the District an annual rent equal to \$81,914, payable in twelve monthly installments, subject to an increase on each anniversary of the commencement date during the original term. The annual rent shall be increased by 1.5%, compounded. The amount of the future lease payments required under the operating lease at June 30, 2018, for the original term, are as follows:

Fiscal Year Ending June 30,	Amount
2019	\$ 82,938
2020	84,182
2021	85,445
2022	86,727
2023	88,028
2024-2028	460,344
2029-2033	410,578
Total	\$ 1,298,242

The lease agreement also provides for exclusive naming rights for the space, which shall be named the Mercy Health West Clermont HealthPlex, during the term of the lease. In consideration of the naming rights, exclusivity provisions, and all other benefits granted by the District under the agreement, the Lessor made a one-time naming rights fee payment to the District in the amount of \$200,000 upon execution of the lease. The naming rights fee was receipted into the West Clermont HealthPlex nonmajor special revenue fund during fiscal year 2018 and will be amortized over the life of the original lease term and reported as deferred inflows of resources on the statement of net position.



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**NOTE 13 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The District addresses these risks by maintaining a comprehensive risk management program through the purchase of various types of liability, inland marine, and property insurance from private carriers. Settled claims have not exceeded commercial coverage in any of the past three years. A summary of significant coverage, which has not been significantly reduced from the prior year, follows:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
Buildings and Contents		
Replacement Cost	\$159,397,550	\$ 5,000
Inland Marine Coverage	2,250,000	500
Boiler and Machinery	13,900,000	5,000
Automobile Liability	2,000,000	500
Earthquake	1,000,000	2,500
General Liability Per Occurrence	1,000,000	0
Employee Benefits Liability Total per Year	1,000,000	0

**NOTE 14 - 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 District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 as an intergovernmental payable on both the accrual and modified accrual bases of accounting.

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The District's contractually required contribution to SERS was \$1,441,203 for fiscal year 2018. Of this amount, \$178,650 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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 age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

The District's contractually required contribution to STRS was \$4,744,458 for fiscal year 2018. Of this amount, \$859,944 is reported as an intergovernmental payable.

***Net Pension Liability***

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 District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.31472810%	0.26306609%	
Proportion of the net pension liability current measurement date	<u>0.32548950%</u>	<u>0.26938305%</u>	
Change in proportionate share	<u>0.01076140%</u>	<u>0.00631696%</u>	
Proportionate share of the net pension liability	\$ 19,447,279	\$ 63,992,521	\$ 83,439,800
Pension expense	\$ (327,765)	\$ (25,014,203)	\$ (25,341,968)

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 836,947	\$ 2,471,090	\$ 3,308,037
Changes of assumptions	1,005,633	13,995,867	15,001,500
Difference between District contributions and proportionate share of contributions/change in proportionate share	958,002	1,456,238	2,414,240
District contributions subsequent to the measurement date	1,441,203	4,744,458	6,185,661
Total deferred outflows of resources	\$ 4,241,785	\$ 22,667,653	\$ 26,909,438
	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 515,754	\$ 515,754
Net difference between projected and actual earnings on pension plan investments	92,312	2,111,828	2,204,140
Difference between District contributions and proportionate share of contributions/change in proportionate share	41,604	1,564,615	1,606,219
Total deferred inflows of resources	\$ 133,916	\$ 4,192,197	\$ 4,326,113

\$6,185,661 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	\$ 1,152,162	\$ 2,574,672	\$ 3,726,834
2020	1,522,824	5,447,482	6,970,306
2021	445,034	4,226,869	4,671,903
2022	(453,354)	1,481,975	1,028,621
Total	\$ 2,666,666	\$ 13,730,998	\$ 16,397,664

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - SERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the 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 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

Prior to 2017, an assumption of 3 percent 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 percent of male rates, and 110 percent of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	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	<u>100.00 %</u>	

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

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 26,987,769	\$ 19,447,279	\$ 13,130,580

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Actuarial Assumptions - STRS Ohio*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA 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 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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.



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CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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:

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	<u>100.00 %</u>	

\*10-Year 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 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 91,731,101	\$ 63,992,521	\$ 40,626,925

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 15 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

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

The net OPEB liability represents the 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.

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

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

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

***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](http://www.ohsers.org) under Employers/Audit Resources.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$175,255.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$228,633 for fiscal year 2018. Of this amount, \$181,872 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Net OPEB Liability***

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 District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.31753175%	0.26306609%	
Proportion of the net OPEB liability current measurement date	<u>0.32941460%</u>	<u>0.26938305%</u>	
Change in proportionate share	<u>0.01188285%</u>	<u>0.00631696%</u>	
Proportionate share of the net OPEB liability	\$ 8,840,622	\$ 10,510,333	\$ 19,350,955
OPEB expense	\$ 607,314	\$ (3,158,924)	\$ (2,551,610)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 606,722	\$ 606,722
Difference between District contributions and proportionate share of contributions/ change in proportionate share	220,213	289,571	509,784
District contributions subsequent to the measurement date	<u>228,633</u>	<u>-</u>	<u>228,633</u>
Total deferred outflows of resources	<u>\$ 448,846</u>	<u>\$ 896,293</u>	<u>\$ 1,345,139</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 23,346	\$ 449,236	\$ 472,582
Changes of assumptions	<u>838,929</u>	<u>846,643</u>	<u>1,685,572</u>
Total deferred inflows of resources	<u>\$ 862,275</u>	<u>\$ 1,295,879</u>	<u>\$ 2,158,154</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$228,633 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	\$ (230,009)	\$ (104,034)	\$ (334,043)
2020	(230,009)	(104,034)	(334,043)
2021	(176,206)	(104,034)	(280,240)
2022	(5,836)	(104,034)	(109,870)
2023	(2)	8,275	8,273
Thereafter		8,275	8,275
Total	\$ (642,062)	\$ (399,586)	\$ (1,041,648)

***Actuarial Assumptions - SERS***

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

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

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

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

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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	<u>100.00 %</u>	

**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.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$ 10,676,177	\$ 8,840,622	\$ 7,386,394

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$ 7,173,503	\$ 8,840,622	\$ 11,047,084

***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 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended discount rate of return	4.13 percent
Health care cost trends	6 to 11 percent initial, 4.5 percent ultimate

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

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

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

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



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

\*10-Year 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 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.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)**

*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 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 14,109,953	\$ 10,510,333	\$ 7,665,456
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 7,302,129	\$ 10,510,333	\$ 14,732,704

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING**

While 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 and disbursements.

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

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (3,781,036)
Net adjustment for revenue accruals	(1,554,559)
Net adjustment for expenditure accruals	(1,738,304)
Net adjustment for other sources/uses	752,484
Funds budgeted elsewhere	35,923
Adjustment for encumbrances	892,118
GAAP basis	\$ (5,393,374)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis. This includes the Uniform School Supplies Fund and the Public School Support Fund.

**NOTE 17 - SET-ASIDES**

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2017	\$ -
Current year set-aside requirement	1,433,556
Current year qualifying expenditures	(2,830,395)
Total	\$ (1,396,839)
Balance carried forward to fiscal year 2019	\$ -
Set-aside balance June 30, 2018	\$ -

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 18 - CONTINGENCIES**

**A. 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 are 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. This also encompasses the Auditor of State's ongoing review of student attendance data; however, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2018, if applicable, cannot be determined at this time.

**B. Litigation**

The District's is not party to potential claims or litigation that would materially affect the financial statements of the District.

**C. 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 a result of the fiscal year 2018 reviews, the District owes a net amount of \$68,492 to ODE. This amount has been included in the financial statements as an intergovernmental payable.

**NOTE 19 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 708,193
Classroom facilities	5,745,146
Nonmajor governmental	<u>309,072</u>
Total	<u>\$ 6,762,411</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 20 - CONTRACTUAL COMMITMENTS**

As of June 30, 2018, the District had the following contractual commitments outstanding related to the building construction project and middle school renovation project:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Paid Through June 30, 2018</u>	<u>Remaining Contract Amount</u>
Turner Construction	\$ 101,973,402	\$ 101,701,037	\$ 272,365
Motz	327,041	112,357	214,684
Bray	1,002,800	188,918	813,882
DER	1,129,000	290,452	838,548
Megen	722,700	163,784	558,916
SFA	3,210,795	1,605,075	1,605,720

**NOTE 21 - SIGNIFICANT SUBSEQUENT EVENTS**

Mrs. Natasha Adams was named Superintendent effective July 1, 2018. Kelly Sininger was named Treasurer/CFO effective November 1, 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.32548950%	0.31472810%	0.29962550%	0.30263000%	0.30263000%
District's proportionate share of the net pension liability	\$ 19,447,279	\$ 23,035,193	\$ 17,096,921	\$ 15,315,932	\$ 17,996,435
District's covered payroll	\$ 11,557,400	\$ 9,753,514	\$ 9,020,303	\$ 8,793,824	\$ 7,755,296
District's proportionate share of the net pension liability as a percentage of its covered payroll	168.27%	236.17%	189.54%	174.17%	232.05%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.26938305%	0.26306609%	0.26704474%	0.27480824%	0.27480824%
District's proportionate share of the net pension liability	\$ 63,992,521	\$ 88,056,150	\$ 73,808,355	\$ 66,842,872	\$ 79,622,792
District's covered payroll	\$ 29,611,621	\$ 27,683,350	\$ 27,861,643	\$ 28,077,808	\$ 32,367,592
District's proportionate share of the net pension liability as a percentage of its covered payroll	216.11%	318.08%	264.91%	238.06%	246.00%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,441,203	\$ 1,618,036	\$ 1,365,492	\$ 1,188,876
Contributions in relation to the contractually required contribution	<u>(1,441,203)</u>	<u>(1,618,036)</u>	<u>(1,365,492)</u>	<u>(1,188,876)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,675,578	\$ 11,557,400	\$ 9,753,514	\$ 9,020,303
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,218,824	\$ 1,073,333	\$ 1,077,969	\$ 1,736,151	\$ 1,360,469	\$ 1,167,485
<u>(1,218,824)</u>	<u>(1,073,333)</u>	<u>(1,077,969)</u>	<u>(1,736,151)</u>	<u>(1,360,469)</u>	<u>(1,167,485)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,793,824	\$ 7,755,296	\$ 8,014,639	\$ 13,811,862	\$ 10,047,777	\$ 11,864,685
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,744,458	\$ 4,145,627	\$ 3,875,669	\$ 3,900,630
Contributions in relation to the contractually required contribution	<u>(4,744,458)</u>	<u>(4,145,627)</u>	<u>(3,875,669)</u>	<u>(3,900,630)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 33,888,986	\$ 29,611,621	\$ 27,683,350	\$ 27,861,643
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 3,650,115	\$ 4,207,787	\$ 4,388,512	\$ 4,382,568	\$ 4,947,600	\$ 4,872,456
<u>(3,650,115)</u>	<u>(4,207,787)</u>	<u>(4,388,512)</u>	<u>(4,382,568)</u>	<u>(4,947,600)</u>	<u>(4,872,456)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,077,808	\$ 32,367,592	\$ 33,757,785	\$ 33,712,062	\$ 38,058,462	\$ 37,480,431
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	<b>2018</b>	<b>2017</b>
District's proportion of the net OPEB liability	0.32941460%	0.31753175%
District's proportionate share of the net OPEB liability	\$ 8,840,622	\$ 9,050,829
District's covered payroll	\$ 11,557,400	\$ 9,753,514
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	76.49%	92.80%
Plan fiduciary net position as a percentage of the total OPEB liability	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	<b>2018</b>	<b>2017</b>
District's proportion of the net OPEB liability	0.26938305%	0.26306609%
District's proportionate share of the net OPEB liability	\$ 10,510,333	\$ 14,068,843
District's covered payroll	\$ 29,611,621	\$ 27,683,350
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.49%	50.82%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 228,633	\$ 175,459	\$ 154,920	\$ 209,971
Contributions in relation to the contractually required contribution	<u>(228,633)</u>	<u>(175,459)</u>	<u>(154,920)</u>	<u>(209,971)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,675,578	\$ 11,557,400	\$ 9,753,514	\$ 9,020,303
Contributions as a percentage of covered payroll	2.14%	1.52%	1.59%	2.33%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 172,435	\$ 201,550	\$ 231,012	\$ 191,900	\$ 177,018	\$ 161,601
<u>(172,435)</u>	<u>(201,550)</u>	<u>(231,012)</u>	<u>(191,900)</u>	<u>(177,018)</u>	<u>(161,601)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,793,824	\$ 7,755,296	\$ 8,014,639	\$ 13,811,862	\$ 10,047,777	\$ 11,864,685
1.96%	2.60%	2.88%	1.39%	1.76%	1.36%

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 33,888,986	\$ 29,611,621	\$ 27,683,350	\$ 27,861,643
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 280,078	\$ 323,676	\$ 337,579	\$ 337,121	\$ 380,585	\$ 374,804
<u>(280,078)</u>	<u>(323,676)</u>	<u>(337,579)</u>	<u>(337,121)</u>	<u>(380,585)</u>	<u>(374,804)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,077,808	\$ 32,367,592	\$ 33,757,785	\$ 33,712,062	\$ 38,058,462	\$ 37,480,431
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to 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 and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) 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 (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

(Continued)

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2017-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: 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.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients 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 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) 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), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES  
SUPPLEMENTAL INFORMATION

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**FUND DESCRIPTIONS - MAJOR FUNDS**

***General Fund***

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Since there is only one General Fund, and the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented here.

***Permanent Improvement Fund***

The Permanent Improvement Fund accounts for and reports financial resources received from property taxes and payment in lieu of taxes to be used for the acquisition, construction, or improvement of capital facilities and other capital assets.

***Classroom Facilities Fund***

The Classroom Facilities Fund accounts for monies received and expended in connection with contracts entered into by the District and the Ohio Facilities Construction Commission for the building and equipping of classrooms.



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Permanent Improvement</b>				
Total revenues and other sources	\$ 5,355,058	\$ 11,425,919	\$ 11,243,140	\$ (182,779)
Total expenditures and other uses	<u>5,366,035</u>	<u>11,552,396</u>	<u>11,552,399</u>	<u>(3)</u>
Net change in fund balance	(10,977)	(126,477)	(309,259)	(182,782)
Fund balance at beginning of fiscal year	-	-	-	-
Prior year encumbrances appropriated	<u>126,477</u>	<u>126,477</u>	<u>126,477</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ 115,500</u>	<u>\$ -</u>	<u>\$ (182,782)</u>	<u>\$ (182,782)</u>
<b>Classroom Facilities</b>				
Total revenues and other sources	\$ 15,000,000	\$ 19,315,732	\$ 19,315,732	\$ -
Total expenditures and other uses	<u>9,000,000</u>	<u>6,433,046</u>	<u>6,402,998</u>	<u>30,048</u>
Net change in fund balance	6,000,000	12,882,686	12,912,734	30,048
Fund balance at beginning of fiscal year	<u>1,493,365</u>	<u>1,493,365</u>	<u>1,493,365</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ 7,493,365</u>	<u>\$ 14,376,051</u>	<u>\$ 14,406,099</u>	<u>\$ 30,048</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources (other than amounts relating to expendable trusts, debt service or capital projects) that are restricted or committed to expenditure for specified purposes. A description of the District's nonmajor special revenue funds follows:

***Mental Health Fund***

This fund accounts for state funds, which provide mental health programs to the students of the District.

***Other Grants Fund***

This fund accounts for local funds, which are provided to assist the District with various programs.

***Classroom Facilities Maintenance Fund***

This accounts for the proceeds of a half mill of inside millage dedicated for the maintenance of facilities.

***District Managed Student Activities Fund***

This fund accounts for those student activity programs, which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

***Auxiliary Services Fund***

This fund accounts for state funds that provide services and materials to students attending non-public schools within the boundaries of the District.

***Network Connectivity Fund***

This fund accounts for state funds, related to the District's Network Connectivity Program.

***Miscellaneous State Grants Fund***

This fund accounts for various monies received from state agencies which are not classified elsewhere.

***Title VI-B Fund***

This fund accounts for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

***Vocational Education:***

To account for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees and work-study projects.

***Title III Fund***

This fund accounts for federal funds provided to support the District's ESL population.

***Title I Fund***

This fund accounts for federal funds for services provided to meet special education needs of educationally deprived children.

***Preschool Grant Fund***

This fund accounts for federal funds received to provide programs to handicapped preschool children.

***Improving Teacher Quality Fund***

This fund accounts for federal funds received to provide for improving the quality of teachers.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS - (Continued)

**Nonmajor Special Revenue Funds - (Continued)**

***Miscellaneous Federal Grants Fund***

This fund accounts for various monies received through state agencies from the federal governmental or directly from the federal government which are not classified elsewhere.

***Food Service Fund***

This fund accounts for all revenues and expenses related to the provision of food services, including breakfast and lunch, for District students and staff.

***Health Plex Fund***

This fund accounts for the revenues and expenditures related to the operations and maintenance of the West Clermont

The following funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the General Fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

***Public School Support Fund***

This fund accounts for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales 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 Fund***

This fund accounts for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the District.

**Nonmajor Debt Service Fund**

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

***Bond Retirement Fund***

This fund accounts for the retirement of general obligation bonds. All revenue derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on general obligation bonds, shall be paid into this

**Nonmajor Capital Project Fund**

Capital project funds are used to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's nonmajor capital project fund follows:

***Building Fund***

This fund accounts for the receipts, expenditures and other financing sources and uses related to all classroom facilities bonds in the District. Expenditures recorded in this fund represent the costs of acquiring capital facilities including real property.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 2,384,640	\$ 3,806,182	\$ 71,105	\$ 6,261,927
Receivables:				
Property taxes . . . . .	628,000	2,662,793	-	3,290,793
Accounts . . . . .	1,200	-	-	1,200
Intergovernmental . . . . .	1,360,854	-	-	1,360,854
Prepayments . . . . .	18,273	-	-	18,273
Inventory held for resale . . . . .	35,706	-	-	35,706
Total assets . . . . .	<u>\$ 4,428,673</u>	<u>\$ 6,468,975</u>	<u>\$ 71,105</u>	<u>\$ 10,968,753</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 41,836	\$ -	\$ -	\$ 41,836
Accrued wages and benefits payable . . . . .	546,870	-	-	546,870
Intergovernmental payable . . . . .	121,290	-	-	121,290
Interfund loan payable . . . . .	809,851	-	-	809,851
Total liabilities . . . . .	<u>1,519,847</u>	<u>-</u>	<u>-</u>	<u>1,519,847</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	628,000	1,891,227	-	2,519,227
Delinquent property tax revenue not available . . . . .	-	25,517	-	25,517
Intergovernmental revenue not available . . . . .	496,534	-	-	496,534
Total deferred inflows of resources . . . . .	<u>1,124,534</u>	<u>1,916,744</u>	<u>-</u>	<u>3,041,278</u>
<b>Fund Balances:</b>				
Nonspendable:				
Prepays . . . . .	18,273	-	-	18,273
Restricted:				
Debt service . . . . .	-	4,552,231	-	4,552,231
Capital improvements . . . . .	-	-	71,105	71,105
Classroom facilities maintenance . . . . .	842,768	-	-	842,768
Federal grants . . . . .	16,389	-	-	16,389
State grants . . . . .	9,000	-	-	9,000
Local grants . . . . .	14,854	-	-	14,854
Food service operations . . . . .	729,924	-	-	729,924
Non-public schools . . . . .	31,688	-	-	31,688
District managed student activities . . . . .	208,115	-	-	208,115
Committed:				
West Clermont HealthPlex . . . . .	270,214	-	-	270,214
Unassigned (deficit) . . . . .	(356,933)	-	-	(356,933)
Total fund balances . . . . .	<u>1,784,292</u>	<u>4,552,231</u>	<u>71,105</u>	<u>6,407,628</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 4,428,673</u>	<u>\$ 6,468,975</u>	<u>\$ 71,105</u>	<u>\$ 10,968,753</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 628,000	\$ 2,735,773	\$ -	\$ 3,363,773
Earnings on investments . . . . .	12,581	-	77,715	90,296
Charges for services . . . . .	973,192	-	-	973,192
Extracurricular . . . . .	506,164	-	-	506,164
Rental income . . . . .	74,462	-	-	74,462
Contributions and donations . . . . .	35,645	-	-	35,645
Contract services . . . . .	3,775	-	-	3,775
Other local revenues . . . . .	727,107	-	-	727,107
Intergovernmental - state . . . . .	812,436	275,671	-	1,088,107
Intergovernmental - federal . . . . .	5,011,875	-	-	5,011,875
Total revenue . . . . .	<u>8,785,237</u>	<u>3,011,444</u>	<u>77,715</u>	<u>11,874,396</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	1,328,568	-	-	1,328,568
Special . . . . .	2,445,682	-	-	2,445,682
Support services:				
Pupil . . . . .	131,277	-	-	131,277
Instructional staff . . . . .	256,429	-	-	256,429
Administration . . . . .	73,021	-	-	73,021
Fiscal . . . . .	-	41,834	-	41,834
Operations and maintenance . . . . .	99,457	-	-	99,457
Operation of non-instructional services:				
Other non-instructional services . . . . .	544,845	-	-	544,845
Food service operations . . . . .	2,498,785	-	-	2,498,785
Extracurricular activities . . . . .	1,029,668	-	-	1,029,668
Facilities acquisition and construction . . . . .	189,421	-	2,916,146	3,105,567
Debt service:				
Principal retirement . . . . .	-	1,720,000	-	1,720,000
Interest and fiscal charges . . . . .	-	978,056	-	978,056
Total expenditures . . . . .	<u>8,597,153</u>	<u>2,739,890</u>	<u>2,916,146</u>	<u>14,253,189</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>188,084</u>	<u>271,554</u>	<u>(2,838,431)</u>	<u>(2,378,793)</u>
<b>Other financing sources:</b>				
Sale of assets . . . . .	9,409	-	-	9,409
Transfers in . . . . .	407,194	-	-	407,194
Total other financing sources . . . . .	<u>416,603</u>	<u>-</u>	<u>-</u>	<u>416,603</u>
Net change in fund balances . . . . .	604,687	271,554	(2,838,431)	(1,962,190)
Fund balances at beginning of year . . . . .	1,179,605	4,280,677	2,909,536	8,369,818
Fund balances at end of year . . . . .	<u>\$ 1,784,292</u>	<u>\$ 4,552,231</u>	<u>\$ 71,105</u>	<u>\$ 6,407,628</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2018

	<u>Mental Health</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>District Managed Student Activity</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,055	\$ 12,693	\$ 848,945	\$ 211,525
Receivables:				
Property taxes . . . . .	-	-	628,000	-
Accounts . . . . .	-	1,200	-	-
Intergovernmental . . . . .	-	-	-	-
Prepayments . . . . .	-	-	-	1,188
Inventory held for resale . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 1,055</u>	<u>\$ 13,893</u>	<u>\$ 1,476,945</u>	<u>\$ 212,713</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 94	\$ 6,177	\$ 1,345
Accrued wages and benefits . . . . .	-	-	-	1,500
Intergovernmental payable . . . . .	-	-	-	565
Interfund loan payable . . . . .	-	-	-	-
Total liabilities . . . . .	<u>-</u>	<u>94</u>	<u>6,177</u>	<u>3,410</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	628,000	-
Intergovernmental revenue not available . . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>628,000</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable:				
Prepays . . . . .	-	-	-	1,188
Restricted:				
Classroom facilities maintenance . . . . .	-	-	842,768	-
Federal grants . . . . .	-	-	-	-
State grants . . . . .	-	-	-	-
Local grants . . . . .	1,055	13,799	-	-
Food service operations . . . . .	-	-	-	-
Non-public schools . . . . .	-	-	-	-
District managed student activities . . . . .	-	-	-	208,115
Committed:				
West Clermont HealthPlex . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances . . . . .	<u>1,055</u>	<u>13,799</u>	<u>842,768</u>	<u>209,303</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 1,055</u>	<u>\$ 13,893</u>	<u>\$ 1,476,945</u>	<u>\$ 212,713</u>

<u>Auxiliary Services</u>	<u>Network Connectivity</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Title III</u>	<u>Title I</u>
\$ 93,878	\$ 9,000	\$ 4,375	\$ -	\$ 2,572	\$ 13,082
-	-	-	-	-	-
-	-	-	-	-	-
-	-	12,329	623,548	14,472	397,798
807	-	-	2,432	-	-
-	-	-	-	-	-
<u>\$ 94,685</u>	<u>\$ 9,000</u>	<u>\$ 16,704</u>	<u>\$ 625,980</u>	<u>\$ 17,044</u>	<u>\$ 410,880</u>
\$ 22,720	\$ -	\$ -	\$ -	\$ -	\$ -
30,941	-	2,738	232,117	-	134,728
8,529	-	578	42,904	-	22,723
-	-	9,836	403,411	16,398	250,129
<u>62,190</u>	<u>-</u>	<u>13,152</u>	<u>678,432</u>	<u>16,398</u>	<u>407,580</u>
-	-	-	-	-	-
-	-	5,779	144,747	646	113,375
-	-	5,779	144,747	646	113,375
807	-	-	2,432	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,688	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(2,227)	(199,631)	-	(110,075)
<u>32,495</u>	<u>9,000</u>	<u>(2,227)</u>	<u>(197,199)</u>	<u>-</u>	<u>(110,075)</u>
<u>\$ 94,685</u>	<u>\$ 9,000</u>	<u>\$ 16,704</u>	<u>\$ 625,980</u>	<u>\$ 17,044</u>	<u>\$ 410,880</u>

- - Continued

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018

	<u>Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 20,746	\$ -	\$ 889,250
Receivables:				
Property taxes . . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental . . . . .	7,425	74,203	231,079	-
Prepayments . . . . .	471	-	-	13,375
Inventory held for resale . . . . .	-	-	-	35,706
Total assets . . . . .	<u>\$ 7,896</u>	<u>\$ 94,949</u>	<u>\$ 231,079</u>	<u>\$ 938,331</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ 4,195
Accrued wages and benefits . . . . .	-	-	-	144,846
Intergovernmental payable . . . . .	-	-	-	45,991
Interfund loan payable . . . . .	7,425	77,652	45,000	-
Total liabilities . . . . .	<u>7,425</u>	<u>77,652</u>	<u>45,000</u>	<u>195,032</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Intergovernmental revenue not available . . . . .	-	908	231,079	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>908</u>	<u>231,079</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable:				
Prepays . . . . .	471	-	-	13,375
Restricted:				
Classroom facilities maintenance . . . . .	-	-	-	-
Federal grants . . . . .	-	16,389	-	-
State grants . . . . .	-	-	-	-
Local grants . . . . .	-	-	-	-
Food service operations . . . . .	-	-	-	729,924
Non-public schools . . . . .	-	-	-	-
District managed student activities . . . . .	-	-	-	-
Committed:				
West Clermont HealthPlex . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	-	-	(45,000)	-
Total fund balances . . . . .	<u>471</u>	<u>16,389</u>	<u>(45,000)</u>	<u>743,299</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 7,896</u>	<u>\$ 94,949</u>	<u>\$ 231,079</u>	<u>\$ 938,331</u>



<u>Health Plex</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 277,519	\$ 2,384,640
-	628,000
-	1,200
-	1,360,854
-	18,273
-	35,706
<u>\$ 277,519</u>	<u>\$ 4,428,673</u>
\$ 7,305	\$ 41,836
-	546,870
-	121,290
-	809,851
<u>7,305</u>	<u>1,519,847</u>
-	628,000
-	496,534
<u>-</u>	<u>1,124,534</u>
-	18,273
-	842,768
-	16,389
-	9,000
-	14,854
-	729,924
-	31,688
-	208,115
270,214	270,214
-	(356,933)
<u>270,214</u>	<u>1,784,292</u>
<u>\$ 277,519</u>	<u>\$ 4,428,673</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Mental Health</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>District Managed Student Activity</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ 628,000	\$ -
Earnings on investments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	506,164
Rentals . . . . .	-	-	-	-
Contributions and donations . . . . .	-	12,080	-	20,377
Contract services . . . . .	-	3,775	-	-
Other local revenues . . . . .	-	-	-	3,685
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	-	-	-	-
Total revenue . . . . .	<u>-</u>	<u>15,855</u>	<u>628,000</u>	<u>530,226</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	18,796	-	-
Special . . . . .	-	7,681	-	-
Support services:				
Pupil . . . . .	-	3,253	-	-
Instructional staff . . . . .	-	3,839	-	-
Administration . . . . .	-	-	-	-
Operations and maintenance of plant . . . . .	-	-	99,457	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	-	-	-
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	1,029,668
Facilities acquisition and construction . . . . .	-	-	-	189,421
Total expenditures . . . . .	<u>-</u>	<u>33,569</u>	<u>99,457</u>	<u>1,219,089</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>-</u>	<u>(17,714)</u>	<u>528,543</u>	<u>(688,863)</u>
<b>Other financing sources:</b>				
Sale of assets . . . . .	-	-	-	-
Transfers in . . . . .	-	-	-	407,185
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,185</u>
Net change in fund balances . . . . .	-	(17,714)	528,543	(281,678)
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<u>1,055</u>	<u>31,513</u>	<u>314,225</u>	<u>490,981</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 1,055</u>	<u>\$ 13,799</u>	<u>\$ 842,768</u>	<u>\$ 209,303</u>

<u>Auxiliary Services</u>	<u>Network Connectivity</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Title III</u>	<u>Title I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
716	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
744,334	18,000	23,731	-	-	-
-	-	-	1,928,956	39,201	1,272,321
<u>745,050</u>	<u>18,000</u>	<u>23,731</u>	<u>1,928,956</u>	<u>39,201</u>	<u>1,272,321</u>
688,176	-	-	-	-	621,596
269	-	-	1,878,560	39,201	490,874
100,241	-	27,783	-	-	-
-	9,000	-	-	-	13,696
-	-	-	-	-	73,021
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>788,686</u>	<u>9,000</u>	<u>27,783</u>	<u>1,878,560</u>	<u>39,201</u>	<u>1,199,187</u>
<u>(43,636)</u>	<u>9,000</u>	<u>(4,052)</u>	<u>50,396</u>	<u>-</u>	<u>73,134</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(43,636)	9,000	(4,052)	50,396	-	73,134
76,131	-	1,825	(247,595)	-	(183,209)
<u>\$ 32,495</u>	<u>\$ 9,000</u>	<u>\$ (2,227)</u>	<u>\$ (197,199)</u>	<u>\$ -</u>	<u>\$ (110,075)</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Earnings on investments . . . . .	-	-	-	11,865
Charges for services . . . . .	-	-	-	973,192
Extracurricular activities . . . . .	-	-	-	-
Rentals . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	188
Contract services . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	76,666
Intergovernmental - state . . . . .	-	-	-	26,371
Intergovernmental - federal . . . . .	50,524	280,655	-	1,440,218
Total revenue . . . . .	<u>50,524</u>	<u>280,655</u>	<u>-</u>	<u>2,528,500</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	-	-
Special . . . . .	29,097	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	229,894	-	-
Administration . . . . .	-	-	-	-
Operations and maintenance of plant . . . . .	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	10,068	80,773	-
Food service operations . . . . .	-	-	-	2,498,785
Extracurricular activities . . . . .	-	-	-	-
Facilities acquisition and construction . . . . .	-	-	-	-
Total expenditures . . . . .	<u>29,097</u>	<u>239,962</u>	<u>80,773</u>	<u>2,498,785</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>21,427</u>	<u>40,693</u>	<u>(80,773)</u>	<u>29,715</u>
<b>Other financing sources:</b>				
Sale of assets . . . . .	-	-	-	9,409
Transfers in . . . . .	-	-	-	9
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,418</u>
Net change in fund balances . . . . .	21,427	40,693	(80,773)	39,133
<b>Fund balances (deficit) at beginning of year .</b>	<u>(20,956)</u>	<u>(24,304)</u>	<u>35,773</u>	<u>704,166</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 471</u>	<u>\$ 16,389</u>	<u>\$ (45,000)</u>	<u>\$ 743,299</u>

<u>Health Plex</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 628,000
-	12,581
-	973,192
-	506,164
74,462	74,462
3,000	35,645
-	3,775
646,756	727,107
-	812,436
-	5,011,875
724,218	8,785,237
-	1,328,568
-	2,445,682
-	131,277
-	256,429
-	73,021
-	99,457
454,004	544,845
-	2,498,785
-	1,029,668
-	189,421
454,004	8,597,153
270,214	188,084
-	9,409
-	407,194
-	416,603
270,214	604,687
-	1,179,605
\$ 270,214	\$ 1,784,292

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Mental Health</b>				
Total revenues and other sources	\$ 1,000	\$ -	\$ -	\$ -
Total expenditures and other uses	-	-	-	-
Net change in fund balance	1,000	-	-	-
Fund balance at beginning of fiscal year	1,051	1,051	1,051	-
Fund balance at end of fiscal year	<u>\$ 2,051</u>	<u>\$ 1,051</u>	<u>\$ 1,051</u>	<u>\$ -</u>
<b>Other Grants</b>				
Total revenues and other sources	\$ 20,000	\$ 14,655	\$ 14,655	\$ -
Total expenditures and other uses	13,969	37,239	37,239	-
Net change in fund balance	6,031	(22,584)	(22,584)	-
Fund balance at beginning of fiscal year	30,543	30,543	30,543	-
Prior year encumbrances appropriated	969	969	969	-
Fund balance at end of fiscal year	<u>\$ 37,543</u>	<u>\$ 8,928</u>	<u>\$ 8,928</u>	<u>\$ -</u>
<b>Classroom Facilities Maintenance</b>				
Total revenues and other sources	\$ 20,000	\$ 299,175	\$ 628,000	\$ 328,825
Total expenditures and other uses	464,600	109,461	109,461	-
Net change in fund balance	(444,600)	189,714	518,539	328,825
Fund balance at beginning of fiscal year	299,625	299,625	299,625	-
Prior year encumbrances appropriated	14,600	14,600	14,600	-
Fund balance (deficit) at end of fiscal year	<u>\$ (130,375)</u>	<u>\$ 503,939</u>	<u>\$ 832,764</u>	<u>\$ 328,825</u>
<b>District Managed Student Activity</b>				
Total revenues and other sources	\$ 600,000	\$ 939,287	\$ 939,287	\$ -
Total expenditures and other uses	938,361	1,276,965	1,276,965	-
Net change in fund balance	(338,361)	(337,678)	(337,678)	-
Fund balance at beginning of fiscal year	282,231	282,231	282,231	-
Prior year encumbrances appropriated	208,361	208,361	208,361	-
Fund balance at end of fiscal year	<u>\$ 152,231</u>	<u>\$ 152,914</u>	<u>\$ 152,914</u>	<u>\$ -</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Auxiliary Services</b>				
Total revenues and other sources	\$ 875,000	\$ 745,051	\$ 744,043	\$ (1,008)
Total expenditures and other uses	948,780	896,833	896,833	-
Net change in fund balance	(73,780)	(151,782)	(152,790)	(1,008)
Fund balance at beginning of fiscal year	82,085	82,085	82,085	-
Prior year encumbrances appropriated	94,950	94,950	94,950	-
Fund balance at end of fiscal year	<u>\$ 103,255</u>	<u>\$ 25,253</u>	<u>\$ 24,245</u>	<u>\$ (1,008)</u>
<b>Network Connectivity</b>				
Total revenues and other sources	\$ 21,600	\$ 18,000	\$ 18,000	\$ -
Total expenditures and other uses	21,600	9,000	9,000	-
Net change in fund balance	-	9,000	9,000	-
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ -</u>
<b>Miscellaneous State Grants</b>				
Total revenues and other sources	\$ 32,000	\$ 32,809	\$ 32,809	\$ -
Total expenditures and other uses	29,317	32,809	32,809	-
Net change in fund balance	2,683	-	-	-
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ 2,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Title VI-B</b>				
Total revenues and other sources	\$ 2,100,000	\$ 1,853,566	\$ 1,853,566	\$ -
Total expenditures and other uses	2,073,038	1,898,020	1,898,020	-
Net change in fund balance	26,962	(44,454)	(44,454)	-
Fund balance at beginning of fiscal year	44,454	44,454	44,454	-
Fund balance at end of fiscal year	<u>\$ 71,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Vocational Educational</b>				
Total revenues and other sources	\$ 18,000	\$ -	\$ -	\$ -
Total expenditures and other uses	-	-	-	-
Net change in fund balance	18,000	-	-	-
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Title III</b>				
Total revenues and other sources	\$ 25,000	\$ 41,799	\$ 41,773	\$ (26)
Total expenditures and other uses	21,740	41,799	41,798	1
Net change in fund balance	3,260	-	(25)	(25)
Fund balance at beginning of fiscal year	-	-	-	-
Prior year encumbrances appropriated	25	25	25	-
Fund balance at end of fiscal year	<u>\$ 3,285</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ (25)</u>
<b>Title I</b>				
Total revenues and other sources	\$ 1,700,000	\$ 1,238,028	\$ 1,238,028	\$ -
Total expenditures and other uses	1,711,177	1,284,523	1,284,523	-
Net change in fund balance	(11,177)	(46,495)	(46,495)	-
Fund balance at beginning of fiscal year	32,645	32,645	32,645	-
Prior year encumbrances appropriated	13,850	13,850	13,850	-
Fund balance at end of fiscal year	<u>\$ 35,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Preschool Grant</b>				
Total revenues and other sources	\$ 75,000	\$ 50,524	\$ 50,524	\$ -
Total expenditures and other uses	71,909	50,524	50,524	-
Net change in fund balance	3,091	-	-	-
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ 3,091</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Improving Teacher Quality</b>				
Total revenues and other sources	\$ 270,000	\$ 316,259	\$ 285,012	\$ (31,247)
Total expenditures and other uses	221,248	292,619	292,619	-
Net change in fund balance	48,752	23,640	(7,607)	(31,247)
Fund balance at beginning of fiscal year	-	-	-	-
Prior year encumbrances appropriated	7,607	7,607	7,607	-
Fund balance at end of fiscal year	<u>\$ 56,359</u>	<u>\$ 31,247</u>	<u>\$ -</u>	<u>\$ (31,247)</u>
<b>Miscellaneous Federal Grants</b>				
Total revenues and other sources	\$ 50,000	\$ 97,000	\$ 71,000	\$ (26,000)
Total expenditures and other uses	62,478	109,478	109,478	-
Net change in fund balance	(12,478)	(12,478)	(38,478)	(26,000)
Fund balance at beginning of fiscal year	-	-	-	-
Prior year encumbrances appropriated	38,478	38,478	38,478	-
Fund balance at end of fiscal year	<u>\$ 26,000</u>	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ (26,000)</u>
<b>Food Service</b>				
Total revenues and other sources	\$ 2,500,000	\$ 2,489,244	\$ 2,469,694	\$ (19,550)
Total expenditures and other uses	3,048,643	2,351,550	2,351,550	-
Net change in fund balance	(548,643)	137,694	118,144	(19,550)
Fund balance at beginning of fiscal year	548,643	548,643	548,643	-
Prior year encumbrances appropriated	164,621	164,621	164,621	-
Fund balance at end of fiscal year	<u>\$ 164,621</u>	<u>\$ 850,958</u>	<u>\$ 831,408</u>	<u>\$ (19,550)</u>
<b>Health Plex</b>				
Total revenues and other sources	\$ 344,942	\$ 541,439	\$ 724,218	\$ 182,779
Total expenditures and other uses	207,490	496,699	496,699	-
Net change in fund balance	137,452	44,740	227,519	182,779
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ 137,452</u>	<u>\$ 44,740</u>	<u>\$ 227,519</u>	<u>\$ 182,779</u>

- - Continued

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Public School Support</b>				
Total revenues and other sources	\$ 300,000	\$ 283,292	\$ 283,292	\$ -
Total expenditures and other uses	393,545	230,215	230,215	-
Net change in fund balance	(93,545)	53,077	53,077	-
Fund balance at beginning of fiscal year	104,673	104,673	104,673	-
Prior year encumbrances appropriated	8,045	8,045	8,045	-
Fund balance at end of fiscal year	<u>\$ 19,173</u>	<u>\$ 165,795</u>	<u>\$ 165,795</u>	<u>\$ -</u>
<b>Uniform School Supply</b>				
Total revenues and other sources	\$ 530,000	\$ 528,112	\$ 528,112	\$ -
Total expenditures and other uses	845,742	566,371	566,371	-
Net change in fund balance	(315,742)	(38,259)	(38,259)	-
Fund balance at beginning of fiscal year	285,672	285,672	285,672	-
Prior year encumbrances appropriated	61,123	61,123	61,123	-
Fund balance at end of fiscal year	<u>\$ 31,053</u>	<u>\$ 308,536</u>	<u>\$ 308,536</u>	<u>\$ -</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NONMAJOR DEBT SERVICE FUND AND NONMAJOR CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Bond Retirement</b>				
Total revenues and other sources	\$ 2,877,031	\$ 3,015,457	\$ 3,015,457	\$ -
Total expenditures and other uses	<u>2,697,001</u>	<u>2,695,342</u>	<u>2,695,342</u>	<u>-</u>
Net change in fund balance	180,030	320,115	320,115	-
Fund balance at beginning of fiscal year	<u>3,530,623</u>	<u>3,530,623</u>	<u>3,530,623</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 3,710,653</u></u>	<u><u>\$ 3,850,738</u></u>	<u><u>\$ 3,850,738</u></u>	<u><u>\$ -</u></u>
<b>Building</b>				
Total revenues and other sources	\$ 5,000,000	\$ 5,157,269	\$ 169,200	\$ (4,988,069)
Total expenditures and other uses	<u>15,706,187</u>	<u>16,074,164</u>	<u>15,801,800</u>	<u>272,364</u>
Net change in fund balance	(10,706,187)	(10,916,895)	(15,632,600)	(4,715,705)
Fund balance at beginning of fiscal year	772,124	772,124	772,124	-
Prior year encumbrances appropriated	<u>14,922,132</u>	<u>14,922,132</u>	<u>14,922,132</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 4,988,069</u></u>	<u><u>\$ 4,777,361</u></u>	<u><u>\$ 61,656</u></u>	<u><u>\$ (4,715,705)</u></u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**FUND DESCRIPTIONS - FIDUCIARY FUNDS**

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private purpose trust and agency funds. Private purpose 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 purely custodial (assets equal liabilities) and thus do not involve the measurement of results.

**Private-Purpose Trust Fund**

***Scholarship Trust Fund***

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

**Agency Funds**

***Payroll Fund***

This fund accounts for payroll and other related payroll deductions accumulated from the governmental funds for the distribution to employees, other governmental units, and private organizations.

***Student Managed Activities Fund***

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PRIVATE PURPOSE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Scholarship</b>				
Total revenues and other sources	\$ 1,000	\$ -	\$ -	\$ -
Total expenses and other uses	-	-	-	-
Net change in fund balance	1,000	-	-	-
Fund balance at beginning of fiscal year	<u>4,705</u>	<u>4,705</u>	<u>4,705</u>	<u>-</u>
Fund balance at end of fiscal year	<u><u>\$ 5,705</u></u>	<u><u>\$ 4,705</u></u>	<u><u>\$ 4,705</u></u>	<u><u>\$ -</u></u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<b>Beginning Balance July 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance July 1, 2018</b>
<b>Payroll Fund</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ -	\$ 13,999,043	\$ 13,847,728	\$ 151,315
Total assets . . . . .	\$ -	\$ 13,999,043	\$ 13,847,728	\$ 151,315
<b>Liabilities:</b>				
Deposits held and due to others. . . . .	\$ -	\$ 13,999,043	\$ 13,847,728	\$ 151,315
Total liabilities . . . . .	\$ -	\$ 13,999,043	\$ 13,847,728	\$ 151,315
 <b>Student Managed Activities Fund</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 101,996	\$ 251,622	\$ 219,789	\$ 133,829
Receivables:				
Accounts. . . . .	-	3,338	-	3,338
Total assets . . . . .	\$ 101,996	\$ 254,960	\$ 219,789	\$ 137,167
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 35	\$ -	\$ 35
Due to student groups. . . . .	101,996	254,925	219,789	137,132
Total liabilities. . . . .	\$ 101,996	\$ 254,960	\$ 219,789	\$ 137,167
 <b>Total - All Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 101,996	\$ 14,250,665	\$ 14,067,517	\$ 285,144
Receivables:				
Accounts. . . . .	-	3,338	-	3,338
Total assets . . . . .	\$ 101,996	\$ 14,254,003	\$ 14,067,517	\$ 288,482
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 35	\$ -	\$ 35
Due to student groups. . . . .	101,996	254,925	219,789	137,132
Deposits held and due to others . . . . .	-	13,999,043	13,847,728	151,315
Total liabilities. . . . .	\$ 101,996	\$ 14,254,003	\$ 14,067,517	\$ 288,482

# **STATISTICAL SECTION**

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**STATISTICAL SECTION**

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

**Contents**

**Financial Trends**

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

**Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant local revenue source, 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 demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

**Operating Information**

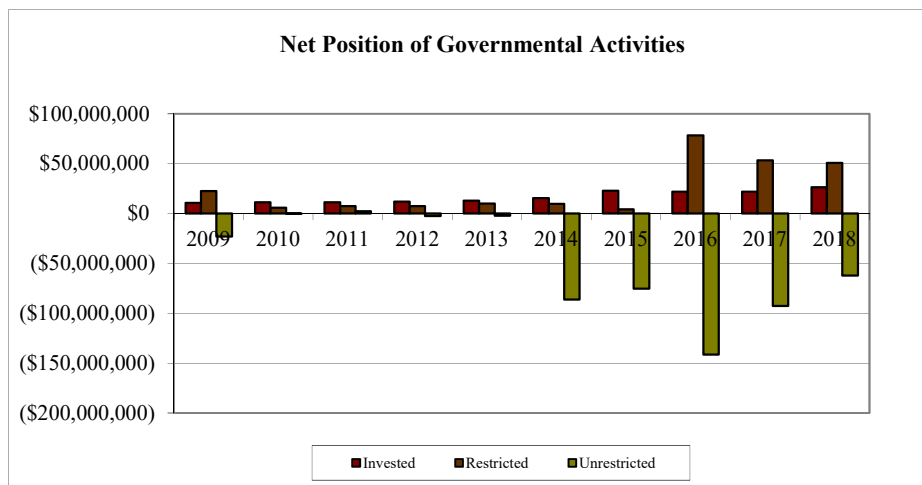
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012, as restated</u>	<u>2013, as restated</u>
<b>Governmental Activities:</b>					
Net Investment in					
Capital Assets	\$ 10,524,790	\$ 11,263,801	\$ 11,366,750	\$ 11,955,778	\$ 12,986,534
Restricted for:					
Debt Service	3,854,990	3,295,254	4,482,408	3,971,476	4,123,246
Capital Projects	20,329,134	1,786,509	5,193,356	4,957,978	6,387,497
Locally Funded Programs	-	-	-	-	-
State Funded Programs	-	-	-	-	-
Federally Funded Programs	735,278	2,061,058	827,581	609,350	113,667
Student Activities	193,279	249,817	176,822	181,323	207,147
Classroom Facilities Maintenance	-	-	-	-	-
Other Purposes	1,279,214	1,768,529	1,180,390	1,699,046	3,200,415
Unrestricted (Deficit)	<u>(23,052,757)</u>	<u>(247,522)</u>	<u>2,279,075</u>	<u>(2,542,238)</u>	<u>(2,242,475)</u>
Total Net Position	<u>\$ 13,863,928</u>	<u>\$ 20,177,446</u>	<u>\$ 25,506,382</u>	<u>\$ 20,832,713</u>	<u>\$ 24,776,031</u>



Source: West Clermont Local School District financial records

<b>2014, as restated</b>	<b>2015</b>	<b>2016</b>	<b>2017, as restated</b>	<b>2018</b>
\$ 15,518,103	\$ 22,751,297	\$ 21,737,307	\$ 21,801,177	\$ 26,287,391
4,333,385	4,349,619	4,269,605	4,496,581	4,157,843
7,607,745	2,063,413	76,044,835	50,538,567	44,618,283
-	-	-	-	14,854
-	-	-	-	24,855
686,554	625,308	779,530	829,595	204,022
328,218	415,556	477,798	508,089	209,303
-	-	-	314,225	842,768
898,602	960,613	941,451	1,019,044	706,874
(86,352,862)	(75,425,927)	(141,553,382)	(92,745,655)	(62,111,315)
<u>\$ (56,980,255)</u>	<u>\$ (44,260,121)</u>	<u>\$ (37,302,856)</u>	<u>\$ (13,238,377)</u>	<u>\$ 14,954,878</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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

	2009	2010	2011	2012, as restated	2013, as restated	2014
<b>Expenses</b>						
Instruction:						
Regular	\$ 37,131,333	\$ 35,806,489	\$ 34,736,866	\$ 34,356,317	\$ 32,478,701	\$ 34,937,715
Special	11,466,246	11,871,778	12,305,136	12,823,322	14,727,415	9,876,534
Vocational	134,191	215,040	181,822	276,169	319,423	411,755
Other	-	-	-	-	-	8,165
Support services:						
Pupil	5,649,869	4,990,736	4,862,238	4,368,889	4,946,280	4,905,231
Instructional staff	2,761,069	2,914,146	3,293,758	2,612,956	1,865,305	3,534,897
General administration	51,703	80,113	84,090	122,646	107,856	128,903
School administration	5,961,862	5,473,533	5,388,169	5,491,608	5,244,448	4,293,106
Fiscal	1,600,176	1,534,299	1,603,535	1,658,897	1,741,569	1,733,102
Business	54,428	44,157	50,613	47,703	51,946	56,113
Operations & maintenance	5,909,479	5,675,074	6,539,776	5,328,603	5,159,932	5,488,020
Pupil transportation	6,882,594	7,266,920	7,843,068	5,498,547	4,602,735	5,268,907
Central	1,091,179	1,415,595	1,655,251	1,452,797	419,740	-
Non-instructional services	2,617,011	2,522,728	2,734,433	2,878,962	2,758,490	2,311,229
Community services	-	249	4,992	-	-	-
Extracurricular activities	1,318,955	1,384,459	1,299,742	1,156,813	1,650,510	653,112
Interest and fiscal charges	2,802,098	977,858	1,591,301	2,098,299	1,625,068	2,001,235
<i>Total Expenses</i>	<u>85,432,193</u>	<u>82,173,174</u>	<u>84,174,790</u>	<u>80,172,528</u>	<u>77,699,418</u>	<u>75,608,024</u>
<b>Program Revenues</b>						
<b>Charges for services</b>						
Instruction:						
Regular	1,121,383	1,032,922	936,808	705,931	875,063	838,067
Special	250,864	173,369	209,613	141,457	583,375	554,864
Support services:						
Pupil	-	-	1,890	-	-	-
Instructional staff	19,948	11,994	13,863	-	9,802	18,383
Business	-	-	-	-	-	-
Operations & maintenance	-	-	-	40,215	134,385	109,005
Non-instructional services	1,382,924	1,233,862	1,247,168	1,176,329	975,491	912,575
Extracurricular activities	342,050	331,780	487,992	712,133	734,891	406,855
<b>Operating Grants and Contributions</b>						
Instruction:						
Regular	753,435	2,257,965	2,889,548	1,869,451	2,694,369	1,158,614
Special	1,565,859	2,438,855	2,996,314	1,463,648	1,179,711	2,253,905
Vocational	-	-	-	92,345	-	36,640
Support services:						
Pupil	138,207	63,667	82,613	102,692	92,111	128,065
Instructional staff	1,105,647	1,421,693	1,955,950	1,452,382	659,188	197,356
School administration	267,324	311,541	364,527	355,721	223,326	91,688
Fiscal	-	-	-	-	64,176	-
Operations & maintenance	25,632	41,324	-	-	-	3,891
Pupil transportation	-	255,644	-	-	-	-
Central	-	101,063	170,249	-	35,371	-
Non-instructional services	1,166,315	1,333,970	1,428,808	1,565,687	1,579,607	1,309,307
Community services	-	171	-	-	-	-
Extracurricular activities	-	-	-	-	-	-
<b>Capital Grants and Contributions</b>						
Support services:						
Pupil transportation	113,187	-	-	-	-	-
Extracurricular activities	-	-	-	-	-	-
<i>Total Program Revenues</i>	<u>8,252,775</u>	<u>11,009,820</u>	<u>12,785,343</u>	<u>9,677,991</u>	<u>9,840,866</u>	<u>8,019,215</u>
Net Expense	<u>\$ (77,179,418)</u>	<u>\$ (71,163,354)</u>	<u>\$ (71,389,447)</u>	<u>\$ (70,494,537)</u>	<u>\$ (67,858,552)</u>	<u>\$ (67,588,809)</u>

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 35,703,570	\$ 37,214,205	\$ 41,861,700	\$ 22,075,567
9,524,797	8,925,979	11,495,177	11,466,774
359,760	418,059	544,478	279,281
9,561	11,067	8,587	2,639
4,791,166	4,777,078	5,192,950	4,061,991
2,352,367	1,597,449	2,703,808	1,719,680
132,263	209,044	157,872	331,304
4,439,201	5,012,211	5,565,529	2,871,575
1,628,516	1,757,068	1,907,796	1,441,938
47,653	51,410	57,363	80,614
5,184,670	4,369,837	6,705,393	3,182,130
4,667,658	5,963,912	6,085,872	6,740,293
347,423	389,760	390,406	331,260
2,430,397	2,329,959	2,339,604	2,262,244
-	-	-	-
1,218,884	1,141,373	1,243,981	1,062,392
2,006,367	5,697,247	5,574,546	4,958,662
<u>74,844,253</u>	<u>79,865,658</u>	<u>91,835,062</u>	<u>62,868,344</u>
1,009,541	858,091	1,228,647	2,049,506
675,912	575,553	818,027	374,934
2,162	1,143	219	61,661
5,880	1,714	1,825	432
-	-	-	11,040
71,966	56,305	66,120	55,702
797,416	807,979	965,739	1,047,654
774,759	563,450	549,483	506,164
1,284,802	1,447,997	1,581,107	1,271,988
3,050,382	2,147,813	2,732,824	6,699,968
1,012	-	-	45,562
188,663	98,320	126,581	125,376
205,772	190,300	240,749	248,715
80,840	11,279	60,509	72,261
154,923	-	-	-
-	-	-	-
-	-	-	1,579,786
-	46,297	-	-
1,497,580	1,518,096	1,403,912	2,256,704
-	-	-	-
-	-	-	24,062
-	-	-	-
-	-	-	5,000
<u>9,801,610</u>	<u>8,324,337</u>	<u>9,775,742</u>	<u>16,436,515</u>
<u>\$ (65,042,643)</u>	<u>\$ (71,541,321)</u>	<u>\$ (82,059,320)</u>	<u>\$ (46,431,829)</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012, as restated</u>	<u>2013, as restated</u>	<u>2014</u>
<b>General Revenues</b>						
Property taxes levied for:						
General purposes	\$35,793,409	\$37,480,027	\$39,402,281	\$28,405,729	\$34,920,276	\$37,670,165
Debt service	2,590,481	2,727,047	2,921,111	2,055,205	2,495,106	2,744,327
Classroom facilities and maintenance	-	-	-	-	-	-
Capital projects	2,228,003	2,378,690	5,148,787	3,878,112	4,632,535	5,099,876
Payment in lieu of taxes	-	-	-	-	-	-
Grants and entitlements						
Restricted for OFCC project	-	-	-	-	-	-
Grants and entitlements not restricted to specific programs	32,901,435	33,721,974	28,651,673	30,602,918	28,695,132	31,817,746
Earnings on investments	1,339,593	614,307	51,923	231	8,224	20,915
Other revenues	183,558	554,827	542,608	878,673	1,050,597	1,229,782
<i>Total General Revenues</i>	<u>75,036,479</u>	<u>77,476,872</u>	<u>76,718,383</u>	<u>65,820,868</u>	<u>71,801,870</u>	<u>78,582,811</u>
<i>Change in Net Position</i>	<u>\$ (2,142,939)</u>	<u>\$ 6,313,518</u>	<u>\$ 5,328,936</u>	<u>\$ (4,673,669)</u>	<u>\$ 3,943,318</u>	<u>\$ 10,994,002</u>

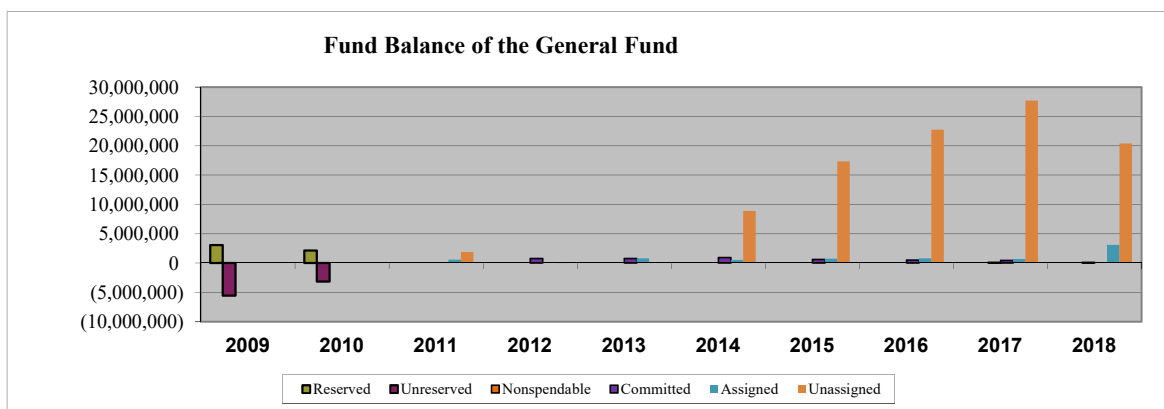
**Source:** West Clermont Local School District financial records

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$35,619,456	\$35,227,232	\$37,279,815	\$34,210,526
2,562,858	2,529,255	2,660,572	2,718,386
-	-	314,225	628,000
4,763,005	4,698,931	4,631,580	4,423,868
-	-	-	1,402,276
-	-	45,363,991	-
33,707,390	34,035,374	36,010,074	30,632,090
25,247	602,222	601,072	436,033
1,084,821	1,405,572	2,206,683	173,905
<u>77,762,777</u>	<u>78,498,586</u>	<u>129,068,012</u>	<u>74,625,084</u>
<u>\$ 12,720,134</u>	<u>\$ 6,957,265</u>	<u>\$ 47,008,692</u>	<u>\$ 28,193,255</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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

	2009	2010	2011(1)	2012	2013, as restated	2014
<b>General Fund</b>						
Reserved	\$ 3,076,869	\$ 2,146,881	\$ -	\$ -	\$ -	\$ -
Unreserved	(5,543,155)	(3,140,395)	-	-	-	-
Nonspendable	-	-	-	-	-	-
Committed	-	-	-	775,186	775,186	917,008
Assigned	-	-	542,393	-	755,316	509,762
Unassigned	-	-	1,847,900	(71,628)	-	8,871,710
<b>Total General Fund</b>	<b>(2,466,286)</b>	<b>(993,514)</b>	<b>2,390,293</b>	<b>703,558</b>	<b>1,530,502</b>	<b>10,298,480</b>
<b>All Other Governmental Funds</b>						
Reserved	19,869,425	5,429,465	-	-	-	-
Unreserved, Undesignated, Reported in:						
Special Revenue Funds	1,391,652	811,264	-	-	-	-
Debt Service Funds	3,306,260	3,401,310	-	-	-	-
Capital Projects Funds	7,048,079	2,617,358	-	-	-	-
Nonspendable	-	-	79,813	45,859	97,761	48,546
Restricted	-	-	10,056,822	9,334,677	10,858,171	12,421,751
Committed	-	-	775,186	-	-	-
Unassigned	-	-	(367,805)	(294,985)	(176,198)	(541,667)
<b>Total All Other Governmental Funds</b>	<b>31,615,416</b>	<b>12,259,397</b>	<b>10,544,016</b>	<b>9,085,551</b>	<b>10,779,734</b>	<b>11,928,630</b>
<b>Total Governmental Funds</b>	<b>\$ 29,149,130</b>	<b>\$ 11,265,883</b>	<b>\$ 12,934,309</b>	<b>\$ 9,789,109</b>	<b>\$ 12,310,236</b>	<b>\$ 22,227,110</b>



Source: West Clermont Local School District financial records

(1) The District implemented GASB 54 in fiscal year 2011



<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	103,130	94,203
630,184	486,025	442,450	-
723,078	747,867	656,683	3,053,070
<u>17,282,070</u>	<u>22,723,569</u>	<u>27,669,680</u>	<u>20,331,296</u>
<u>18,635,332</u>	<u>23,957,461</u>	<u>28,871,943</u>	<u>23,478,569</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
66,386	57,491	54,717	18,273
6,964,241	80,868,637	10,986,202	23,082,820
-	-	-	270,214
<u>(93,127)</u>	<u>(431,881)</u>	<u>(485,794)</u>	<u>(4,139,923)</u>
<u>6,937,500</u>	<u>80,494,247</u>	<u>10,555,125</u>	<u>19,231,384</u>
<u>\$ 25,572,832</u>	<u>\$ 104,451,708</u>	<u>\$ 39,427,068</u>	<u>\$ 42,709,953</u>

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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

	2009	2010	2011	2012	2013, as restated	2014
<b>Revenues</b>						
From local sources:						
Taxes	\$ 40,363,871	\$ 42,522,065	\$ 47,033,943	\$ 36,068,184	\$ 42,561,713	\$ 45,601,215
Tuition and fees	809,268	931,476	1,000,069	844,223	1,316,998	1,386,753
Charges for services	1,433,433	1,281,374	1,348,378	1,179,494	1,116,931	977,114
Earnings on investments	1,339,443	614,307	51,923	1,130	8,424	20,915
Extracurricular activities	474,476	425,571	387,496	712,133	734,891	406,855
Other local revenues	583,919	610,896	710,738	917,990	1,194,583	1,285,389
Intergovernmental	37,767,084	39,893,819	41,030,201	37,203,348	35,399,745	36,591,266
<i>Total Revenues</i>	<u>82,771,494</u>	<u>86,279,508</u>	<u>91,562,748</u>	<u>76,926,502</u>	<u>82,333,285</u>	<u>86,269,507</u>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	35,994,093	35,276,417	35,158,266	32,351,547	31,998,537	34,205,263
Special	11,398,543	11,953,388	12,275,843	12,697,267	14,783,889	9,715,528
Vocational	134,191	215,040	181,822	276,169	319,423	411,755
Other	-	-	-	-	-	8,165
Support Services:						
Pupil	5,604,181	5,024,780	4,840,087	4,312,361	4,988,158	4,884,943
Instructional staff	2,747,686	2,881,163	3,249,931	2,668,339	1,973,856	3,686,732
General administration	51,703	80,113	84,090	122,646	107,856	128,903
School administration	5,694,673	5,598,499	5,407,246	5,341,898	5,174,617	4,331,254
Fiscal	1,587,628	1,538,979	1,611,901	1,637,380	1,754,719	1,733,602
Business	50,051	49,970	50,081	46,744	54,422	58,721
Operations & maintenance	5,700,594	6,042,915	6,325,662	5,027,822	5,409,703	5,567,458
Pupil transportation	6,880,574	7,264,900	7,841,048	5,495,499	4,600,715	5,266,887
Central	1,100,500	1,455,072	1,751,601	1,588,171	691,881	92,139
Non-instructional services	2,513,501	2,537,375	2,660,873	2,729,086	2,736,931	2,272,292
Community services	-	249	5,241	-	-	-
Extracurricular activities	1,298,763	1,435,163	1,292,778	1,123,717	1,173,521	655,584
Capital Outlay	6,020,128	19,700,596	3,449,448	1,049,744	471,027	746,722
Debt Service:						
Principal retirement	1,701,414	1,888,472	2,005,902	1,971,558	6,073,879	913,713
Interest and fiscal charges	2,149,675	1,748,625	1,702,502	1,631,754	1,562,087	2,152,713
Issuance costs	-	-	-	-	62,858	-
<i>Total Expenditures</i>	<u>90,627,898</u>	<u>104,691,716</u>	<u>89,894,322</u>	<u>80,071,702</u>	<u>83,938,079</u>	<u>76,832,374</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,856,404)</u>	<u>(18,412,208)</u>	<u>1,668,426</u>	<u>(3,145,200)</u>	<u>(1,604,794)</u>	<u>9,437,133</u>
<b>Other Financing Sources (Uses)</b>						
Inception of capital lease	-	-	-	-	-	466,321
Refunding debt issuance	-	-	-	-	-	-
Premium on refunding debt issued	-	-	-	-	-	-
Payments to debt escrow account	-	-	-	-	-	-
Proceeds on sale of capital lease	-	-	-	-	-	13,420
Proceeds of capital lease transaction	-	528,961	-	-	-	-
Proceeds of bonds	-	-	-	-	-	-
Discount on sale of bonds	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	385,921	-
Refunding bonds issued	-	-	-	-	3,740,000	-
Sale of assets	-	-	-	-	-	-
Transfers in	-	-	-	114,723	119,076	166,803
Transfers out	-	-	-	(114,723)	(119,076)	(166,803)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>528,961</u>	<u>-</u>	<u>-</u>	<u>4,125,921</u>	<u>479,741</u>
<i>Net Change in Fund Balances</i>	<u>\$ (7,856,404)</u>	<u>\$ (17,883,247)</u>	<u>\$ 1,668,426</u>	<u>\$ (3,145,200)</u>	<u>\$ 2,521,127</u>	<u>\$ 9,916,874</u>
Debt Service as a Percentage of Noncapital Expenditures	4.6%	4.3%	4.3%	4.6%	9.2%	4.0%

Source: West Clermont Local School District financial records

2015	2016	2017	2018
\$ 43,033,385	\$ 42,407,879	\$ 44,991,115	\$ 43,898,731
1,681,411	1,368,511	2,045,068	1,950,386
875,991	875,969	1,035,509	973,192
25,247	477,373	719,365	439,909
774,759	563,450	549,483	543,857
1,090,295	1,461,910	2,206,683	1,581,314
40,725,127	39,029,882	42,241,600	61,571,589
88,206,215	86,184,974	93,788,823	110,958,978
35,232,552	36,031,744	37,597,276	34,902,792
9,907,300	9,045,929	10,757,090	16,127,782
363,952	420,313	525,263	321,316
9,885	11,359	8,363	9,562
4,883,901	4,762,103	5,023,814	5,663,264
2,128,530	1,788,948	2,588,885	2,437,290
132,263	209,044	157,872	347,326
4,687,459	4,956,808	5,216,065	6,138,915
1,650,163	1,761,265	1,901,433	1,917,619
47,788	51,957	51,152	145,029
5,022,303	5,216,878	6,666,690	7,302,292
4,665,638	5,961,892	6,083,852	6,738,273
116,819	167,072	167,738	216,693
2,380,491	2,204,990	2,186,760	3,059,127
-	-	-	-
1,230,282	1,143,355	1,321,604	1,527,198
6,508,138	25,632,187	71,834,669	13,586,393
3,757,048	946,230	1,748,728	1,942,325
2,135,981	6,102,136	5,498,159	5,312,681
-	-	256,916	-
84,860,493	106,414,210	159,592,329	107,695,877
3,345,722	(20,229,236)	(65,803,506)	3,263,101
-	-	521,950	-
-	-	22,770,000	-
-	-	2,105,565	-
-	-	(24,618,649)	-
-	-	-	-
-	-	-	-
-	99,255,000	-	-
-	(146,888)	-	-
-	-	-	-
-	-	-	-
-	-	-	19,784
325,825	362,975	1,966,407	407,194
(325,825)	(362,975)	(1,966,407)	(407,194)
-	99,108,112	778,866	19,784
\$ 3,345,722	\$ 78,878,876	\$ (65,024,640)	\$ 3,282,885
7.5%	8.7%	8.6%	7.7%

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2009	\$ 978,484,110	\$ 374,431,720	\$ 3,865,473,800	\$ 37,131,600	\$ 49,508,800
2010	979,893,220	375,756,030	3,873,283,571	38,398,840	51,198,453
2011	976,713,460	-	2,790,609,886	39,436,420	52,581,893
2012	881,147,600	314,002,640	3,414,714,971	42,264,690	56,352,920
2013	883,044,020	311,357,880	3,412,576,857	43,845,710	58,460,947
2014	885,118,190	311,484,250	3,418,864,114	47,115,610	62,820,813
2015	895,927,480	306,401,520	3,435,225,714	50,286,990	67,049,320
2016	897,176,310	307,757,010	3,442,666,629	51,967,890	69,290,520
2017	901,785,520	314,698,990	3,475,670,029	52,860,740	70,480,987
2018	1,017,617,280	344,010,040	3,890,363,771	54,660,380	72,880,507

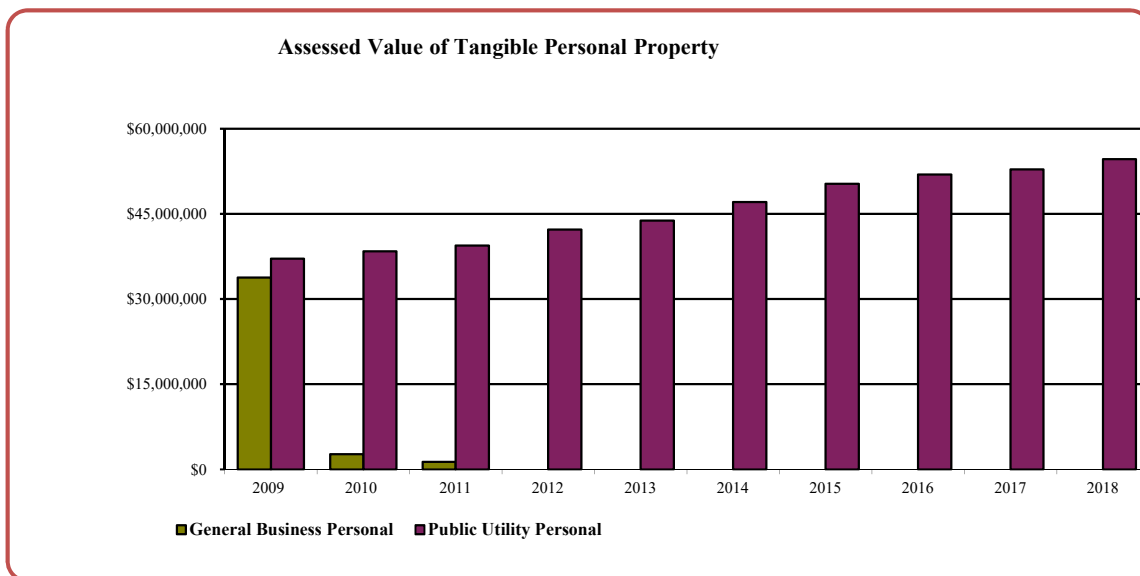
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. 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 was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out entirely in 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

**Source:** Office of the County Auditor, Clermont County, Ohio

<b>Tangible Personal Property</b>		<b>Total</b>		<b>Total Direct Tax Rate</b>
<b>General Business</b>		<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
\$ 2,662,245	\$ 148,526,400	\$ 1,392,709,675	\$ 4,063,509,000	31.11
1,331,123	153,595,360	1,395,379,213	4,078,077,384	30.85
-	-	1,016,149,880	2,843,191,779	33.36
-	-	1,237,414,930	3,471,067,891	36.52
-	-	1,238,247,610	3,471,037,804	36.54
-	-	1,243,718,050	3,481,684,927	36.61
-	-	1,252,615,990	3,502,275,034	36.35
-	-	1,256,901,210	3,511,957,149	36.44
-	-	1,269,345,250	3,546,151,016	36.28
-	-	1,416,287,700	3,963,244,278	33.35



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
PER \$1,000 OF ASSESSED VALUATION  
LAST TEN CALENDAR YEARS

<b>District Direct Rates</b>				<b>Overlapping Rates</b>		
<b>Calendar Year</b>	<b>General Purpose</b>	<b>Capital Purpose</b>	<b>Total</b>	<b>Union Township</b>	<b>Pierce Township</b>	<b>Batavia Township</b>
2008	29.05	2.16	31.21	11.58	15.57	2.78
2009	29.05	2.06	31.11	11.10	14.77	2.65
2010	28.79	2.06	30.85	14.08	14.88	2.65
2011	31.30	2.06	33.36	14.15	15.08	2.66
2012	34.26	2.26	36.52	15.15	15.99	2.70
2013	34.28	2.26	36.54	15.00	15.90	2.70
2014	34.35	2.26	36.61	15.00	15.90	2.70
2015	34.09	2.26	36.35	14.82	16.02	2.65
2016	34.18	2.26	36.44	14.82	18.03	2.65
2017	34.02	2.26	36.28	14.83	18.11	3.65
2018	31.09	2.26	33.35	13.39	16.37	3.47

**Source:** Ohio Municipal Advisory Council

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
CURRENT YEAR AND NINE YEARS AGO

Name of Taxpayer	2018		2009	
	Assessed	Percent of Real Property Assessed Value	Assessed	Percent of Real Property Assessed Value
Duke Energy	\$ 53,406,680	3.77%	\$ -	0.00%
CBL Eastgate Mall LLC	14,484,310	1.02%	15,983,790	1.15%
American Modern Home Insur. Co	9,987,680	0.71%	-	0.00%
KRG Eastgate Pavillion LLC	7,165,520	0.51%	6,547,310	0.47%
QTR	6,674,470	0.47%	7,171,010	0.51%
Brandychase I Apartment Co LTD	5,122,290	0.36%	-	0.00%
Regency Centers LP	5,741,310	0.41%	5,813,820	0.42%
Occidental Devopment LTD	5,345,030	0.38%	-	0.00%
MNR Properties LLC	5,250,010	0.37%	-	0.00%
Fox Chase North LLC	4,723,460	0.33%	4,978,900	0.36%
Edward Rose Assoc., Inc	4,388,130	0.31%	4,517,450	0.32%
Eastgate Crossing CMBS, LLC	-	0.00%	3,959,070	0.28%
Midland Company	-	0.00%	12,922,670	0.93%
Amerishop Biggs Place LLC	-	0.00%	6,907,220	0.50%
Meijer Stores Limited Partnership	-	0.00%	4,170,290	0.30%
Totals	<u>\$ 122,288,890</u>	<u>8.63%</u>	<u>\$ 72,971,530</u>	<u>5.24%</u>
Total Assessed Valuation	<u>\$ 1,416,287,700</u>		<u>\$ 1,392,709,675</u>	

**Source:** Office of the County Auditor, Clermont County, Ohio

**Note:** The amounts presented represent the assessed values upon which collections were based.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS (1)  
LAST TEN YEARS

Collection Year(2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2009	\$46,559,926	\$43,471,991	93.37	\$1,220,675	\$44,692,666	95.99
2010	46,600,791	42,767,983	91.78	1,411,730	44,179,713	94.80
2011	49,419,911	45,306,325	91.68	1,314,775	46,621,100	94.34
2012	49,314,271	44,902,683	91.05	1,756,483	46,659,166	94.62
2013	48,564,153	45,510,712	93.71	1,331,698	46,842,410	96.45
2014	48,606,281	45,938,178	94.51	1,254,209	47,192,387	97.09
2015	48,652,170	46,329,961	95.23	1,070,493	47,400,454	97.43
2016	48,652,170	46,501,849	95.58	995,301	47,497,150	97.63
2017	47,725,592	46,908,043	98.29	1,086,721	47,994,764	100.56
2018	50,703,371	48,291,872	95.24	1,065,876	49,357,748	97.35

**Source:** Office of the County Auditor, Clermont County, Ohio

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The County does not identify delinquent tax collections by tax year.

**Note:** Tax information cannot be broken out for real property, public utility and personal.



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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

RATIO OF DEBT TO ASSESSED VALUE AND DEBT PER CAPITA  
LAST TEN FISCAL YEARS

<b>Year</b>	<b>Population (1)</b>		<b>Estimated Actual Value of Taxable Property(2)</b>	<b>General Bonded Debt Outstanding</b>	<b>Resources Available to Pay Principal</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>
2009	196,512	(a)	\$ 4,063,509,000	\$ 38,067,570	\$ 3,514,260	\$ 34,553,310	0.85%
2010	197,705	(a)	4,078,077,384	36,783,134	3,735,510	33,047,624	0.81%
2011	198,615	(a)	3,895,338,864	35,423,065	4,115,472	31,307,593	0.80%
2012	199,242	(a)	3,471,067,891	33,998,542	3,712,344	30,286,198	0.87%
2013	200,219	(a)	3,471,037,804	32,646,117	3,893,004	28,753,113	0.83%
2014	201,375	(a)	3,486,372,462	31,747,639	4,108,758	27,638,881	0.79%
2015	201,973	(a)	3,502,275,034	30,834,161	4,130,433	26,703,728	0.76%
2016	202,101	(a)	3,511,957,149	29,756,681	4,047,518	25,709,163	0.73%
2017	202,101	(a)	3,546,151,015	29,706,290	4,280,677	25,425,613	0.72%
2018	204,214	(a)	3,963,244,278	27,580,903	4,552,231	23,028,672	0.58%

**Sources:** West Clermont Local School District financial records.

(1) U.S. Bureau of Census, Census of Population  
(a) Midyear Population Estimate

(2) Office of the County Auditor, Clermont County, Ohio

(3) General Obligation Bonds of \$99,255,000 for classroom facilities in 2015 financed through the Port Authority are not included in this amount.

<b>Net Bonded Debt per Capita</b>	<b>General Bonded Debt Outstanding (3)</b>	<b>Capital Leases</b>	<b>Revenue Bonds</b>	<b>Total Debt</b>	<b>Ratio of General Debt to Estimated Actual Value</b>	<b>Total Debt Per Capita</b>
175.83	\$ 36,525,000	\$ 5,771,029	\$ -	\$ 42,296,029	1.04%	215.23
167.16	35,345,000	5,591,518	-	40,936,518	1.00%	207.06
157.63	34,095,000	4,835,616	-	38,930,616	1.00%	196.01
152.01	32,790,000	4,169,058	-	36,959,058	1.06%	185.50
143.61	31,150,000	3,475,179	-	34,625,179	1.00%	172.94
137.25	30,405,000	3,655,646	-	34,060,646	0.98%	169.14
132.21	29,645,000	658,598	-	30,303,598	0.87%	150.04
127.21	29,900,683	492,368	99,255,000	129,648,051	3.69%	641.50
125.81	29,706,290	840,590	99,114,847	129,661,727	3.66%	641.57
112.77	27,580,903	618,265	99,118,696	127,317,864	3.21%	623.45

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING  
DEBT ATTRIBUTABLE TO GOVERNMENTAL ACTIVITIES  
JUNE 30, 2018

	<u>Debt Attributable to Governmental Activities</u>	<u>Percentage Applicable to District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct Debt			
West Clermont Local School District	<u>\$127,317,864</u>	100.00%	<u>\$127,317,864</u>
Overlapping Debt:			
Payable from Property Taxes			
Clermont County	-	30.20%	-
Amelia Village	1,085,000	100.00%	1,085,000
Batavia Township	534,000	49.12%	262,301
Union Township	27,438,679	86.97%	23,863,419
Great Oaks Career Center JSVD	<u>6,070,000</u>	7.17%	<u>435,219</u>
Total Overlapping Debt:	<u>35,127,679</u>		<u>25,645,939</u>
Total Direct and Overlapping Debt	<u>\$162,445,543</u>		<u>\$152,963,803</u>

**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. The valuations used were for the 2018 collection year.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

PLEGDED REVENUE COVERAGE  
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Lease Revenue Bonds, Series 2015</b>			
Gross revenues (1)	\$ 4,713,332	\$ 4,991,245	\$ 5,529,440
Direct operating expenses	-	-	-
Net revenue available for debt service	<u>\$ 4,713,332</u>	<u>\$ 4,991,245</u>	<u>\$ 5,529,440</u>
Annual debt service requirement (2)	\$ 2,856,217	\$ 4,304,128	\$ 4,304,127
Coverage	1.65	1.16	1.28

**Source:** West Clermont Local School District financial records

**Notes:**

(1) Gross revenues are derived from TIF revenues, a portion of the inside millage allocated for permanent improvement purposes, and include interest revenue

(2) Includes only principal and interest payments associated with pledged revenues

Not applicable prior to 2016.

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Tax Valuation	<u>\$1,392,709,675</u>	<u>\$1,395,379,213</u>	<u>\$1,384,401,360</u>	<u>\$1,237,414,930</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$125,343,871</u>	<u>\$125,584,129</u>	<u>\$124,596,122</u>	<u>\$111,367,344</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds (2)	36,525,000	35,345,000	34,095,000	32,790,000
Less Amount Available in Debt Service	<u>3,514,260</u>	<u>3,735,510</u>	<u>4,115,472</u>	<u>3,712,344</u>
Amount of Debt Subject to Limit	<u>33,010,740</u>	<u>31,609,490</u>	<u>29,979,528</u>	<u>29,077,656</u>
Legal Debt Margin	<u>\$92,333,131</u>	<u>\$93,974,639</u>	<u>\$94,616,594</u>	<u>\$82,289,688</u>
Legal Debt Margin as a Percentage of the Debt Limit	73.66%	74.83%	75.94%	73.89%
Unvoted Debt Limit				
0.10% of Taxable Valuation (1)	<u>\$1,392,710</u>	<u>\$1,395,379</u>	<u>\$1,384,401</u>	<u>\$1,237,415</u>
Unvoted Legal Debt Margin	<u>\$1,392,710</u>	<u>\$1,395,379</u>	<u>\$1,384,401</u>	<u>\$1,237,415</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

**Source:** Clermont County Auditor and West Clermont Local School District financial records

**Notes:**

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

(2) General Obligation Bonds of \$99,255,000 for classroom facilities in 2015 financed through the Port Authority are not subject to such limitations.

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<u>\$1,238,247,610</u>	<u>\$1,243,718,050</u>	<u>\$1,252,615,990</u>	<u>\$1,256,901,210</u>	<u>\$1,269,345,250</u>	<u>\$1,416,287,700</u>
<u>\$111,442,285</u>	<u>\$111,934,625</u>	<u>\$112,735,439</u>	<u>\$113,121,109</u>	<u>\$114,241,073</u>	<u>\$127,465,893</u>
<u>31,150,000</u>	<u>30,405,000</u>	<u>29,645,000</u>	<u>28,865,000</u>	<u>27,235,000</u>	<u>25,515,000</u>
<u>3,893,004</u>	<u>4,108,758</u>	<u>4,130,433</u>	<u>4,047,518</u>	<u>4,280,677</u>	<u>4,552,231</u>
<u>27,256,996</u>	<u>26,296,242</u>	<u>25,514,567</u>	<u>24,817,482</u>	<u>22,954,323</u>	<u>20,962,769</u>
<u>\$84,185,289</u>	<u>\$85,638,383</u>	<u>\$87,220,872</u>	<u>\$88,303,627</u>	<u>\$91,286,750</u>	<u>\$106,503,124</u>
75.54%	76.51%	77.37%	78.06%	79.91%	83.55%
<u>\$1,238,248</u>	<u>\$1,243,718</u>	<u>\$1,252,616</u>	<u>\$1,256,901</u>	<u>\$1,269,345</u>	<u>\$1,416,288</u>
<u>\$1,238,248</u>	<u>\$1,243,718</u>	<u>\$1,252,616</u>	<u>\$1,256,901</u>	<u>\$1,269,345</u>	<u>\$1,416,288</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2009	196,512	\$ 7,195,684	\$ 36,617	9.70
2010	197,705	7,422,490	37,543	9.70
2011	198,615	7,975,806	40,157	9.30
2012	199,242	8,162,691	40,969	8.60
2013	200,219	8,341,936	41,664	7.70
2014	201,375	8,842,357	43,910	6.50
2015	201,973	9,344,779	46,267	5.60
2016	202,101	9,452,462	46,771	5.10
2017	204,214	10,211,356	50,003	4.60
2018	* N/A	N/A	N/A	N/A

**Sources:**

- 1) U.S. Census Bureau midyear population estimates
- 2) Bureau of Economic Analysis: Regional Economic Accounts for Clermont County
- 3) Computed by dividing personal income by population
- 4) Bureau of Labor Statistics, rates for Clermont County (July)

\* 2018 data not available until March, 2019



**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Nature of Business</u>	<u>2018</u>			<u>2009</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Total Quality Logistics	Freight Logistics	2,200	1	3.13%	1,031	1	1.42%
American Modern Insurance Group (Formerly Midland Company)	Financial	1,400	2	1.99%	983	2	1.35%
West Clermont Local School District	Education	816	3	1.16%	900	3	1.24%
L-3 Fuzing & Ordinance (Formerly KDI)	Manufacturing	600	4	0.85%	525	4	0.72%
Duke Energy	Energy	436	5	0.62%	431	5	0.59%
DRS Mobil Environmental Systems	Environmental Shelters	320	6	0.46%	N/A	N/A	N/A
Multi-Color Corporation	Manufacturing	318	7	0.45%	N/A	N/A	N/A
Jeff Wyler Automotive	Sales	280	8	0.40%	280	6	0.38%
Child Focus	Education	216	9	0.31%	224	8	0.31%
Eastgate Health Care & Rehabilitation	Health Care	202	10	0.29%	225	7	0.31%
Total		<u>6,788</u>		<u>9.66%</u>	<u>4,599</u>		<u>6.32%</u>
Total Employment within the District		<u>70,216</u>			<u>72,788</u>		

**Source:** Clermont County Chamber of Commerce

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

SCHOOL DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Regular Instruction (1100)										
Elementary Classroom Teachers	206.00	211.00	210.50	195.70	191.00	185.94	185.23	191.23	208.23	212.23
Middle School Classroom Teachers	100.00	101.84	101.50	96.15	93.47	99.63	100.63	102.63	103.63	114.63
High School Classroom Teachers	140.00	135.16	136.50	113.35	115.53	113.83	118.64	132.71	131.54	136.84
Classroom Aides	3.00	3.00	3.00	3.47	3.47	2.61	2.61	3.35	3.35	3.35
Special Instruction (1200)										
Classroom Aides	45.00	45.00	45.00	46.00	46.00	5.20	5.20	5.20	5.20	5.20
Gifted Education Teachers	5.00	10.04	3.00	2.30	2.80	1.50	1.50	1.50	1.50	1.50
Special Education Paraprofessionals	42.00	41.60	52.84	33.60	33.60	75.02	89.80	89.80	89.80	89.80
Special Education Tutors	19.00	16.86	25.20	15.54	16.00	12.00	15.00	8.20	8.20	1.25
Pupil Support Services (2100)										
Administrators	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Support	4.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Guidance Counselors	10.00	8.00	8.00	8.00	8.50	8.00	8.00	8.00	8.00	8.00
Health Services	13.50	13.71	13.71	13.71	15.25	15.40	15.58	15.58	15.98	13.12
Psychological Services	4.00	4.00	4.00	9.00	9.00	8.60	10.00	7.52	8.80	8.64
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	2.00	3.00	3.00	2.00
Staff Support Services (2200)										
Administrators	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	2.00	2.00
Administrative Support - Staff	2.00	3.50	2.00	2.00	4.00	4.00	4.18	3.68	3.68	3.68
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00
Librarians	2.00	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Library Aides	10.00	10.00	4.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration (2400)										
Administrators	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretaries	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Campus Coordinators	13.50	11.00	11.00	11.86	12.86	13.00	13.00	13.00	13.00	13.59
Communications	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principals	12.00	12.00	12.00	10.00	10.00	12.00	12.00	12.00	13.00	11.00
Asst. Principals	8.00	6.00	6.00	7.00	6.00	4.00	4.00	7.00	7.00	9.00
Building Secretaries	27.00	24.00	24.00	23.00	23.00	23.00	22.47	21.77	21.77	21.77
Fiscal Services (2500)										
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounting Staff	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Personnel Services (2600)										
Director of Personnel	1.00	1.00	1.00	1.00	0.57	0.00	1.00	1.00	1.00	1.00
Administrative Secretaries	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Administrative Support -Personnel	0.00	1.54	1.54	1.54	1.24	1.00	1.00	1.00	1.00	1.00
Operation of Plant (2700)										
Director of Plant Operations	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.50	1.50	1.50
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Custodians	47.00	46.75	46.75	39.85	40.60	40.60	36.50	38.50	38.50	42.00
Maintenance	10.00	9.00	9.00	8.00	8.00	8.00	8.00	9.00	10.00	10.00
Central Support Services (2900)										
Director of Public Relations	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Director of Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technology staff	5.00	5.00	5.00	6.00	7.00	6.74	6.74	6.00	7.00	7.00
Extra Curricular Activities										
Athletic Directors	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food Service										
Dietitian/Nutritionist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Secretaries	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cafeteria Personnel	93.00	93.00	93.00	93.00	93.00	92.00	93.00	93.00	81.00	77.00
<b>Totals:</b>	<b>847.00</b>	<b>841.50</b>	<b>847.94</b>	<b>767.07</b>	<b>766.89</b>	<b>758.07</b>	<b>783.08</b>	<b>801.17</b>	<b>813.68</b>	<b>823.10</b>

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.  
The count is performed at June 30 for the previous fiscal year.

**Source:** West Clermont Local School District records

**Note:** The District contracts for transportation, therefore, there are no bus drivers employed

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

BUILDING STATISTICS  
JUNE 30, 2018

	<u>2018</u>		<u>2018</u>
<b>Amelia Elementary School</b>		<b>Summerside Elementary School</b>	
Date of Original Building	2010	Date of Original Building	1951
Total Building Square Footage	82,885	Total Building Square Footage	49,793
Enrollment	757	Enrollment	444
Grades Housed	K-5	Grades Housed	K-5
Percentage of Free & Reduced Applications	34%	Percentage of Free & Reduced Applications	42%
<b>Brantner Elementary School</b>		<b>Willowville Elementary School</b>	
Date of Original Building	1963	Date of Original Building	1968
Total Building Square Footage	47,927	Total Building Square Footage	44,254
Enrollment	340	Enrollment	412
Grades Housed	PreK-5	Grades Housed	K-5
Percentage of Free & Reduced Applications	44%	Percentage of Free & Reduced Applications	27%
<b>Clough Pike Elementary School</b>		<b>Withamsville Elementary School</b>	
Date of Original Building	1968	Date of Original Building	2010
Total Building Square Footage	44,272	Total Building Square Footage	67,715
Enrollment	602	Enrollment	524
Grades Housed	PreK-5	Grades Housed	PreK-5
Percentage of Free & Reduced Applications	21%	Percentage of Free & Reduced Applications	39%
<b>Holly Hill Elementary School</b>		<b>West Clermont Middle School</b>	
Date of Original Building	1982	Date of Original Building	1960
Total Building Square Footage	48,145	Total Building Square Footage	238,251
Enrollment	367	Enrollment	1,897
Grades Housed	K-5	Grades Housed	6-8
Percentage of Free & Reduced Applications	51%	Percentage of Free & Reduced Applications	34%
<b>Merwin Elementary School</b>		<b>West Clermont High School</b>	
Date of Original Building	1969	Date of Original Building	2017
Total Building Square Footage	54,974	Total Building Square Footage	383,000
Enrollment	511	Enrollment	2,184
Grades Housed	K-5	Grades Housed	9-12
Percentage of Free & Reduced Applications	28%	Percentage of Free & Reduced Applications	28%

**Source:** West Clermont Local School District records

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Expenses</b>	<b>Enrollment</b>	<b>Cost Per Pupil (1)</b>	<b>Cost Per Pupil Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil/Teacher Ratio</b>
2009	\$ 85,432,193	9,101	\$ 9,387	6.02	496	18.3
2010	82,173,174	9,025	9,105	(3.00)	475	19.0
2011	84,174,790	9,097	9,253	1.63	452	20.1
2012	79,585,105	8,644	9,207	(0.50)	407	21.2
2013	77,699,418	8,386	9,265	0.63	403	20.8
2014	75,608,024	7,997	9,455	2.05	401	19.9
2015	74,844,253	7,999	9,357	(1.04)	407	19.7
2016	79,865,658	8,059	9,910	5.91	436	18.5
2017	91,835,062	8,134	11,290	13.93	458	17.8
2018	62,868,344	8,038	7,821	(30.73)	465	17.3

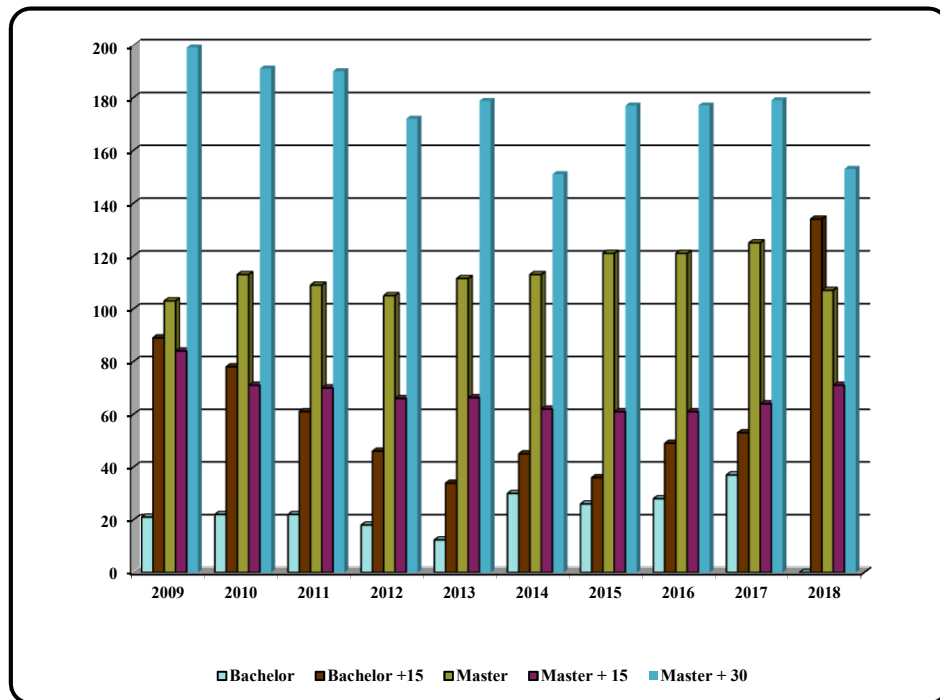
**Source:** West Clermont Local School District records

(1) Expenses by enrollment

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**FULL-TIME EQUIVALENT TEACHERS BY EDUCATION  
LAST TEN FISCAL YEARS**

<b>Degree</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Bachelor's Degree	21	22	22	18	12	30	26	28	37	-
Bachelor + 15	89	78	61	46	34	45	36	49	53	134
Master's Degree	103	113	109	105	112	113	121	121	125	107
Master + 15	84	71	70	66	66	62	61	61	64	71
Master + 30	199	191	190	172	179	151	177	177	179	153
<b>Total</b>	<b>496</b>	<b>475</b>	<b>452</b>	<b>407</b>	<b>403</b>	<b>401</b>	<b>421</b>	<b>436</b>	<b>458</b>	<b>465</b>



Source: West Clermont Local School District records

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

**SUPPLEMENTAL REPORTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2018**

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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**WEST CLERMONT LOCAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:</b>			
<i>Child Nutrition Cluster:</i>			
(D) School Breakfast Program	10.553	2018	\$ 239,800
(D) National School Lunch Program	10.555	2018	1,106,932
(C) National School Lunch Program - Food Donation	10.555	2018	76,038
<b>Total National School Lunch Program</b>			<b>1,182,970</b>
<b>Total Child Nutrition Cluster</b>			<b>1,422,770</b>
State Administrative Expenses for Child Nutrition	10.560	2018	45,000
Team Nutrition Grants	10.574	2017	478
Team Nutrition Grants	10.574	2018	25,000
<b>Total Team Nutrition Grants</b>			<b>25,478</b>
<b>Total U.S. Department of Agriculture</b>			<b>1,493,248</b>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:</b>			
Title I Grants to Local Educational Agencies	84.010	2017	245,490
Title I Grants to Local Educational Agencies	84.010	2018	1,025,950
<b>Total Title I Grants to Local Educational Agencies</b>			<b>1,271,440</b>
<i>Special Education Cluster:</i>			
Special Education_Grants to States	84.027	2017	221,322
Special Education_Grants to States	84.027	2018	1,676,699
<b>Total Special Education_Grants to States</b>			<b>1,898,021</b>
Special Education_Preschool Grants	84.173	2018	50,524
<b>Total Special Education Cluster</b>			<b>1,948,545</b>
English Language Acquisition Grants - LEP	84.365	2017	15,915
English Language Acquisition Grants - LEP	84.365	2018	21,174
<b>Total English Language Acquisition Grants - LEP</b>			<b>37,089</b>
English Language Acquisition Grants - Immigrant	84.365	2018	2,112
<b>Total English Language Acquisition Grants</b>			<b>39,201</b>
Supporting Effective Instruction State Grants	84.367	2017	6,022
Supporting Effective Instruction State Grants	84.367	2018	234,605
<b>Total Supporting Effective Instruction State Grants</b>			<b>240,627</b>
<b>Total U.S. Department of Education</b>			<b>3,499,813</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 4,993,061</b>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

- (A) OAKS did not assign pass-through numbers for fiscal year 2018.
- (B) This schedule includes the federal award activity of the West Clermont Local School District under programs of the federal government for the fiscal year ended June 30, 2018 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the West Clermont Local School District, it is not intended to and does not present the financial position, or changes in net position of the West Clermont Local School District.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (E) CFR 200.414 allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. West Clermont Local School District has elected not to use the 10% de minimis indirect cost rate.

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

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

West Clermont Local School District  
Clermont County  
4350 Aicholtz Road, Suite 220  
Cincinnati, Ohio 45245

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, each major fund, and the aggregate remaining fund information of the West Clermont Local School District, Clermont County, Ohio as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the West Clermont Local School District's basic financial statements and have issued our report thereon dated February 26, 2019, wherein we noted as discussed in Note 3, the West Clermont Local School District adopted Governmental Accounting Standards Board 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 West Clermont Local School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the West Clermont Local School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the West Clermont Local School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2018-001 to be a significant deficiency.

***Compliance and Other Matters***

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

***West Clermont Local School District's Response to Finding***

The West Clermont Local School District's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the West Clermont Local School District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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



Julian & Grube, Inc.  
February 26, 2019



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

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

West Clermont Local School District  
Clermont County  
4350 Aicholtz Road, Suite 220  
Cincinnati, Ohio 45245

To the Board of Education:

***Report on Compliance for the Major Federal Program***

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

***Management's Responsibility***

The West Clermont Local School District's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the West Clermont Local School District's compliance for the West Clermont Local School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the West Clermont Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Program***

In our opinion, the West Clermont Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2018.

***Report on Internal Control Over Compliance***

The West Clermont Local School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the West Clermont Local School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the West Clermont Local School District's internal control over compliance.

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the West Clermont Local School District as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the West Clermont Local School District's basic financial statements. We issued our unmodified report thereon dated February 26, 2019. Our opinion also explained that the West Clermont Local School District adopted *Governmental Accounting Standard No. 75* during the fiscal year. We conducted our audit to opine on the West Clermont Local School District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Julian & Grube, Inc.*

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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

<b>2. FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2018-001

Significant Deficiency - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions.

Adjustments were made to the financial statements for the fiscal year ended June 30, 2018, to properly account for certain activities of the Classroom Facilities Maintenance fund under the District's election to use the alternative to the one-half mill maintenance levy. The audited financial statements and District's records have been adjusted for the misstatement identified during the audit, though it did not have an impact on fund balances.

In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made. The present system lacks fiscal oversight and approvals and fails to meet the above expectations.

We recommend the District further consult with their auditors, the Auditor of State and/or further consult with an accounting firm to help ensure accurate financial reporting.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None





# WEST CLERMONT LOCAL SCHOOL DISTRICT

4350 Aicholtz Road, Suite 220  
Cincinnati, OH 45245  
(513) 943-5000  
www.westcler.org

Natasha L. Adams – Superintendent  
Kelly Sininger - Treasurer

## CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) JUNE 30, 2018

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2018-001	The District corrected the FY18 CAFR prior to release and will take care to record FY19 activity in the correct account.	1/28/19	Kelly Sininger, Treasurer

**WEST CLERMONT LOCAL SCHOOL DISTRICT  
CLERMONT COUNTY, OHIO**

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

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2017-001	2017	<u>Significant Deficiency</u> – Adjustments were made to the financial statements for the fiscal year ended June 30, 2017, to properly account for certain activities of the Classroom Facilities Maintenance fund under the District’s election to use the alternative to the one-half mill maintenance levy.	Not Corrected	Finding repeated as 2018-001

OHIO AUDITOR OF STATE  
**KEITH FABER**



**WEST CLERMONT LOCAL SCHOOL DISTRICT**

**CLERMONT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 2, 2019**