

The School District of Washington



Washington, Missouri
www.washington.k12.mo.us

EVERY CHILD, EVERY DAY. THE WASHINGTON WAY.



2016

Comprehensive Annual Financial Report

For fiscal year ending June 30, 2016



THE SCHOOL DISTRICT OF WASHINGTON

Washington, Missouri

Comprehensive Annual Financial Report
For the year ended June 30, 2016

**Dr. Brendan Mahon, Assistant Superintendent of
Finance and Operations**

Mrs. Robin Kluesner, CPA, Director of Accounting
<http://www.washington.k12.mo.us>

SCHOOL DISTRICT OF WASHINGTON

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2016

INTRODUCTORY SECTION



SCHOOL DISTRICT OF WASHINGTON
220 LOCUST STREET
WASHINGTON, MO 63090
636-231-2000 ~ 636-239-3315 FAX

Dr. Lori VanLeer,
Superintendent
Mr. Dan Contarini,
Board President

Dr. Judy Straatmann, *Asst. Supt. Curriculum* ~ Dr. Brendan Mahon, *Asst. Supt. Finance* ~ Dr. Rachael Franssen, *Asst. Supt. Personnel*

December 9, 2016

Members of the Board of Education and
Residents of the School District of Washington

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the School District of Washington (District) for the fiscal year ended June 30, 2016. This report provides full disclosure of the District's financial operation. This CAFR, which includes an opinion from the Independent Auditors who conducted the District's audit, conforms to the Generally Accepted Accounting Principles in the United States of America (GAAP) as applicable to governmental entities. The District maintains full responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe that all data, as presented, is accurate in all material respects and that it is presented in a manner to fairly set forth the financial position and results of the District's operations as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which includes a Table of Contents, Letter of Transmittal, listing of elected Board of Education members, listing of administrative officials and an organizational chart of the District.
2. The Financial Section, which begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes to Financial Statements.
3. The Statistical Section, which includes selected comparative financial, non-financial, demographic and economic data for the District.

Profile of the District

The School District of Washington has provided education services to the students in the Franklin County area since its incorporation as a public entity in 1889. Through mergers, it has become one of the largest geographical school districts in Missouri with the reorganization and addition of area in both Warren and St. Charles counties. Population growth in the District has remained constant or slightly declined the past several years. Enrollment projections indicate the student population during the next few years will remain constant. The District anticipates an increase in enrollment as the economy rebounds. The District currently provides education to approximately 3,880 students Kindergarten through grade 12, with an additional 156 students in its early childhood education programs.

The District encompasses approximately 257 square miles in Franklin County, southern St. Charles County and eastern Warren County. The cities within the District's boundaries are Augusta, Labadie, Marthasville, Washington and parts of New Haven, Union, and Villa Ridge. The District operates as fiscally independent of the State of Missouri or any other jurisdiction in the county or local township in which it operates.

The District's educational facilities include a new early learning center, seven elementary schools, one middle school and one high school. The District also provides a Career Technical Education Center that supports high school students from the Washington School District and nine other surrounding high schools. The District has one operational support building, an administration building, and a Technology and Learning Center which houses the Technology Department.

The District employs approximately 670 staff members to assist in the student learning process. Personnel costs, including salaries and benefits, account for 74.76% of the District's total operating expenditures. The student to teacher ratio is 17:1 for the District as a whole, 15:1 for elementary schools, 17:1 for middle school and 22:1 for high school. By looking at the student to teacher ratio for elementary, the reader would tend to believe the District has low class sizes. Many of the District's outlying buildings do have low enrollment, but it seems each year the District has a few buildings with pockets of growth at varying grade levels. These pockets of growth present situations where a classroom is at the maximum level that is acceptable before an additional classroom needs to be added.

The District contracts with First Student, Inc. to provide transportation to and from school to eligible students and on school sponsored activity trips. Approximately 2,100 students are transported on a daily basis. Fifty-four school buses are used in the transportation program with most buses serving multiple routes.

Washington's Investment in Great Schools Foundation (WINGS) provides annual program grants to the District teachers from funds raised through its own fundraising efforts. The Foundation is a legally separate entity.

The District is governed by the Board of Education, whose membership is elected for staggered three-year terms of office. The Board is a policy-making body whose primary function is to establish policies for the District, provide for the general operation and personnel of the District and to safeguard the assets of the District. It is the responsibility of the District to make public education available to residents of the School District of Washington. The District is an independent entity and receives its funding from local, state, and federal government sources and must comply with the requirements of these funding agencies.

The District provides a wide range of public educational services at all grade levels ranging from Kindergarten through grade twelve. In addition to a great regular academic curriculum, the District offers a broad range of other programs for students including gifted/talented, English as a Second Language, fine arts, advanced college placement, interscholastic and intramural athletics, assistance for at-risk students and others. In addition, the District provides services beyond the broad K-12. The District provides Early Childhood services, including regular preschool, which serves children before they attend Kindergarten. The District also provides a Career Center which serves nine surrounding high schools and provides adult continuing education. Some of the services provided to our students include instructional staff, instructional materials, instructional facilities, administrative and business service support, food service, bus transportation services and facility maintenance.

The District is committed to developing, maintaining, and improving effective management systems and controls. The District makes conscientious efforts to employ and retain highly qualified employees through active recruitment and thorough evaluations. Further, operations are continually evaluated to assure they function effectively and provide appropriate levels of supervision and segregation of duties.

Local Economy

Washington is situated along the Missouri River and is located 55 miles west of St. Louis. Highway 100 and Highway 47 are the two state highways leading into Washington. Construction of a new bridge across the Missouri River began in September, 2016 with an anticipated completion date of 2019. Amtrak and Union Pacific Railroads also serve the town. The Washington Memorial Airport is located in Warren County. The airport is home base for 36 airplanes and just recently added another hangar.

With more than 300 retail stores, it is the largest shopping community between St. Louis and Jefferson City. Phoenix Center II Community Improvement District was established in 2006. Anchor stores for the District are Target and Kohl's. Within the last year Aspen Dental and Fazzoli's Restaurant have opened in the area and a new PetSmart store is under construction.

Over 60 industries are located in Washington, employing an estimated 7,000 people. Washington has a growing visitor industry, attracted by the boat access to the Missouri River, historical buildings, and wineries located in the general area.

There are two radio stations, two local television stations and a semi-weekly newspaper. In addition, the cable television company carries a local channel broadcast from East Central College. Additional radio and television services are available from the St. Louis area.

There are currently seven banks with combined assets of approximately \$1.4 billion.

Mercy Hospital has been serving the area since 1926. Part of the Sisters of Mercy Health System, the 187 bed non-profit facility is a Level III Trauma Center that has received numerous state and national honors over the years.

Major Initiatives

The District continues to improve its facilities and infrastructure to better serve students. New classrooms were constructed at Washington West Elementary in August of 2015. The 14 new classrooms were added to accommodate students from Fifth Street Elementary due to the retirement of that building. In addition, the new classrooms also helped to alleviate overcrowding and lack of classroom space prior to the merge. Also at West Elementary is a newly designed playground to accommodate the active student population.

Wireless access points continue to be installed in district buildings to allow for a highly robust technology environment that supports the District's iBelieve Initiative. In the fall of 2015, Washington High School went to a 1:1 (student to computer) ratio, deploying over 1300 laptops to students for educational purposes. Additionally, an internal enterprise opportunity, as well as a new educational opportunity, now exists for students with our new student ran IT Help Desk located near the library at Washington High School. Part of the iBelieve Initiative is our movement to a 1:1 environment in grades 3-6. All of our elementary schools are now fully functioning in this manner. Over the next couple years, the District will become educationally modernized, providing computer laptops for every student in grades 3-12.

The School District of Washington is now embarking on a new project, becoming a member of the Center for Advanced Professional Studies Network. This is in addition to partnering with Missouri's Pathways to Prosperity and our Project Lead the Way Program. Currently, planning teams comprised of teachers, counselors, and administrators are working on choice programs for students in four main pathways of study: 1) Industrial Manufacturing and Engineering, 2) Bio Science and Health Science 3) Business, IT, and Media and 4) Art and Humanities. Each pathway will include strands of classes where cohorts will be formed that allow students to access rigorous coursework, engage in real authentic professional based learning opportunities, gain both high school and college credit, and potentially participate in shadowing, mentoring, and internships opportunities. As we build the Washington CAPS (Center for Advanced Professional Studies) program, courses will be offered at Washington High School and Four Rivers Career Center. Newly acquired space at the Career Center will be useful as we design a space conducive to advanced professional studies and innovative learning opportunities for students.

Additionally, the District is studying the idea of pursuing a no tax rate increase bond issue in 2020 or 2021 for the purposes of acquiring a new building, likely an elementary school to replace the aging South Point Elementary, situated in a flood plain and landlocked. The District also continues to study a new middle school for grades 6-8 and high school renovations that are needed to accommodate the learning needs of students.

Long-Term Financial Planning

The Board of Education adopted a series of policies that provide direction regarding the District's budget and financial affairs that reflect the educational philosophy of the District, and provide a framework in which the District's administration can effectively operate. The purpose of the District's budget and finance policies is to provide direction for a systematic process that maintains continuity from year to year and inform the public regarding the education and financial operations of the District.

In 2010, the District formed two focus groups. Focus Group 1 centered on literacy, 21st century learning environments, appropriate interventions for all learners, and professional learning for our teachers and leaders who serve our students. Focus Group 2 focused on the strategic short and long term goals for facilities. During the FY 2013-2014 school year Focus Group 3 was added, with a focus on improving student achievement in the age of advanced technology. Focus Group 4 was added for the 2014-2015 school year called Pathways to Success: Ensuring Students are College and/or Career Ready. Focus Group 4 assisted in analyzing and guiding the design of college and career pathways and other essential learning opportunities for future graduates of Washington High School and Four Rivers Career Center.

The District adopted a Fund Balance policy in accordance with GASB 54. The primary objective of the Fund Balance policy is to protect against revenue shortfalls or unexpected expenditures. The policy states the District will maintain a reserve of 22-27% in the Operating Fund. If the fund balance falls below the minimum of 22%, the board will put a plan in place to replenish the fund balance within two years. As of June 30, 2016, the fund balance in the Operating Fund was 33.22%, well above the board's target.

In addition, the District has continued to maintain and update facilities and equipment by financing them through voter authorization to issue general obligation bonds or lease purchase agreements. The District currently has a five-year capital improvement plan built within its 2016-2017 budget.

Accounting System and Budgetary Control

The District's accounting system for governmental funds reflects the modified accrual basis of accounting. At the end of the year, the governmental funds are converted from modified accrual basis

to the accrual basis for presentation in district-wide financial statements. The District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. This system provides a complete set of self-balancing accounts for each District fund. The chart of accounts used in this accounting system was developed in accordance with the Missouri Financial Accounting Manual prepared by the Department of Elementary and Secondary Education, School Finance Section, State of Missouri.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefit and the evaluation of costs and benefits requires estimates and judgments by management.

The District believes the internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The District's accounting system is organized on the basis of funds, each of which is considered its own entity. The District considers four funds (General, Special Revenue-Teachers', Debt Service and Capital Projects) as major.

The school budget is an instrument which provides a definite financial policy for the direction of business operations of the District as per board policy. It provides an outline of the probable expenditures and the anticipated receipts during a specified period of time. The budget is one of the most important legal documents of a school district. It is not a static document but rather a working document that changes. The fiscal year for the budget is defined as beginning annually on the first day of July and ending on the thirtieth day of June as set by board policy.

In accordance with Chapter 67 RSMo, each year, the Superintendent of Schools is required to submit to the Board of Education for its consideration a detailed annual budget showing estimates of income and expenditures for the ensuing fiscal year. The Board may accept, reject, modify, or request revisions of the budget, but will adopt a budget by June 30, according to statutory provisions.

Each entity may request to revise, alter, increase or decrease the items contained in the proposed budget, subject to such limitations as may be provided by law; provided, that in no event shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. After the entity has approved the budget for any year and has approved or adopted the orders, motions, resolutions, or ordinances required to authorize the expenditures proposed in the budget, the entity shall not increase the total amount authorized for expenditure from any fund, unless the governing body approves the order.

By law the approved estimated expenditures for each fund cannot exceed the estimated revenues to be received plus the unencumbered beginning cash balance for the fund. After the beginning of the fiscal year, the Superintendent reviews with the Board the adopted budget in relationship to the beginning cash balances for each fund. Monthly financial statements are prepared and distributed to the Board for their approval.

Independent Audit

The revised statutes of the State of Missouri require that an independent audit be conducted on a biennial basis. The District policy, however, requires that an independent certified public accounting firm conduct an audit annually. This requirement has been satisfied and the opinion of Daniel Jones & Associates, CPA, is included in this report.

The School Board is also required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance. Information related to this single audit, including the schedule of expenditures of federal awards, law and regulations is included in a separate single audit report and is available at the School District's Administrative Office for inspection.

Management's Discussion and Analysis

As part of this reporting model, management is responsible for providing a narrative introduction and analysis to accompany the basic financial statements. This can be found in the Management Discussion and Analysis (MD&A) section of this report. The MD&A can be found immediately following the report of the independent auditors in the Financial Section.

Acknowledgements

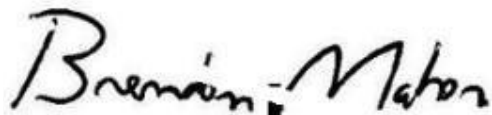
It is our intention for this Comprehensive Annual Financial Report to provide the District's management, outside investors, and interested local citizens with the most meaningful financial presentation possible. We are hopeful that all readers of the report will obtain a clear and concise picture of the District's financial condition as of June 30, 2016.

We want to express our appreciation to all staff members, in particular those in Business Services, who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Education and the Board Finance Committee for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Dr. Lori Van Leer
Superintendent



Dr. Brendan Mahon
Assistant Superintendent of Finance & Operations



Robin Kluesner, CPA
Director of Accounting

The School District of Washington
Board of Education 2015-2016



Mr. Dan Contarini
School Board President



Mr. Kevin Blackburn
School Board Vice-President



Mrs. Becky Voelkerding
School Board Secretary



Mrs. Trish Mitchell
School Board Treasurer



Mr. John Freitag



Mrs. Susan Thatcher



Mr. Scott Byrne



Dr. Lori VanLeer
Superintendent of Schools

Superintendent's Cabinet



Dr. Judy Straatmann
*Assistant Superintendent
Curriculum Instruction*



Dr. Brendan Mahon
*Assistant Superintendent
Finance & Operations*



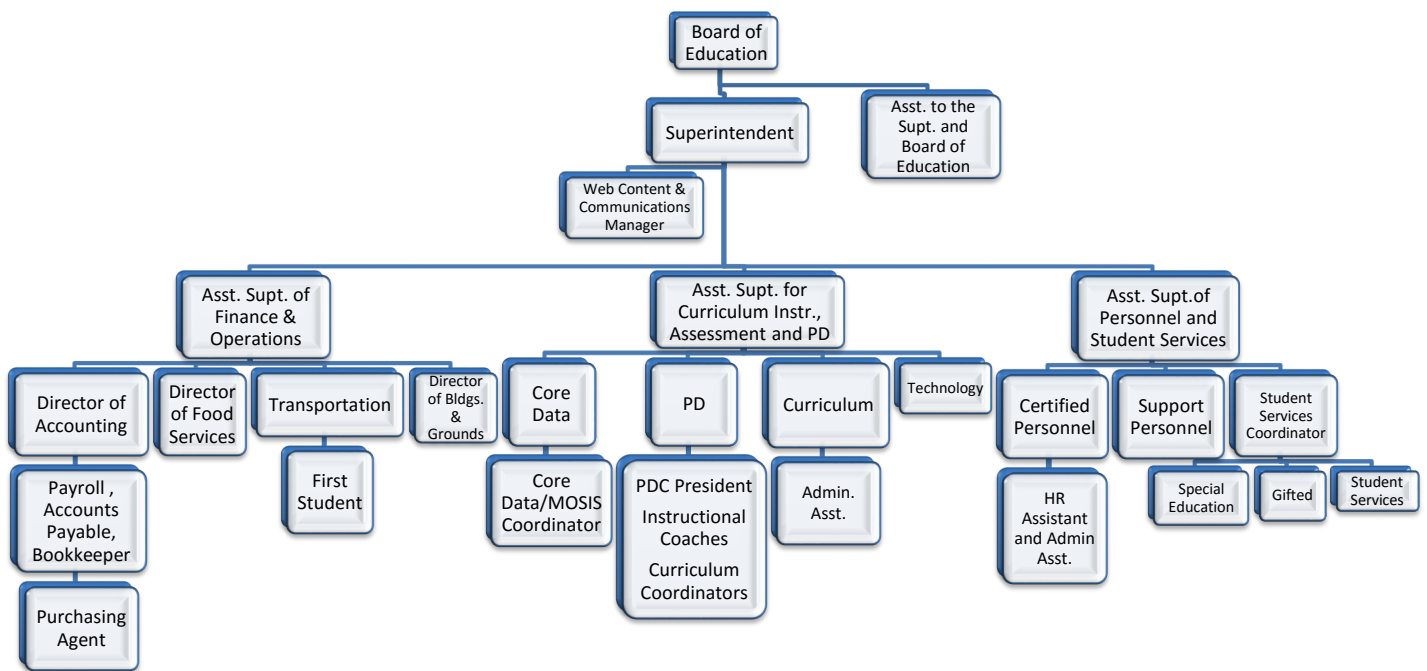
Robin Kluesner, CPA
Director of Accounting



Dr. Rachael Franssen
*Assistant Superintendent
Personnel & Support Services*

The School District of Washington

Organizational Chart



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2016

FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

Independent Auditor's Report

To the Members of the Board of Education
School District of Washington

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of School District of Washington (District), Missouri, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matters

As described in Note K to the financial statements in 2016, the District restated its June 30, 2015, fund balance to reflect the reclassification of the classroom trust receivable from the capital projects fund to the general fund. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules – General Fund and Special Revenue Fund, Pension Obligation and Other Post-Employment Benefit Obligation on pages 4 through 13, 49 through 50 and pages 52 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise School District of Washington's basic financial statements. The Budgetary Comparison Schedules – Debt Service Fund and Capital Projects Fund, Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedules – Debt Service Fund and Capital Projects Fund, Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2016, on our consideration of School District of Washington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District of Washington's internal control over financial reporting and compliance.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
Arnold, Missouri

December 9, 2016

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

The discussion and analysis of School District of Washington's financial performance provides a comprehensive overview of the District's financial activities and the results of operations for the fiscal year ended June 30, 2016. Readers of the District statements, including this discussion and analysis, are encouraged to review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

The Management's discussion and analysis is provided at the beginning of the audit to communicate the past and current position of the District's financial condition.

Financial Highlights

The key government-wide financial highlights for FY16 are as follows:

- At the government-wide level, the net position was \$12.0 million compared to \$10.7 million at the end of FY15 for an increase of \$1.3 million. Of the \$12.0 million of the net position (assets less liabilities), \$8.6 million is the District's net investment in capital assets.

At June 30, 2016, \$3.2 million of the net position was restricted by Missouri Statute for Debt Service Fund. Net position restricted for capital projects increased \$9.2 million.

At June 30, 2016, (\$11.6) million is unrestricted and may be used to finance day-to-day activities without constraints established by Federal or State statutes. Unrestricted net position increased \$0.2 million.

- Total assets increased by \$6.8 million in the current year. The District realized an increase in current assets of \$8.0 million and a net decrease in noncurrent assets of \$1.2 million. Accumulated depreciation on the District's capital assets was approximately \$112.3 million compared to additions of \$2.0 million.
- Total deferred outflows of resources increased by \$7,994,721.
- Total liabilities increased \$16.1 million in the current year. The District's long-term obligations had a net increase of \$16.6 million primarily due to the advance refunding of the certificate of participation and an increase in net pension liability. Of the total long-term obligation, \$12.6 million is classified as current, as this represents the amount due within one year of June 30, 2016.
- Total deferred inflows of resources decreased by \$2,559,413.
- General revenues accounted for \$39.7 million or 78.7% of the District's \$50.4 million total revenue. Of this general revenue, \$34.9 million or 69.3% was from local effort including all taxes. Program specific revenue in the form of charges for services, operating grants, contributions and capital grants accounted for approximately \$10.8 million or 21.3% of the total revenue.

The dependence upon local tax revenues is apparent. The assessed valuation for the fiscal year

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

ended June 30, 2016, decreased \$39.3 million (5.2%) to \$710,575,773 from the prior year. The District's tax rate increased \$.0228 to a total rate of \$4.0738.

- At the government-wide level, the District had \$49.2 million in expenses. Of these expenses approximately \$10.8 million were offset by program specific charges for services, grants or contributions. General revenues were adequate to provide for the District's programs in FY16.

Enrollment

The District served a student body of 3,880 students as recorded by the September membership report to the Department of Elementary and Secondary Education. The District's enrollment has experienced slight annual reductions over the last five years. The overall picture for the next few years reflects stagnant with no anticipated immediate residential growth. It is felt once the economy has recovered, the Washington area will realize residential growth. As far as commercial growth, the Washington area has realized much growth in that area with merchants such as Kohl's, JoAnn Fabrics, Marshalls, Dress Barn, Ulta Beauty, Ross, Dick's Sporting Goods, Cato Fashion and Five Below recently moving into the area. Joining those retail chains this past year was Aspen Dental and Fazzoli's Restaurant.

Using this Annual Report

The District's annual report consists of a series of financial statements that show information for the District as a whole. The Statement of Net Position on page 14 and the Statement of Activities on pages 15 provide information about the activities of the Government as a whole, based on the full-accrual basis of accounting and present a longer-term view of the District's finances. The Fund Financial Statements, the Balance Sheet—Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balances, provide the next level of detail about the District's four required funds; the General Fund, the Special Revenue (Teacher's) Fund, the Debt Service Fund and the Capital Projects Fund. These statements tell how the District financed program services in the short-term, as well as what remains for future spending. The fund level statements are prepared on the modified accrual basis of accounting and include a bridge schedule to reconcile them to the government-wide level statements. These statements provide a comparative look at FY16 versus the prior year.

The annual report also includes the notes to the basic financial statements. The user of the annual report should read the independent auditor's report, as well as the notes to the basic financial statements, to gain a clear picture of the financial position of the District.

Reporting the District as a Whole

The District adheres to Missouri State requirements for school districts and uses four major funds to account for the revenues, programs and activities each fiscal year. These statements provide information on these funds individually and the view of the District as a whole. The Statement of Activities answers the question of how well did the District do financially during the year.

The Statement of Activities explains the types of resources: revenues, charges for services, grants

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

and contributions and the uses of resources: instructional and support services expenses. In addition, the Statement of Net Position reports the District's net position and changes in those assets and liabilities or claims against those assets. This statement tells the reader that, for the District as a whole, the financial position during the current year has either improved or diminished.

These statements report revenues and expenses, and assets, liabilities and fund balances using the full accrual basis of accounting similar to the accounting used by most private-sector entities. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular and miscellaneous activities. The District does not have any business-type activities.

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

The District as a Whole

Table 1 provides a summary of the District's net position as of June 30, 2016, compared to June 30, 2015.

Table 1
SCHOOL DISTRICT OF WASHINGTON
Condensed Statements of Net Position - Governmental Activities
June 30,

| | <u>2016</u> | <u>2015</u> | <u>Increase (Decrease)</u> |
|---|----------------------|----------------------|--------------------------------|
| Assets | | | |
| Current Assets | \$ 35,276,717 | \$ 27,248,650 | \$ 8,028,067 |
| Capital Assets, Net | 62,959,310 | 64,164,513 | (1,205,203) |
| Total Assets | 98,236,027 | 91,413,163 | 6,822,864 |
| Deferred Outflows of Revenues | 12,519,996 | 4,525,275 | 7,994,721 |
| Liabilities | | | |
| Current Liabilities | 1,305,966 | 1,861,460 | (555,494) |
| Noncurrent Liabilities | | | |
| Due Within One Year | 12,595,442 | 3,009,710 | 9,585,732 |
| Share of Missouri State Pension Liability | 30,067,334 | 21,113,292 | 8,954,042 |
| Due in More Than One Year | 46,777,539 | 48,634,020 | (1,856,481) |
| Total Liabilities | 90,746,281 | 74,618,482 | 16,127,799 |
| Deferred Inflows of Revenues | 8,041,190 | 10,600,603 | (2,559,413) |
| Net Position | | | |
| Net investment in capital assets | 8,566,739 | 16,932,730 | (8,365,991) |
| Restricted | 14,975,526 | 5,551,559 | 9,423,967 |
| Unrestricted | (11,573,713) | (11,764,936) | 191,223 |
| Total Net Position | \$ 11,968,552 | \$ 10,719,353 | \$ 1,249,199 |

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

Table 2 shows the sources of the changes in net position for the year ended June 30, 2016, compared to the year ended June 30, 2015.

Table 2
SCHOOL DISTRICT OF WASHINGTON
Changes in Net Position for Government-Wide Assets
Year ended June 30

| | 2016 | 2015 | Increase (Decrease) | % |
|--|---------------------|---------------------|--------------------------------|--------------|
| Program revenues | | | | |
| Charges for services | \$ 2,678,105 | \$ 3,411,891 | \$ (733,786) | -21.5% |
| Operating grants and contributions | 8,073,259 | 7,825,666 | 247,593 | 3.2% |
| General Revenue | | | | |
| Property taxes and other county taxes | 34,439,241 | 35,470,434 | (1,031,193) | -2.9% |
| State Aid | 4,014,474 | 4,009,291 | 5,183 | 0.1% |
| Investment Earnings | 496,534 | 518,707 | (22,173) | -4.3% |
| Miscellaneous | 708,514 | 773,384 | (64,870) | -8.4% |
| Total revenue | 50,410,127 | 52,009,373 | (1,599,246) | -3.1% |
| Program expenses | | | | |
| Instructional programs | 25,136,046 | 23,355,597 | 1,780,449 | 7.6% |
| Other | 21,855,056 | 23,205,026 | (1,349,970) | -5.8% |
| Interest and other expenses on long-term deb | 2,169,826 | 2,007,978 | 161,848 | 8.1% |
| Total expense | 49,160,928 | 48,568,601 | 592,327 | 1.2% |
| Change in net position | \$ 1,249,199 | \$ 3,440,772 | | |

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

The Statement of Activities shows the cost of program services and any charges for services and grants offsetting those services, which are defined as net cost of services. Table 3 shows the total cost of services and the net cost of services. This table identifies the amount of the total cost of services, including depreciation, supported by tax revenue, other local effort, and unrestricted entitlements.

Table 3
Total and Net Costs of Governmental Activities
Year ended June 30

| | 2016 | | 2015 | |
|-------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | <u>Total Cost of services</u> | <u>Net Cost of services</u> | <u>Total Cost of services</u> | <u>Net Cost of services</u> |
| Instructional programs | \$ 25,136,046 | \$17,948,583 | \$ 23,885,731 | \$16,144,157 |
| Attendance | 228,992 | 228,992 | 235,864 | 235,864 |
| Guidance | 999,417 | 999,417 | 932,827 | 932,827 |
| Health services | 349,647 | 349,647 | 393,348 | 393,348 |
| Improvement of instruction | 553,065 | 413,148 | 565,816 | 436,079 |
| Professional development | 41,651 | 41,651 | 53,659 | 53,659 |
| Media services | 870,894 | 870,894 | 1,351,232 | 1,351,232 |
| Board of education | 138,281 | 138,281 | 162,738 | 162,738 |
| Executive administration | 2,103,396 | 2,103,396 | 2,522,983 | 2,522,983 |
| Building level administration | 2,238,186 | 2,238,186 | 2,347,443 | 2,347,443 |
| Operation of plant | 7,361,078 | 7,289,088 | 7,565,620 | 7,522,794 |
| Pupil transportation | 2,985,638 | 2,374,079 | 2,820,535 | 2,148,928 |
| Food services | 1,743,496 | 99,327 | 1,761,399 | 28,628 |
| Central office support | 79,118 | 79,118 | 61,000 | 61,000 |
| Business and central services | 585,623 | 585,623 | 429,801 | 429,801 |
| Security services | 68,558 | 68,558 | 71,600 | 71,600 |
| Adult education | 379,153 | (14,003) | 375,270 | 17,722 |
| Community services | 1,128,863 | 425,753 | 1,023,757 | 462,263 |
| Debt service | 2,169,826 | 2,169,826 | 2,007,978 | 2,007,978 |
| | <u>\$ 49,160,928</u> | <u>\$38,409,564</u> | <u>\$ 48,568,601</u> | <u>\$37,331,044</u> |

The 2015 figures have been restated to reflect reclassification of expenses between functions. This restatement aligns the two years so that the data is comparable.

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

Capital Assets

At June 30, 2016, the District had \$175,267,349 invested in capital assets at the gross level with \$62,959,310 net of depreciation. Table 4 shows June 30, 2016, compared to June 30, 2015.

| | Table 4 | | |
|-------------------------------------|------------------------------|------------------------------|--------------------------------|
| | Capital Assets | | |
| | June 30, | | |
| | 2016 | 2015 | Increase (Decrease) |
| Land | \$ 10,608,600 | \$ 10,608,600 | \$ - |
| Buildings and Building improvements | 159,741,463 | 154,372,473 | 5,368,990 |
| Furniture and Equipment | 4,864,338 | 4,176,377 | 687,962 |
| Construction in Progress | 52,947 | 4,160,122 | (4,107,174) |
| | <u>\$ 175,267,349</u> | <u>\$ 173,317,572</u> | <u>\$ 1,949,777</u> |

Overall capital assets increased \$1.9 million from June 30, 2015. The increase in capital assets is related to the District finalizing the projects from the 2013 bond issuance.

Further information may be found in Note C, Capital Assets.

Debt Administration

At June 30, 2016, the District had general obligation bonds outstanding of \$28,775,000 and lease debt of \$23,710,000. The District has made major additions and renovations on our campuses in recent years including HVAC, a new building, building additions and a new turf field. The bonds issued in September 2010 allowed the District to install HVAC at most of the buildings in the District. The bonds issued in the 2013 Series were used for major renovations on a number of campuses, including a new Early Learning Center on the West Elementary campus. The remainder of the 2013 Series was used for further improvements and additions.

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

Table 5 shows bond debt due from June 30, 2016:

| Table 5 | | | |
|-----------------------------|----------------------------|----------------------------|----------------------------|
| Bond Obligation | | | |
| | Principal | Interest | Total |
| Year ending June 30, | | | |
| 2017 | \$ 735,000 | \$ 1,351,396 | \$ 2,086,396 |
| 2018 | 925,000 | 1,339,825 | 2,264,825 |
| 2019 | 965,000 | 1,312,075 | 2,277,075 |
| 2020 | 1,085,000 | 1,283,125 | 2,368,125 |
| 2021 | 1,065,000 | 1,256,000 | 2,321,000 |
| 2022-2026 | 6,750,000 | 5,548,125 | 12,298,125 |
| 2027-2031 | 11,050,000 | 3,475,250 | 14,525,250 |
| 2032-2033 | 6,200,000 | 470,000 | 6,670,000 |
| | <u>\$28,775,000</u> | <u>\$16,035,796</u> | <u>\$44,810,796</u> |

Lease debt in 2012 was used for land purchase, building purchase, technology enhancements and building improvements. Table 6 shows outstanding lease debt.

| Table 6 | |
|---|-----------------------------|
| Lease Debt | |
| Year ending June 30, | |
| 2017 | \$ 11,801,238 |
| 2018 | 1,366,150 |
| 2019 | 1,420,450 |
| 2020 | 1,528,250 |
| 2021 | 1,630,250 |
| 2022-2026 | 6,661,825 |
| 2027-2028 | <u>2,159,500</u> |
| Total future minimum lease payments | \$ 26,567,663 |
| Less amount representing interest | <u>2,857,663</u> |
| Present value of future minimum lease payments | <u>\$ 23,710,000</u> |

Other long-term debt obligations included accrued compensated absences, a liability for other Post Employment Benefits and a liability for Net Pension Liability. Further information may be found in Note D, Changes in Long-Term Liabilities.

Missouri statute allows school districts to incur debt up to an amount equal to 15% of the most current assessed valuation. The District's allowable debt level ceiling was \$106.6 million at June

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

30, 2016, far above the District's current level of debt. Missouri law also requires school districts to set a tax levy adequate to service the outstanding debt. The District's Debt Service levy for FY16 was \$ 0.37 on each \$100 of assessed valuation. The Debt Service Fund balance at June 30, 2016, was \$3.25 million.

Budgeting Highlights

The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

Statements showing the original budget and the final budget amounts compared to the District's actual activity are provided on pages 49, 50, 55 and 56. Budgetary expenditures are obtained for the General Ledger and are reported based on budgetary accounting rules. It contains capital expenditures but excludes such items as depreciation, changes in unfunded liability estimates and certain other non-fund costs and activities.

Reporting the District's Most Significant Funds

The District's Funds

The District had actual revenues of \$65.3 million and actual expenditures of \$56.8 million, which resulted in an overall fund balance increase of \$5.8 million from \$25.4 million in 2015 to \$33.9 million in 2016. This is largely due to the advance refunding of the 2007 Series Lease Participation and the refunding of the 2006 Series general obligation bonds. The Capital Projects Fund increased \$8.2 million. The General Fund balance increased by \$58,000, the Teachers Fund increased by \$57,000 and the Debt Service Fund increased by \$191,000.

Schedules showing the District's original and final budget compared with actual operating results are provided in the CAFR on pages 49 and 50 for the General Fund and Teachers (Special Revenue) Fund, and on pages 55 and 56 for the Debt Service Fund and Capital Projects Fund.

The District's budget and reporting structure follow the statutes of the State of Missouri and as such consists of four major funds: the General Fund, the Teachers (Special Revenue) Fund, the Debt Service Fund and the Capital Projects Fund. At the fund level, the District accounts for the annual activities and prepares the budget using the accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available or collectible within sixty days after the end of the current period (June 30). Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

For the Future

The School District of Washington continues to be in excellent financial health and is committed to wise financial management. The operating fund balances are at 33.22% of expenditures. The current Board of Education policy is to ensure year-end operating fund balances are maintained to

SCHOOL DISTRICT OF WASHINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2016

range between 22-27%. The school board has put into policy measures to be put into place if the balance should fall below 22%.

Over the next few years the District will be faced with many financial challenges. Revenue sources are projecting to remain relatively flat over the next three fiscal years. The estimated increase in revenue from local sources will be offset by decreases in funding from the State formula as our recent trend of declining enrollment will impact future funding. Expenditures related to District staff will increase and without funding from bond issues the District will be budgeting routine maintenance from operating funds.

In conclusion and in response to the financial challenges that we will face, the School District of Washington is committed to providing outstanding educational opportunities for its students and to provide the necessary resources to ensure student success. The District's systems for financial planning, budgeting and internal control are well regarded. The District will continue to be prudent in financial management in order to meet the challenges of the future.

Contacting the District's Financial Management:

This report is designed to give an overview of the financial conditions of the School District of Washington. If you desire additional information, you may contact Dr. Brendan Mahon, Assistant Superintendent of Operations and Finance or Robin Kluesner, CPA, Director of Accounting, at 636-231-2007.

SCHOOL DISTRICT OF WASHINGTON

STATEMENT OF NET POSITION

As of June 30, 2016

| | Governmental activities |
|---|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 21,212,099 |
| Property taxes receivable | 896,613 |
| Other receivables | 2,065,933 |
| Prepaid items | 240,300 |
| Inventories | 418,539 |
| Restricted Assets: | |
| Cash | 12,526 |
| Investments | 10,430,707 |
| Land | 10,608,600 |
| Construction in progress | 52,947 |
| Depreciable capital assets, net of accumulated depreciation | 52,297,763 |
| TOTAL ASSETS | 98,236,027 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Differences between expected and actual experience | 3,329,903 |
| Net difference between projected and actual earnings on pension plan investments | 5,365,977 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 164,589 |
| Employer contributions subsequent to the measurement date | 3,659,527 |
| Total Deferred Outflows of Resources | 12,519,996 |
| LIABILITIES | |
| Accounts payable | 300,272 |
| Accrued payroll and related liabilities | 316,696 |
| Interest payable | 688,998 |
| Noncurrent liabilities | |
| Due within one year | 12,595,442 |
| Share of Missouri State Pension Liabilities | 30,067,334 |
| Due in more than one year | 46,777,539 |
| Total liabilities | 90,746,281 |
| DEFERRED INFLOW OF RESOURCES | |
| Difference between expected and actual experiences | 33,529 |
| Net differences between projected and actual earnings on pension plan investments | 7,831,921 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 175,740 |
| Total Deferred Inflows of Resources | 8,041,190 |
| NET POSITION | |
| Net investment in capital assets | 8,566,739 |
| Restricted for: | |
| Capital Assets | 10,430,707 |
| Debt service | 3,249,326 |
| Certificated employees' compensation and benefits | 1,295,493 |
| Unrestricted | (11,573,713) |
| Total net position | \$ 11,968,552 |

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

STATEMENT OF ACTIVITIES For the year ended June 30, 2016

| Function/Program | Expenses | Program revenues | | Net (expense) revenue and changes in net position |
|---|----------------------|----------------------------|--|--|
| | | Charges for services | Operating grants and contributions | Total governmental activities |
| Governmental activities | | | | |
| Instruction | \$ 25,136,046 | \$ 1,228,258 | \$ 5,959,205 | \$ (17,948,583) |
| Attendance | 228,992 | - | - | (228,992) |
| Guidance | 999,417 | - | - | (999,417) |
| Health services | 349,647 | - | - | (349,647) |
| Improvement of instruction | 553,065 | - | 139,917 | (413,148) |
| Professional development | 41,651 | - | - | (41,651) |
| Media services | 870,894 | - | - | (870,894) |
| Board of Education services | 138,281 | - | - | (138,281) |
| Executive administration | 2,103,396 | - | - | (2,103,396) |
| Building level administration | 2,238,186 | - | - | (2,238,186) |
| Operation of plant | 7,361,078 | - | 71,990 | (7,289,088) |
| Pupil transportation | 2,985,638 | - | 611,559 | (2,374,079) |
| Food services | 1,743,496 | 857,792 | 786,377 | (99,327) |
| Central office support | 79,118 | - | - | (79,118) |
| Business and central services | 585,623 | - | - | (585,623) |
| Security services | 68,558 | - | - | (68,558) |
| Adult education | 379,153 | - | 393,156 | 14,003 |
| Community services | 1,128,863 | 592,055 | 111,055 | (425,753) |
| Interest and other expenses on long-term debt | 2,169,826 | - | - | (2,169,826) |
| Total governmental activities | \$ 49,160,928 | \$ 2,678,105 | \$ 8,073,259 | (38,409,564) |
| General revenues | | | | |
| Taxes | | | | |
| Property taxes | | | | 28,606,540 |
| Sales taxes | | | | 3,630,271 |
| Other | | | | 2,202,430 |
| State aid | | | | 4,014,474 |
| Investment earnings | | | | 496,534 |
| Miscellaneous | | | | 708,514 |
| Total general revenues | | | | 39,658,763 |
| Change in net position | | | | 1,249,199 |
| Net position at July 1, 2015 | | | | 10,719,353 |
| Net position at June 30, 2016 | | | | \$ 11,968,552 |

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

BALANCE SHEET - GOVERNMENTAL FUNDS As of June 30, 2016

| | General | Special Revenue | Debt Service | Capital Projects | Total Governmental Funds |
|--|----------------------|---------------------|---------------------|----------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 14,886,297 | \$ - | \$ 3,227,617 | \$ 3,098,185 | \$ 21,212,099 |
| Receivables | 1,305,569 | 1,462,263 | 84,631 | 110,083 | 2,962,546 |
| Prepaid items | 240,300 | - | - | - | 240,300 |
| Inventories | 418,539 | - | - | - | 418,539 |
| Restricted Assets: | | | | | |
| Cash | - | - | 12,526 | - | 12,526 |
| Investments | - | - | - | 10,430,707 | 10,430,707 |
| Total assets | \$ 16,850,705 | \$ 1,462,263 | \$ 3,324,774 | \$ 13,638,975 | \$ 35,276,717 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | 224,857 | 41,422 | 2,106 | 31,886 | 300,271 |
| Accrued payroll and benefits | 191,348 | 125,348 | - | - | 316,696 |
| Total liabilities | 416,205 | 166,770 | 2,106 | 31,886 | 616,967 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Property Taxes | 677,107 | - | 73,342 | 56,503 | 806,952 |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid items | 240,300 | - | - | - | 240,300 |
| Inventory | 418,539 | - | - | - | 418,539 |
| Restricted | | | | | |
| Teachers salaries and benefits | - | 1,295,493 | - | - | 1,295,493 |
| Debt service | - | - | 3,249,326 | - | 3,249,326 |
| Capital projects | - | - | - | 10,430,707 | 10,430,707 |
| Assigned | | | | | |
| Other capital projects | - | - | - | 3,119,879 | 3,119,879 |
| Unassigned | 15,098,554 | - | - | - | 15,098,554 |
| Total fund balances | 15,757,393 | 1,295,493 | 3,249,326 | 13,550,586 | 33,852,798 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 16,850,705 | \$ 1,462,263 | \$ 3,324,774 | \$ 13,638,975 | \$ 35,276,717 |

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

As of June 30, 2016

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

| | | |
|--|--|--|
| Total fund balance - governmental funds | \$ | 33,852,798 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$175,267,349 and the accumulated depreciation is \$112,308,039 | | 62,959,310 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds as follows: Deferred property taxes | | 806,952 |
| Bond discounts are reported as expenditures in the governmental funds. The cost is \$628,213 and the accumulated amortization is \$325,780. | | 302,433 |
| To recognize interest accrued on general obligation bonds and obligations under capital leases | | (688,998) |
| Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds Differences between expected and actual experience Net difference between projected and actual earnings on pension plan investments Changes in proportion and differences between Employer contributions and proportionate share of contributions Employer contributions subsequent to the measurement date | | 3,329,903 5,365,977 164,589 3,659,527 |
| Deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds Differences between expected and actual experience Net differences between projected and actual earnings on pension plan investments Changes in proportion and differences between employer contributions and proportionate share of contributions | | (33,529) (7,831,921) (175,740) |
| Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and therefore are not reported in the funds as follows: General obligation bonds Bond premium, net of accumulated amortization Compensated absences Net pension liability Postemployment benefits other than pensions Capital lease obligation Total | (28,775,000) (2,210,004) (4,327,211) (30,067,334) (653,200) (23,710,000) <u></u> | (89,742,749) |
| Total net position - governmental activities | \$ | 11,968,552 |

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended June 30, 2016

| | General | Special Revenue | Debt Service | Capital Projects | Total Governmental Funds |
|---|---------------------|---------------------|--------------------|---------------------|--------------------------------|
| Revenues | | | | | |
| Local | \$ 26,584,009 | \$ 4,426,062 | \$ 2,891,471 | \$ 2,234,602 | \$ 36,136,144 |
| County | 1,274,499 | 200,933 | 223,061 | 49,754 | 1,748,247 |
| State | 2,989,115 | 5,357,424 | - | 415,598 | 8,762,137 |
| Federal | 1,971,523 | 1,164,469 | - | 90,000 | 3,225,992 |
| Other | - | 671,666 | - | - | 671,666 |
| Total revenues | 32,819,146 | 11,820,554 | 3,114,532 | 2,789,954 | 50,544,186 |
| Expenditures | | | | | |
| Current | | | | | |
| Instruction | 3,802,808 | 21,625,745 | - | 407,255 | 25,835,808 |
| Attendance | 181,598 | 69,371 | - | - | 250,969 |
| Guidance | 66,468 | 980,908 | - | - | 1,047,376 |
| Health services | 378,949 | 48,128 | - | - | 427,077 |
| Improvement of instruction | 192,674 | 350,456 | - | - | 543,130 |
| Professional development | 25,901 | 16,086 | - | - | 41,987 |
| Media services | 39,814 | 666,325 | - | 26,571 | 732,710 |
| Board of Education services | 137,958 | 574 | - | - | 138,532 |
| Executive administration | 1,470,511 | 344,992 | - | 541,338 | 2,356,841 |
| Building level administration | 579,066 | 1,849,047 | - | - | 2,428,113 |
| Operation of plant | 4,755,554 | - | - | 37,883 | 4,793,437 |
| Pupil transportation | 2,985,638 | - | - | - | 2,985,638 |
| Food services | 1,693,858 | - | - | 3,198 | 1,697,056 |
| Central office support | 77,817 | - | - | - | 77,817 |
| Business and central services | 575,039 | - | - | - | 575,039 |
| Security services | 64,628 | 3,931 | - | - | 68,559 |
| Adult education | 87,087 | 262,783 | - | 6,800 | 356,670 |
| Community services | 648,932 | 538,521 | - | - | 1,187,453 |
| Facilities acquisition and construction | - | - | - | 1,273,318 | 1,273,318 |
| Debt service | | | | | |
| Principal retirement | - | - | 6,395,000 | 1,235,000 | 7,630,000 |
| Interest and other charges | - | - | 1,544,394 | 771,712 | 2,316,106 |
| Total expenditures | 17,764,300 | 26,756,867 | 7,939,394 | 4,303,075 | 56,763,636 |
| Revenues over (under) expenditures | 15,054,846 | (14,936,313) | (4,824,862) | (1,513,121) | (6,219,450) |
| Other financing sources (uses) | | | | | |
| Transfers In | - | 14,993,765 | - | 4,527 | 14,998,292 |
| Transfers Out | (14,998,292) | - | - | - | (14,998,292) |
| Proceeds from Capital Lease | - | - | - | 9,685,000 | 9,685,000 |
| Sale of refunding bonds | - | - | 4,775,000 | - | 4,775,000 |
| Premium on issuance of bonds | - | - | 240,700 | - | 240,700 |
| Sale of other property | 1,213 | - | - | 21,675 | 22,888 |
| Total other financing sources (uses) | (14,997,079) | 14,993,765 | 5,015,700 | 9,711,202 | 14,723,588 |
| NET CHANGE IN FUND BALANCES | 57,767 | 57,452 | 190,838 | 8,198,081 | 8,504,138 |
| Restated Fund balances at July 1, 2015 (See Note K) | 15,699,626 | 1,238,041 | 3,058,488 | 5,352,505 | 25,348,660 |
| Fund balances at June 30, 2016 | \$ 15,757,393 | \$ 1,295,493 | \$ 3,249,326 | \$ 13,550,586 | \$ 33,852,798 |

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES For the year ended June 30, 2016

| | |
|---|----------------------------|
| Net change in fund balances - total governmental funds | \$ 8,504,138 |
| Capital outlays are reported as expenditures in the governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are: | |
| Capital asset purchases | 2,032,069 |
| Depreciation expense | <u>(3,237,272)</u> |
| | (1,205,203) |
| Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenues in the governmental funds. These amounts consist of: | |
| Increase in Deferred Tax Revenue | 93,624 |
| Deferred outflows of resources related to the pension plans are not reported in the funds | 1,600,091 |
| The difference between the annual cost and contributions made for retiree medical insurance is recognized as an expenditure in the statement of activities but is not recognized in the governmental funds. | (164,800) |
| The governmental funds report debt (e.g. bonds and capital leases) proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Also, governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items is as follows: | |
| Repayment of bond principal | 6,395,000 |
| Repayment of capital lease obligation | 1,235,000 |
| Proceeds from bond refunding | (4,775,000) |
| Proceeds from lease obligations | (9,685,000) |
| Amortization of bond issuance discounts | (100,732) |
| Amortization of bond premium | <u>(230,056)</u> |
| Total | (7,160,788) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of: | |
| Increase in compensated absences | (403,663) |
| Net increase in accrued interest | <u>(14,200)</u> |
| Change in net position of governmental activities | <u>\$ 1,249,199</u> |

The accompanying notes are an integral part of this statement.

**SCHOOL DISTRICT OF WASHINGTON
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF JUNE 30, 2016**

| | Flexible Spending Account |
|--------------------------|--------------------------------------|
| ASSETS | |
| Cash | \$ 4,038 |
| Investments | \$ - |
| Total Assets | \$ 4,038 |
| LIABILITIES | |
| Future Claims | \$ 4,038 |
| Total Liabilities | \$ 4,038 |

The accompanying notes are an integral part of this statement.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of Washington (“District”) is a political subdivision of the State of Missouri and operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services to pre-kindergarten through high school residents.

The 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.

1. Principles Determining the Scope of Reporting Entity

Generally accepted accounting principles require that the financial reporting entity is to include (1) the primary government, (2) organizations for which the primary government is financially accountable and, (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The criteria provided in the applicable GASB statements have been considered and there are no other agencies or entities, which should be presented with the District.

2. Fund Accounting

The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Governmental Funds

Governmental funds are those through which most functions of the District are financed. The District’s expendable financial resources are accounted for through Governmental Funds. The measurement focus is based upon determination of changes in the financial position rather than upon net income determination. Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The fund balance is calculated by adding together the governmental fund assets and deferred outflows of resources and then subtracting the governmental fund liabilities and deferred inflows of resources. The following are the District’s governmental funds, each of which the District considers to be a major fund:

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

2. Fund Accounting (concluded)

General (Incidental) Fund

This fund is the general operating fund of the District and accounts for expenditures for noncertified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

Special Revenue (Teachers') Fund

This fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The Special Revenue (Teachers') Fund is a special revenue fund, which accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted or committed for the payment of teacher salaries and certain benefits.

Debt Service Fund

This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of, principal, interest and fiscal charges on certain long-term debt.

Capital Projects Fund

This fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

Fiduciary Fund

This fund is used to account for and report financial resources that arise from employee payroll withholdings used to pay claims associated with participation in the District's Flexible Spending Plan.

3. Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to remain intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3. Fund Balances – Governmental Funds (concluded)

governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to limitations imposed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through ordinances approved by the Board. The District does not have any committed fund balances.

Assigned – includes amounts that the District intends to use for a specific purpose but that do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Chief Financial Officer.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Balance Sheet – Governmental Funds.

4. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The government-wide statements are prepared using the economic resources measurement focus. This differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations, with brief explanations, to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

4. Basis of Presentation (concluded)

students for tuition, fees, goods and services offered by the program and (b) 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 and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or drawing from the general revenues of the District.

Fund Financial Statements

The fund financial statements provide detail information about the District's funds. The emphasis of fund financial statements is on *major* governmental funds. Each fund is displayed in a separate column.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are the balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

5. Basis of Accounting

Basis of accounting determines when transactions are 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 at the fund level.

Revenues – Exchange and Non-Exchange Transactions – Revenues resulting from exchange transactions in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and 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 the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

5. Basis of Accounting (concluded)

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, revenues from nonexchange transactions must also be available before they 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, sales tax, interest, tuition, grants, student fees and rentals.

Unearned Revenue – unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received, (i.e., cash advances) before eligibility requirements are met, are recorded as unearned revenues.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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 at the fund reporting level.

6. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The county collects the property tax and remits it to the District. An allowance for uncollectible taxes has been provided for delinquent taxes.

At the fund reporting level, property tax revenues are recognized when they become measurable and available. Available includes those property tax receivables expected to be collected within sixty (60) days after year end. Revenue recognition of delinquent property taxes not collected within sixty (60) days of fiscal year end is deferred.

The District also receives sales tax collected by the State and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The voters in the District approved a waiver of this tax rollback.

The assessed valuations of the tangible taxable property for the calendar years 2015 and 2014, for purposes of local taxation, were \$710,575,773 and \$749,868,345, respectively.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

6. Property Taxes (concluded)

The tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2015 and 2014, for purposes of local taxation, were:

| | December 31, | |
|-----------------------|------------------|------------------|
| | 2015 | 2014 |
| General Fund | \$ 3.4338 | \$ 3.2910 |
| Special Revenue Fund | - | - |
| Debt Service Fund | 0.3700 | 0.3700 |
| Capital Projects Fund | 0.2700 | 0.3900 |
| Total | <u>\$ 4.0738</u> | <u>\$ 4.0510</u> |

The receipts of current property taxes during the fiscal year ended June 30, 2016, aggregated approximately 98.46% of the current assessment computed on the basis of the levy as shown above.

7. Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments, which is managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained. The reported value of the pool is the same as the fair value of the pool shares.

The District may invest in bonds of the State of Missouri, of the United States, or any wholly-owned corporation of the United States; or in other short-term obligations of the United States.

Investments are stated at fair value, which is based on quoted market prices as of June 30, 2016.

Interest income earned is allocated to contributing funds based on each fund's proportionate share of funds invested.

8. Restricted Cash and Investments

Restricted cash and investments represent amounts limited by legal requirements and they consist of unexpended bond proceeds and amounts escrowed for future general obligation bond principal and interest payments in conjunction with the Missouri School District Direct Deposit Program and Missouri Securities Investment Program. Restricted cash and investments also include amounts escrowed for future lease participation certificates principal and interest payments.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

9. Receivables

Balances due from other entities:

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Total |
|-------------------|---------------------|----------------------------|-------------------------|-----------------------------|---------------------|
| Property Taxes | \$ 752,341 | \$ - | \$ 81,491 | \$ 62,781 | \$ 896,613 |
| DESE | 480,329 | 1,436,147 | - | 45,000 | 1,961,476 |
| Interest | 29,126 | - | 3,140 | 2,302 | 34,568 |
| Other | 43,773 | 26,116 | - | - | 69,889 |
| Total Receivables | <u>\$ 1,305,569</u> | <u>\$ 1,462,263</u> | <u>\$ 84,631</u> | <u>\$ 110,083</u> | <u>\$ 2,962,546</u> |

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase, and an expenditure/expense is reported in the year in which services are consumed.

11. Inventory

Inventories are stated at cost, on a first-in, first-out (FIFO) basis, and are expensed when used.

12. Capital Assets

General capital assets 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 recorded at cost (or estimated historical cost) and are updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of one thousand dollars (\$1,000) for each individual asset for inventory control purposes and five thousand dollars (\$5,000) for financial reporting purposes.

The cost of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed and placed in service. Improvements are depreciated over the remaining useful lives of the related

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Capital Assets (concluded)

capital assets. Except for land and construction in progress, all reported capital assets are depreciated. Depreciation is calculated using the straight-line method over the following useful lives:

| | | |
|----------------------------|---------|-------|
| Buildings and Improvements | 39 – 40 | years |
| Vehicles and Equipment | 5 – 15 | years |

13. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Accumulated vacation and sick pay benefits, within limits set by the Board of Education policy, which are unused and vested to the employee are payable upon termination. Sick pay is accrued in the government-wide financial statements for the amount of sick pay benefits accumulated at year end. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts are reported in governmental funds only after they become payable, for example, as a result of employee resignations and retirements.

14. Accrued Liabilities and Long-term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, special termination benefits, claims and judgments, 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. In general, liabilities that mature or are due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds, capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

15. Net Position

Net position is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the District or through external restrictions imposed by regulators, grantors or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

16. Interfund Activity

Interfund transfers, if applicable, are reported as other financing sources (uses) in governmental funds. During the year, the District transferred \$14,993,765 and \$4,527 from the General Fund to the Special Revenue Fund and Capital Projects Fund, respectively. Transfers are made to the Special Revenue Fund to cover any negative fund balance incurred in a fiscal year. Transfers are made to the Capital Projects Fund to help pay for equipment and capital lease obligations.

17. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

NOTE B – CASH AND INVESTMENTS

The District maintains a cash and temporary investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund's portion of this pool is displayed on the balance sheet as "cash and investments" under each fund's caption.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2016, the carrying amount of the deposits under District control was \$17,997,008 and the bank balance was \$20,397,799, which was covered by federal depository insurance and collateral held by the District's safekeeping bank agent, in the District's name.

Investments

The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States Government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements, maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. Government agencies or instrumentalities of any maturity, as provided by law. As of June 30, 2016, the District had the following investments and maturities.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE B – CASH AND INVESTMENTS (continued)

| Type | Fair Value | Investment Maturities | |
|---------------------------|----------------------|-----------------------|--------------|
| | | 0 to 1 year | 1 to 3 years |
| U.S. Treasury securities | \$ 10,430,707 | \$ 10,430,707 | \$ - |
| External investment pools | 3,227,617 | 3,227,617 | - |
| | <u>\$ 13,658,324</u> | <u>\$ 13,658,324</u> | <u>\$ -</u> |

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, one of the ways the District manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so a portion of the portfolio is maturing and coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in Missouri Securities Investment Program and U.S. treasury securities are rated AA^{Am} and AA⁺ by Standard and Poor's.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law. There were no investments in any one issuer representing 5% or more of the total investments (excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools and other pooled investments) at June 30, 2016.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of 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 District does not have a formal policy regarding the custody of its cash and investments. As of June 30, 2016, the District's investments in U.S. treasury securities were held by the investment's counterparty.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE B – CASH AND INVESTMENTS (concluded)

Summary

The cash deposits and investments are summarized and presented in the financial statements as follows as of June 30, 2016:

| | |
|---|----------------------|
| Carrying amount of deposits and investments | \$ 21,224,625 |
| Investments | <u>10,430,707</u> |
| | <u>\$ 31,655,332</u> |
| Cash and investments - restricted | \$ 10,443,233 |
| Cash and investments - unrestricted | <u>21,212,099</u> |
| Total reporting entity | <u>\$ 31,655,332</u> |

The District has investments managed by Bank of Kansas in conjunction with the Missouri School District Deposit Program. These investments are restricted for payment of interest and retirement of general obligation bonds issued through the MOHEFA Bond program as discussed more fully in Note D. The District also has funds invested in the Missouri Securities Investment Program. All funds in this program are invested in accordance with Section 165.061 RSMo. Each school district owns a pro rata share of each investment, which is held in the name of the Fund. The District also has restricted cash and investments escrowed for future bond and lease payments.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE C - CAPITAL ASSETS

The following is a summary of changes occurring in capital assets for the year ended June 30, 2016:

| School District of Washington Property Plant and Equipment Change Comparison June 30, 2016 | | | | | |
|---|---------------------------------------|------------------|-----------------------|-------------------|--|
| | <u>July 1, 2015</u> <u>Balance</u> | <u>Transfers</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2016</u> <u>Balance</u> |
| Governmental Activities | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 10,608,600 | \$ - | \$ - | \$ - | \$ 10,608,600 |
| Construction in Progress | 4,160,122 | (4,920,662) | 813,487 | - | 52,947 |
| Capital assets that are depreciated | | | | | |
| Buildings and Building Improvements | 154,372,473 | 4,854,709 | 514,281 | - | 159,741,463 |
| Furniture and equipment | 4,176,377 | 65,953 | 711,536 | (89,527) | 4,864,339 |
| Totals at historical cost | \$ 173,317,572 | \$ - | \$ 2,039,304 | \$ (89,527) | \$ 175,267,349 |
| Less Accumulated Depreciation | | | | | |
| Buildings and improvements | (106,217,761) | - | (2,470,731) | - | (108,688,492) |
| Furniture and equipment | (2,935,298) | - | (766,541) | 82,292 | (3,619,547) |
| Total accumulated depreciation | (109,153,059) | - | (3,237,272) | 82,292 | (112,308,039) |
| Total Capital Assets, Net | <u>\$ 64,164,513</u> | <u>\$ -</u> | <u>\$ (1,197,968)</u> | <u>\$ (7,235)</u> | <u>\$ 62,959,310</u> |

Depreciation was charged to functions of the District as follows:

| | |
|--------------------------|---------------------|
| Instruction | \$ 263,090 |
| Adult Education | 793 |
| Educational Media | 177,863 |
| Executive Administration | 69,057 |
| Building Administration | 6,309 |
| Business Office | 2,176 |
| Operation of Plant | 2,652,954 |
| Food Services | 65,030 |
| | <u>\$ 3,237,272</u> |

Construction in Progress of \$52,947 represents the construction of the Greenhouse expansion and Boiler Room Flue extension projects.

WASHINGTON SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS****June 30, 2016****NOTE D - CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of changes occurring in long-term liabilities for the year ended June 30, 2016:

| | Balance July 1, 2015 | Additions | Reductions | Balance June 30, 2016 | Amounts due within one year |
|---|----------------------------|----------------------|-----------------------|-----------------------------|-----------------------------------|
| Governmental activities | | | | | |
| Bonds payable | | | | | |
| General obligation bonds | \$ 30,395,000 | \$ 4,775,000 | \$ (6,395,000) | \$ 28,775,000 | \$ 735,000 |
| Deferred amounts for issuance discount | (403,166) | - | 100,732 | (302,434) | - |
| Deferred amounts for issuance premium | 1,979,948 | 491,269 | (261,213) | 2,210,004 | - |
| Total bonds payable, net | 31,971,782 | 5,266,269 | (6,555,481) | 30,682,570 | 735,000 |
| Obligations under capital leases | 15,260,000 | 9,685,000 | (1,235,000) | 23,710,000 | 10,995,000 |
| Compensated absences | 3,923,548 | 403,663 | - | 4,327,211 | 865,442 |
| Other postemployment benefit obligation | 488,400 | 164,800 | - | 653,200 | - |
| Total governmental activity long-term liabilities | <u>\$ 51,643,730</u> | <u>\$ 15,519,732</u> | <u>\$ (7,790,481)</u> | <u>\$ 59,372,981</u> | <u>\$ 12,595,442</u> |

Payments on the general obligation bonds are made by the Debt Service Fund. The obligations under capital leases are paid by the Capital Projects Fund. The accrued vacation and other post-employment benefit obligation will be liquidated by the fund in which the employee's salary was charged.

WASHINGTON SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS****June 30, 2016****NOTE D - CHANGES IN LONG-TERM LIABILITIES (continued)****Bonds Payable**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Bonds payable consist of the following at June 30, 2016:

| <u>Date issued</u> | <u>Maturity date</u> | <u>Rate of interest</u> | <u>Original issue amount</u> | <u>Balance at June 30, 2016</u> |
|------------------------|--------------------------|-----------------------------|--------------------------------------|---|
| 6/1/2004 | 3/1/2021 | 3.50% - 5.25% | \$ 9,400,000 | \$ - |
| 12/15/2006 | 3/1/2021 | 3.75% - 4.00% | 6,445,000 | - |
| 12/1/2010 | 3/1/2030 | 4.50% - 5.55% | 15,000,000 | 15,000,000 |
| 12/1/2010 | 3/1/2016 | 2.00% - 3.00% | 2,650,000 | - |
| 6/15/2013 | 3/1/2033 | 5.00% | 9,000,000 | 9,000,000 |
| 3/10/2016 | 3/1/2021 | 2.00% - 3.00% | 4,775,000 | 4,775,000 |
| | | | <u>\$ 47,270,000</u> | <u>\$ 28,775,000</u> |

The annual requirements to amortize bonded debt outstanding as of June 30, 2016, are as follows:

| <u>Year ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|----------------------|----------------------|
| 2017 | \$ 735,000 | \$ 1,351,396 | \$ 2,086,396 |
| 2018 | 925,000 | 1,339,825 | 2,264,825 |
| 2019 | 965,000 | 1,312,075 | 2,277,075 |
| 2020 | 1,085,000 | 1,283,125 | 2,368,125 |
| 2021 | 1,065,000 | 1,256,000 | 2,321,000 |
| 2022-2026 | 6,750,000 | 5,548,125 | 12,298,125 |
| 2027-2031 | 11,050,000 | 3,475,250 | 14,525,250 |
| 2032-2033 | 6,200,000 | 470,000 | 6,670,000 |
| | <u>\$ 28,775,000</u> | <u>\$ 16,035,796</u> | <u>\$ 44,810,796</u> |

Certain bond issue payments are made through the Missouri School District Direct Deposit program, which is a mechanism for public school bond repayments. It authorizes direct depositing a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE D - CHANGES IN LONG-TERM LIABILITIES (continued)

Bonds Payable (concluded)

agents on the bonds.

The District has \$870,682 on deposit with Bank of Kansas in conjunction with this program, as discussed in Note B.

Advanced Refunding

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

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including State assessed railroad and utility). The legal debt margin, computed including the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2016, was:

| | |
|---------------------------------------|-----------------------------|
| Constitutional debt limit | \$ 106,586,366 |
| General obligation bonds payable | (28,775,000) |
| Amount available in Debt Service Fund | <u>3,249,326</u> |
| Legal debt margin | <u><u>\$ 81,060,692</u></u> |

Capital Lease Payable

On July 1, 2007, lease participation certificates were issued, sold and delivered for Series 2007 in the amount of \$12,550,000, for the purpose of providing funds to pay the cost of acquisition of land, construction and installation of certain improvement projects.

On February 15, 2013, the District issued \$5,420,000 in Series 2013 certificates to refinance \$6,050,000 of outstanding Series 2003. The 2003 escrow fund of \$692,000 was used to offset the total debt due. This was undertaken to reduce the total debt by reducing interest rates from 2% - 4% to 2% - 2.625%.

On December 30, 2015, the District issued \$9,685,000 in Series 2015 refunding certificates to advance refund \$10,450,000 of outstanding Series 2007 and pay certain issuance costs. Net proceeds of \$9,799,230 and the Series 2007 escrow amount of \$1,255,000 were placed in Escrow to purchase government obligations. The principal of and interest to be earned on the government

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE D - CHANGES IN LONG-TERM LIABILITIES (concluded)

Capital Lease Payable (concluded)

obligations will be in an amount sufficient for the payment of the principal and interest payments due up to and including the call date of March 1, 2017. This was undertaken to reduce the total debt by reducing interest rates from 4% - 4.625% to 2% - 3%. As a result of this advance refunding, the old Certificates of Participation (Series 2007) will remain on the District's books until the call date of March 1, 2017.

The cost for such projects related to Series 2003 (refunded by Series 2013) and 2007 (refunded by Series 2015) as of June 30, 2016, was \$11,225,442, with current year depreciation totaling \$175,189 and accumulated depreciation of \$1,500,050.

| Issue | Balance July 1, 2015 | Additions | Principal Payments | Balance June 30, 2016 | Due in One Year |
|--------------|---------------------------------|---------------------|-------------------------------|----------------------------------|----------------------------|
| Series 2007 | \$ 10,450,000 | \$ - | \$ 400,000 | \$ 10,050,000 | \$10,050,000 |
| Series 2013 | 4,810,000 | - | 375,000 | 4,435,000 | 425,000 |
| Series 2015 | - | 9,685,000 | 460,000 | 9,225,000 | 520,000 |
| Total | <u>\$ 15,260,000</u> | <u>\$ 9,685,000</u> | <u>\$ 1,235,000</u> | <u>\$ 23,710,000</u> | <u>\$10,995,000</u> |

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2016.

| | Principal | Interest | Total |
|----------------------|----------------------|---------------------|----------------------|
| Year ending June 30, | | | |
| 2017 | \$ 10,995,000 | \$ 806,238 | \$ 11,801,238 |
| 2018 | 1,035,000 | 331,150 | 1,366,150 |
| 2019 | 1,110,000 | 310,450 | 1,420,450 |
| 2020 | 1,240,000 | 288,250 | 1,528,250 |
| 2021 | 1,370,000 | 260,250 | 1,630,250 |
| 2022-2026 | 5,895,000 | 766,825 | 6,661,825 |
| 2027-2028 | <u>2,065,000</u> | <u>94,500</u> | <u>2,159,500</u> |
| | <u>\$ 23,710,000</u> | <u>\$ 2,857,663</u> | <u>\$ 26,567,663</u> |

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE E - RETIREMENT PLAN

Summary of Significant Accounting Policies

The District contributes to the Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System of Missouri (PEERS), cost-sharing multiple-employer defined benefit pension plans.

General Information about the Pension Plan

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri.

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE E - RETIREMENT PLAN (continued)

General Information about the Pension Plan (continued)

service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Summary Plan Descriptions detailing the provisions of the plan can be found on the Systems' website at www.psrs-peers.org.

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2015 and 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE E - RETIREMENT PLAN (continued)

General Information about the Pension Plan (concluded)

with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2015 and 2016. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$3,147,842 and \$465,249, respectively, for the year ended June 30, 2016.

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

At June 30, 2016, the District recorded a liability of \$27,675,091 for its proportionate share of PSRS' net pension liability and \$2,392,243 for its proportionate share of PEERS' net pension liability. In total the District recorded net pension liabilities of \$30,067,334. The net pension liability for the plans in total was measured as of June 30, 2015, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of \$3,147,842 and \$465,249, respectively, for the year ended June 30, 2015, relative to the actual contributions of \$656,578,122 for PSRS and \$102,864,099 for PEERS from all participating employers. At June 30, 2015, the District's proportionate share was 0.4794% for PSRS and 0.4523% for PEERS.

For the year ended June 30, 2016, the District recognized a pension expense of \$1,666,209 for PSRS and \$282,066 for PEERS, its proportionate share of the total pension expense. The District also recognized expense of \$19 for contributions to PSRS related to employee reciprocity and other service transfers.

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE E - RETIREMENT PLAN (continued)

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

| | PSRS | | PEERS | | District Total | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Balance of Deferred Outflows and Inflows Due to: | | | | | | |
| - Differences between expected and actual experience | \$ 3,174,838 | \$ - | \$ 155,065 | \$ 33,529 | \$ 3,329,903 | \$ 33,529 |
| - Changes of assumptions | - | - | - | - | - | - |
| - Net difference between projected and actual earnings on pension plan investments | 4,848,017 | 7,094,089 | 517,960 | 737,832 | 5,365,977 | 7,831,921 |
| - Changes in proportion and differences between Employer contributions and proportionate share of contributions | 80,106 | 140,321 | 84,483 | 35,419 | 164,589 | 175,740 |
| - Employer contributions subsequent to the measurement date | 3,195,591 | - | 463,936 | - | 3,659,527 | - |
| Total | <u>\$ 11,298,552</u> | <u>\$ 7,234,410</u> | <u>\$ 1,221,444</u> | <u>\$ 806,780</u> | <u>\$ 12,519,996</u> | <u>\$ 8,041,190</u> |

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2015, will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized in pension expense as follows:

| Year Ending June 30: | <u>PSRS</u> | <u>PEERS</u> | <u>District Total</u> |
|----------------------|--------------------|---------------------|------------------------------|
| 2017 | \$ (561,833) | \$ (71,249) | \$ (633,082) |
| 2018 | (561,833) | (71,249) | (633,082) |
| 2019 | (561,833) | (43,991) | (605,824) |
| 2020 | 1,802,864 | 137,217 | 1,940,081 |
| 2021 | 506,659 | - | 506,659 |
| Thereafter | 244,526 | - | 244,526 |
| | <u>\$ 868,550</u> | <u>\$ (49,272)</u> | <u>\$ 819,278</u> |

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE E - RETIREMENT PLAN (continued)

Actuarial Assumptions

Actuarial valuations of the Systems involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011 and the next experience study is scheduled for 2016.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date June 30, 2015
- Valuation Date June 30, 2015
- Expected Return on Investments - 8.00%, net of investment expenses and including 2.5% inflation
- Inflation 2.50%

Total Payroll Growth

PSRS – 3.50% per annum, consisting of 2.50% inflation, .50% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.

PEERS - 3.75% per annum, consisting of 2.50% inflation, .75% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.

Future Salary Increases

PSRS - 4.00% - 10.00%, depending on service and including 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.00% to 7.00%.

PEERS - 5.00% - 12.00%, depending on service and including 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and real wage growth of 1.75% to 8.75%.

Cost-of-Living Increases

PSRS - 2.0% compounded annually, beginning on the second January after retirement and capped at 80% lifetime increase.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE E - RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

PEERS - 2.0% compounded annually, beginning on the fourth January after retirement and capped at 80% lifetime increase.

Mortality Assumption

PSRS

- Actives: RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
- Non-Disabled Retirees, Beneficiaries and Survivors: RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
- Disabled Retirees: RP 2000 Disabled Mortality Table

PEERS

- Actives: RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
- Non-Disabled Retirees, Beneficiaries and Survivors: RP 2000 Mortality Table set forward one year for males and no set back/forward for females, then projected to 2016 using Scale AA.
- Disabled Retirees: RP 2000 Disabled Mortality Table

Changes in Actuarial Assumptions and Methods: There were no changes in actuarial assumptions or methods for the June 30, 2015, valuation.

Fiduciary Net Position: The Systems issue a publicly available financial report that can be obtained at www.psrs-peers.org.

Expected Rate of Return

The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2015, is summarized below along with the long-term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cashflows.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE E - RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

| Asset Class | Target Asset Allocation | Long-term Expected Real Return Arithmetic Basis | Weighted Long- term Expected Real Return Arithmetic Basis |
|------------------------|----------------------------|---|--|
| U.S. Public Equity | 27.00 % | 5.85 % | 1.58 % |
| Public Credit | 12.00 | 2.44 | 0.29 |
| Hedged Assets | 6.00 | 5.22 | 0.31 |
| Non-U.S. Public Equity | 15.00 | 6.64 | 1.00 |
| U.S. Treasuries | 16.00 | 1.01 | 0.16 |
| U.S TIPS | 4.00 | 1.12 | 0.04 |
| Private Credit | 2.00 | 7.61 | 0.15 |
| Private Equity | 10.50 | 8.61 | 0.90 |
| Private Real Estate | 7.50 | 4.60 | 0.35 |
| Total | 100.00 % | | 4.78 |
| | | Inflation | 2.50 |
| | | Long-term arithmetical nominal return | 7.28 |
| | | Effect of covariance matrix | 0.81 |
| | | Long-term expected geometric return | 8.09 % |

Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June, 30, 2015, and is consistent with the long-term expected geometric return on the Systems' investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 8.0% is presented as well as the net pension liability using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE E - RETIREMENT PLAN (concluded)

Actuarial Assumptions (concluded)

| | Discount Rate | <u>1% Decrease (7.00%)</u> | <u>Current Rate (8.00%)</u> | <u>1% Increase (9.00%)</u> |
|--|---------------|----------------------------|-----------------------------|----------------------------|
| PSRS Proportionate share of the Net Pension Liability / (Asset) | \$ | 50,899,527 | \$ 27,675,091 | \$ 8,169,154 |
| PEERS Proportionate share of the Net Pension Liability / (Asset) | \$ | 4,829,544 | \$ 2,392,243 | \$ 331,715 |

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

In addition to providing the pension benefits described above, the District provides continuation of medical, dental and vision insurance coverage to employees who are eligible for retirement under a single employer plan. Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the District's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. A stand-alone financial report is not available for the plan.

Funding Policy

The District currently pays for the implicit rate subsidy associated with these post-employment health care benefits on a pay-as-you-go basis. The District determines contribution requirements and may be amended by the District. As of June 30, 2015, no trust fund has been established for the funding of the plan's post-employment benefit obligation, resulting in the classification of the entire liability as unfunded. The schedule of funding progress is presented as required supplementary information.

Annual Other Post-employment Benefit Cost

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – (continued)

Annual Other Post-employment Benefit Cost (continued)

As of June 30, 2016, the schedule of employer contributions and net OPEB obligation is as follows:

| | |
|--|--------------------------|
| Annual required contribution | \$ 343,900 |
| Interest on net OPEB obligation | 17,100 |
| Adjustment to annual required contribution | <u>(17,400)</u> |
| Annual OPEB cost (expense) | 343,600 |
| Contributions made | <u>178,800</u> |
| Increase in net OPEB obligation | 164,800 |
| Net OPEB obligation at July 1, 2015 | <u>488,400</u> |
| Net OPEB obligation at June 30, 2016 | <u><u>\$ 653,200</u></u> |

As of June 30, 2016, the annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

| <u>Plan Year</u> | <u>Annual OPEB Cost</u> | <u>Percentage of OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|----------------------|-----------------------------|--|------------------------------------|
| 2012 | \$ 262,100 | 78.14% | \$ 57,300 |
| 2013 | 262,100 | 43.04% | 206,600 |
| 2014 | 346,600 | 56.64% | 356,900 |
| 2015 | 350,200 | 62.45% | 488,400 |
| 2016 | 343,600 | 52.04% | 653,200 |

Funded Status and Funding Progress

As of July 1, 2016, the actuarial accrued liability for benefits was \$3,477,700, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$26,169,682 and the ratio of the unfunded actuarial liability to the covered payroll was 13.3%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE F – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – (concluded)

Funded Status and Funding Progress (concluded)

expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations. The initial unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over 30 years.

In the actuarial valuation, the liabilities were computed using the projected unit credit cost method. The actuarial assumptions utilized a 3.50% discount rate. Because the plan is unfunded, reference to general assets, which are short-term in nature, was considered in the selection of the 3.50% rate. The healthcare trends used are based on long term healthcare trends generated by the Getzen Model.

NOTE G - RISK MANAGEMENT

The District is exposed to various risks of loss related to theft, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster. To cover these risks, the District is a participant in the Missouri United School Insurance Council (the “Council”) which is a Protected Self-Insurance Program of Missouri Public School Districts with 467 members. The District pays an assessment to the Council, which for the calendar year 2016 was \$471,430. Part of the assessment then goes to buy excess insurance contracts for the group as a whole. Should the contributions received by the Council not be sufficient, special assessments can be made to the member Districts. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District. For the three previous years, settlements did not exceed the insurance coverage provided by commercial insurance. There has been no significant reduction in insurance coverage from the preceding year.

NOTE H - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE H - COMMITMENTS AND CONTINGENCIES (concluded)

Grants (concluded)

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. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2016.

Litigation

The District is currently a party in pending litigation. The outcome of this litigation could potentially result in a gain to the District but the likelihood of realization is not known.

NOTE I – ACTUAL EXPENDITURES IN EXCESS OF BUDGET

For the year ended June 30, 2016, the District's actual expenditures were in excess of its budgeted expenditures in the Debt Service Fund of \$5,014,663 and the Capital Projects Fund of \$743,049.

NOTE J – OPERATING LEASES

The District has entered into leases for postage equipment, and Lenovo Chromebooks that have been determined to be operating leases. The expenditures related to these leases for the year ended June 30, 2016, were approximately \$344,286.

Future minimum lease payments under these lease agreements are as follows:

| | Postage Machine | Lenovo Chromebooks | Total |
|-------|--------------------|-----------------------|------------------|
| 2017 | \$ 1,726 | \$185,035 | \$186,761 |
| 2018 | 1,726 | 121,093 | \$122,819 |
| 2019 | 1,726 | 35,490 | \$ 37,216 |
| 2020 | 1,726 | - | \$ 1,726 |
| 2021 | 862 | - | \$ 862 |
| Total | <u>\$ 7,766</u> | <u>\$341,618</u> | <u>\$349,384</u> |

WASHINGTON SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE K – PRIOR PERIOD ADJUSTMENT

The fund balance as of June 30, 2015, has been restated to reflect the reclassification of the amount receivable from the classroom trust fund from the capital projects fund to the general fund. The government-wide net position was not affected by this restatement.

| Description | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total Governmental</u> |
|---|----------------------|----------------------------|-------------------------|-----------------------------|-------------------------------|
| Fund balances as previously reported at June 30, 2015: | \$ 15,458,616 | \$ 1,238,041 | \$ 3,058,488 | \$ 5,593,515 | \$ 25,348,660 |
| Prior period adjustment: | | | | | |
| Accounts Receivable | 241,010 | - | - | (241,010) | - |
| Restated fund balances at June 30, 2015 | <u>\$ 15,699,626</u> | <u>\$ 1,238,041</u> | <u>\$ 3,058,488</u> | <u>\$ 5,352,505</u> | <u>\$ 25,348,660</u> |

NOTE L – SUBSEQUENT EVENTS

On August 3, 2016, the voters of the School District of Washington approved a \$15 million bond issue which will allow the District to retire the 2013 and 2015 Lease Participation Certificates. The total principal balance of these certificates is \$13,660,000. The additional funds generated by the bond issue will be used for capital repairs at multiple locations, renovations at Four Rivers Career Center and Safety & Security upgrades throughout the District.

On October 27, 2016, a sales agreement was finalized between the School District of Washington and Immanuel Lutheran Church to transfer ownership of the Fifth Street Elementary School property for a net sales price of \$461,000.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF WASHINGTON

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND - UNAUDITED
For the year ended June 30, 2016**

| | Budgeted amounts | | Actual (budgetary basis) | Variance with final budget positive (negative) |
|---|-------------------------|---------------------|---|---|
| | Original | Final | | |
| Revenues | | | | |
| Local | \$ 28,960,824 | \$ 26,620,407 | \$ 26,546,089 | \$ (74,318) |
| County | 1,187,600 | 1,274,499 | 1,274,499 | - |
| State | 1,754,383 | 2,973,110 | 2,973,915 | 805 |
| Federal | 1,671,076 | 2,104,445 | 2,105,699 | 1,254 |
| Total revenues | 33,573,883 | 32,972,461 | 32,900,202 | (72,259) |
| Expenditures | | | | |
| Current | | | | |
| Instruction | 6,526,916 | 4,064,739 | 3,824,226 | 240,513 |
| Attendance | 179,471 | 181,274 | 181,274 | - |
| Guidance | 93,710 | 66,271 | 66,271 | - |
| Health services | 363,037 | 378,904 | 378,904 | - |
| Improvement of instruction | 315,967 | 189,892 | 189,961 | (69) |
| Professional development | 43,000 | 24,868 | 24,868 | - |
| Media services | 797,388 | 270,765 | 282,409 | (11,644) |
| Board of Education services | 185,075 | 136,474 | 136,474 | - |
| Executive administration | 2,008,308 | 1,423,736 | 1,422,437 | 1,299 |
| Building level administration | 654,504 | 573,547 | 574,717 | (1,170) |
| Operation of plant | 5,150,561 | 4,790,851 | 4,793,384 | (2,533) |
| Pupil transportation | 2,888,935 | 2,991,160 | 3,023,868 | (32,708) |
| Food services | 1,793,743 | 1,686,450 | 1,686,045 | 405 |
| Central office support | 87,789 | 77,817 | 77,817 | - |
| Business and central services | 445,183 | 576,171 | 576,171 | - |
| Security services | 90,220 | 64,514 | 64,514 | - |
| Adult/Community services | 818,370 | 727,456 | 742,369 | (14,913) |
| Total expenditures | 22,442,177 | 18,224,889 | 18,045,709 | 179,180 |
| Excess of revenues over (under) expenditures | 11,131,706 | 14,747,572 | 14,854,493 | 106,921 |
| Other financing uses | | | | |
| Transfers | (14,998,292) | (14,998,292) | (14,998,292) | - |
| Sale of Property | 5,000 | 1,213 | 1,213 | - |
| NET CHANGE IN FUND BALANCE | \$ (3,861,586) | \$ (249,507) | (142,586) | \$ 106,921 |
| Fund Balance, July 1, 2015 | | | 15,028,880 | |
| Fund Balance, June 30, 2016 | | | \$ 14,886,294 | |
| Reconciliation of budgetary basis (cash basis) of accounting to modified accrual basis of accounting | | | | |
| Revenues per above - cash basis | | | \$ 32,900,202 | |
| Current year revenue accruals | | | 628,463 | |
| Prior year revenue accruals | | | (709,519) | |
| Revenues - modified accrual basis | | | \$ 32,819,146 | |
| Expenditures per above - cash basis | | | \$ 18,045,709 | |
| Current year expenditure accruals | | | (242,633) | |
| Prior year expenditure accruals | | | (38,776) | |
| Expenditures - modified accrual basis | | | \$ 17,764,300 | |

The accompanying notes to budgetary comparison schedules is an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND - UNAUDITED
For the year ended June 30, 2016**

| | Budgeted amounts | | Actual | Variance with |
|--|---------------------|---------------------|----------------------|----------------------------------|
| | Original | Final | (budgetary basis) | final budget positive (negative) |
| Revenues | | | | |
| Local | \$ 4,192,540 | \$ 4,330,814 | \$ 4,356,575 | \$ 25,761 |
| County | 250,000 | 200,933 | 200,933 | - |
| State | 5,946,693 | 5,433,386 | 5,433,386 | - |
| Federal | 1,483,893 | 1,103,235 | 1,106,266 | 3,031 |
| Other | 1,385,000 | 658,702 | 671,666 | 12,964 |
| Total revenues | 13,258,126 | 11,727,070 | 11,768,826 | 41,756 |
| Expenditures | | | | |
| Current | | | | |
| Instruction | 22,294,308 | 21,658,716 | 21,636,163 | 22,553 |
| Attendance | 69,605 | 69,372 | 69,372 | - |
| Guidance | 986,354 | 980,908 | 980,908 | - |
| Health services | 40,271 | 48,128 | 48,128 | - |
| Improvement of instruction | 328,331 | 350,638 | 350,638 | - |
| Professional development | 7,659 | 16,260 | 16,260 | - |
| Media services | 631,433 | 666,325 | 666,325 | - |
| Board of Education | | 574 | 574 | - |
| Executive administration | 354,071 | 344,992 | 344,992 | - |
| Building level administration | 1,784,766 | 1,849,047 | 1,849,047 | - |
| Security services | 3,931 | 3,931 | 3,931 | - |
| Adult education | 237,853 | 263,150 | 263,150 | - |
| Community services | 414,960 | 533,103 | 533,103 | - |
| Total expenditures | 27,153,542 | 26,785,144 | 26,762,591 | 22,553 |
| Excess of revenues over (under) expenditures | (13,895,416) | (15,058,074) | (14,993,765) | 64,309 |
| Other financing sources | | | | |
| Transfers | 14,993,765 | 14,993,765 | 14,993,765 | - |
| NET CHANGE IN FUND BALANCE | \$ 1,098,349 | \$ (64,309) | - | \$ 64,309 |
| Fund Balance, July 1, 2015 | | | - | |
| Fund Balance, June 30, 2016 | | | \$ - | |
| Reconciliation of budgetary basis (cash basis) of accounting to modified accrual basis of accounting | | | | |
| Revenues per above - cash basis | | | \$ 11,768,826 | |
| Current year revenue accruals | | | 1,462,264 | |
| Prior year revenue accruals | | | (1,410,536) | |
| Revenues - modified accrual basis | | | \$ 11,820,554 | |
| Expenditures per above - cash basis | | | \$ 26,762,591 | |
| Current year expenditure accruals | | | 166,770 | |
| Prior year expenditure accruals | | | (172,494) | |
| Expenditures - modified accrual basis | | | \$ 26,756,867 | |

The accompanying notes to budgetary comparison schedules is an integral part of this statement.

SCHOOL DISTRICT OF WASHINGTON
NOTES TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2016

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. For each fund, total fund expenditures may not legally exceed final amended budgeted expenditures. Expenditure appropriations lapse at the end of the fiscal year.
6. Budgets are presented on the cash basis of accounting for all governmental funds. The cash basis is used to enable the District to more accurately budget revenue and expenditures as the resources are expended or received.

SCHOOL DISTRICT OF WASHINGTON

PENSION OBLIGATION – UNAUDITED

June 30, 2016

Schedules of Proportionate Share of the Net Pension Liability and Related Ratios

Public School Retirement System of Missouri

| Year Ended* | Proportion of the Net Pension Liability (Asset) | Proportionate Share of the Net Pension Liability (Asset) | Actual Covered Member Payroll | Net Pension Liability (Asset) as a Percentage of Covered Payroll | Fiduciary Net Position as a Percentage of Total Pension Liability |
|----------------|---|--|--|--|---|
| 6/30/2015 | 0.4771% | \$ 19,573,387 | \$ 21,362,520 | 91.62% | 89.34% |
| 6/30/2016 | 0.4794% | \$ 27,675,091 | \$ 21,869,279 | 126.55% | 85.78% |

Public Education Employee Retirement System of Missouri

| Year Ended* | Proportion of the Net Pension Liability (Asset) | Proportionate Share of the Net Pension Liability (Asset) | Actual Covered Member Payroll | Net Pension Liability (Asset) as a Percentage of Covered Payroll | Fiduciary Net Position as a Percentage of Total Pension Liability |
|----------------|---|--|--|--|---|
| 6/30/2015 | 0.4217% | \$ 1,539,905 | \$ 6,157,328 | 25.01% | 91.33% |
| 6/30/2016 | 0.4523% | \$ 2,392,243 | \$ 6,782,051 | 35.27% | 88.28% |

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedules is based as of the measurement date of the systems' net pension liability, which is as of the beginning of the District's fiscal year.

SCHOOL DISTRICT OF WASHINGTON

PENSION OBLIGATION – UNAUDITED (CONCLUDED)

June 30, 2016

Schedules of Employer Contributions

Public School Retirement System of Missouri

| Year Ended | Statutorily Required Contribution | Actual Employer Contributions | Contribution Excess / (Deficiency) (Deficiency) | Actual Covered Member Payroll | Contributions as a Percentage of Covered Payroll |
|------------|-----------------------------------|-------------------------------|---|-------------------------------|--|
| 6/30/2014 | \$ 3,017,623 | \$ 3,017,623 | \$ - | \$ 20,970,566 | 14.39% |
| 6/30/2015 | 3,072,553 | 3,072,553 | - | 21,362,520 | 14.38% |
| 6/30/2016 | 3,147,842 | 3,147,842 | - | 21,869,279 | 14.39% |

Public Education Employee Retirement System of Missouri

| Year Ended | Statutorily Required Contribution | Actual Employer Contributions | Contribution Excess / (Deficiency) (Deficiency) | Actual Covered Member Payroll | Contributions as a Percentage of Covered Payroll |
|------------|-----------------------------------|-------------------------------|---|-------------------------------|--|
| 6/30/2014 | \$ 416,649 | \$ 416,649 | \$ - | \$ 6,073,609 | 6.86% |
| 6/30/2015 | 421,892 | 421,892 | - | 6,157,328 | 6.85% |
| 6/30/2016 | 465,249 | 465,249 | - | 6,782,051 | 6.86% |

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

SCHOOL DISTRICT OF WASHINGTON

OTHER POST-EMPLOYMENT BENEFIT OBLIGATION – UNAUDITED YEAR ENDED June 30, 2016

Schedule of Funding Progress

| | Actuarial Value of Assets (a) | Actuarial Accrued Liability (b) | Unfunded Actuarial Accrued Liability (UAAL) (b - a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b - a) / c) |
|-----------|-------------------------------------|--|--|----------------------------|---------------------------|---|
| 7/1/2011 | \$ - | \$ 2,819,700 | \$ 2,819,700 | 0.00% | \$ 23,792,696 | 11.9% |
| 7/1/2013 | - | 3,378,900 | 3,378,900 | 0.00% | 25,991,258 | 13.0% |
| 6/30/2016 | - | 3,477,700 | 3,477,700 | 0.00% | 26,169,682 | 13.3% |

Schedule of Employer Contributions

| Plan Year | Annual Required Contribution (ARC) | Interest on Net OPEB Obligation | Adjustment to the ARC | Net OPEB Cost | Actual Contribution | Net OPEB Obligation |
|-----------|--|---------------------------------------|--------------------------|------------------|------------------------|------------------------|
| 2012 | \$ 262,100 | \$ - | \$ - | \$ 262,100 | \$ 204,800 | \$ 57,300 |
| 2013 | 262,100 | 10,100 | 10,100 | 262,100 | 112,800 | 206,600 |
| 2014 | 346,500 | 7,700 | 7,600 | 346,600 | 196,300 | 356,900 |
| 2015 | 350,400 | 13,400 | 13,600 | 350,200 | 218,700 | 488,400 |
| 2016 | 343,900 | 17,100 | 17,400 | 343,600 | 178,800 | 653,200 |

The District implemented GASB No. 45 for the year ended June 30, 2012; therefore, information for prior years is not available.

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF WASHINGTON

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND - UNAUDITED For the year ended June 30, 2016

| | Budgeted amounts | | Actual | Variance with |
|--|-------------------|-------------------|---------------------|----------------------------------|
| | Original | Final | (budgetary basis) | final budget positive (negative) |
| Revenues | | | | |
| Local | \$ 3,093,016 | \$ 2,880,334 | \$ 3,130,751 | \$ 250,417 |
| County | 218,000 | 223,061 | 223,061 | - |
| State | 250,000 | - | - | - |
| Other | - | - | 4,775,000 | 4,775,000 |
| Total revenues | 3,561,016 | 3,103,395 | 8,128,812 | 5,025,417 |
| Expenditures | | | | |
| Debt service | | | | |
| Principal retirement | 1,450,000 | 1,450,000 | 6,395,000 | (4,945,000) |
| Interest and other charges | 1,475,550 | 1,473,700 | 1,543,363 | (69,663) |
| Total expenditures | 2,925,550 | 2,923,700 | 7,938,363 | (5,014,663) |
| NET CHANGE IN FUND BALANCE | \$ 635,466 | \$ 179,695 | \$ 190,449 | \$ 10,754 |
| Fund Balance, July 1, 2015 | | | 3,049,695 | |
| Fund Balance, June 30, 2016 | | | \$ 3,240,144 | |
| Reconciliation of budgetary basis (cash basis) of accounting to modified accrual basis of accounting | | | | |
| Revenues per above - cash basis | | | \$ 8,128,812 | |
| Current year revenue accruals | | | 11,288 | |
| Prior year revenue accruals | | | (9,868) | |
| Revenues - modified accrual basis | | | \$ 8,130,232 | |
| Expenditures per above - cash basis | | | \$ 7,938,363 | |
| Current year expenditure accruals | | | 2,106 | |
| Prior year expenditure accruals | | | (1,075) | |
| Expenditures - modified accrual basis | | | \$ 7,939,394 | |

SCHOOL DISTRICT OF WASHINGTON

BUDGETARY COMPARISON SCHEDULE - CAPITAL PROJECTS FUND - UNAUDITED For the year ended June 30, 2016

| | Budgeted amounts | | Actual (budgetary basis) | Variance with final budget positive (negative) |
|---|---------------------|-----------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Local | \$ 2,654,176 | \$ 1,988,071 | \$ 2,236,423 | \$ 248,352 |
| County | 66,350 | 49,754 | 49,754 | - |
| State | 949,551 | 415,598 | 415,598 | - |
| Federal | - | 45,000 | 45,000 | - |
| Total revenues | 3,670,077 | 2,498,423 | 2,746,775 | 248,352 |
| Expenditures | | | | |
| Instruction | 292,810 | 411,548 | 411,548 | - |
| Health services | 1,000 | - | - | - |
| Improvement of instruction | 35,000 | - | - | - |
| Media services | 138,000 | 26,571 | 26,571 | - |
| Board of Education Services | 2,000 | - | - | - |
| Executive administration | 483,005 | 542,538 | 541,338 | 1,200 |
| Operation of plant | 80,000 | 50,000 | 37,883 | 12,117 |
| Food services | 40,000 | 4,527 | 4,527 | - |
| Central office support | 3,000 | - | - | - |
| Business and central services | 2,500 | - | - | - |
| Security services | 35,360 | - | - | - |
| Adult Education | 8,300 | 6,800 | 6,800 | - |
| Facilities acquisition and construction | 2,164,000 | 1,769,392 | 1,769,392 | - |
| Debt Service | | | | |
| Principal retirement | 775,000 | 835,000 | 1,235,000 | (400,000) |
| Interest and other charges | 585,600 | 414,721 | 771,087 | (356,366) |
| Total expenditures | 4,645,575 | 4,061,097 | 4,804,146 | (743,049) |
| Excess of revenues over (under) expenditures | (975,498) | (1,562,674) | (2,057,371) | (494,697) |
| Other financing sources (uses) | | | | |
| Transfers | 4,527 | 4,527 | 4,527 | - |
| Sale of other property | 16,000 | 20,485 | 21,675 | 1,190 |
| Proceeds from capital lease | - | - | 9,685,000 | 9,685,000 |
| Total other financing sources | 20,527 | 25,012 | 9,711,202 | 9,686,190 |
| NET CHANGE IN FUND BALANCE | \$ (954,971) | \$ (1,537,662) | \$ 7,653,831 | \$ 9,191,493 |
| Fund Balance, July 1, 2015 | | | 5,875,062 | |
| Fund Balance, June 30, 2016 | | | \$ 13,528,893 | |
| Reconciliation of budgetary basis (cash basis) of accounting to modified accrual basis of accounting | | | | |
| Revenues per above - cash basis | | | \$ 2,746,775 | |
| Current year revenue accruals | | | 53,581 | |
| Prior year revenue accruals | | | (10,402) | |
| Revenues - modified accrual basis | | | \$ 2,789,954 | |
| Expenditures per above - cash basis | | | \$ 4,804,146 | |
| Current year expenditure accruals | | | 31,887 | |
| Prior year expenditure accruals | | | (532,958) | |
| Expenditures - modified accrual basis | | | \$ 4,303,075 | |

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT



2016

STATISTICAL SECTION

SCHOOL DISTRICT OF WASHINGTON

SUMMARY OF STATISTICAL INFORMATION YEAR ENDED JUNE 30, 2016

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

| | Pages |
|-------------------------|--------------|
| Financial Trends | 58-64 |

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

| | |
|-------------------------|-------|
| Revenue Capacity | 65-69 |
|-------------------------|-------|

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

| | |
|----------------------|-------|
| Debt Capacity | 70-71 |
|----------------------|-------|

These schedules contain 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.

| | |
|---|-------|
| Demographic and Economic Information | 72-74 |
|---|-------|

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

| | |
|------------------------------|-------|
| Operating Information | 75-80 |
|------------------------------|-------|

These schedules contain service data to help the reader assess how information in the District's financial reports 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.

School District of Washington
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| Net Position | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| Net Investment in Capital Assets | \$ 8,566,739 | \$ 16,932,730 | \$ 10,095,285 | \$ 7,285,664 | \$ 492,896 |
| Restricted | \$ 14,975,526 | \$ 9,890,043 | \$ 14,459,929 | \$ 17,382,072 | \$ 19,554,544 |
| Unrestricted | \$ (11,573,713) | \$ (16,103,420) | \$ (17,276,633) | \$ 13,759,381 | \$ 13,676,064 |
| Total net position | \$ 11,968,552 | \$ 10,719,353 | \$ 7,278,581 | \$ 38,427,117 | \$ 33,723,504 |

| Net Position | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Net Investment in Capital Assets | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | \$ 28,349,060 | \$ 18,205,095 | \$ 12,941,245 | \$ 13,304,960 | \$ 10,823,649 |
| Unrestricted | \$ 18,014,917 | \$ 10,385,375 | \$ 12,209,776 | \$ 11,176,881 | \$ 9,766,321 |
| Total net position | \$ 46,363,977 | \$ 28,590,470 | \$ 25,151,021 | \$ 24,481,841 | \$ 20,589,970 |

Source: School District of Washington records

Note: During 2011-2012, the District switched to the accrual basis of accounting, thus the first year Capital Assets are required to be reported. During 2014-2015, GASB 68: Pension Reporting requirements were implemented. The balances for 2014 were also restated to reflect those requirements, but the years prior to 2013 were not restated.

School District of Washington
Expenses, Program Revenues and Net(Expense)/Revenue
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Total Instruction | \$ 25,136,046 | \$ 23,355,597 | \$ 25,422,510 | \$ 25,190,876 | \$ 23,846,562 | \$ 23,374,795 | \$ 22,653,732 | \$ 23,177,851 | \$ 22,060,930 | \$ 19,754,381 |
| Support Services | | | | | | | | | | |
| Attendance | 228,992 | 235,864 | 180,565 | 146,831 | 139,673 | 104,208 | 139,905 | 179,360 | 100,094 | 81,967 |
| Guidance | 999,417 | 932,827 | 927,955 | 880,770 | 899,504 | 793,033 | 786,806 | 782,800 | 648,541 | 620,278 |
| Health, Psych, Speech and Audio | 349,647 | 923,482 | 848,735 | 1,400,999 | 1,278,829 | 1,153,972 | 1,180,038 | 663,088 | 623,929 | 562,642 |
| Improvement of Instruction | 553,065 | 565,816 | 549,850 | 494,414 | 460,627 | 506,006 | 491,341 | 411,678 | 176,552 | 232,352 |
| Professional Development | 41,651 | 53,659 | 80,216 | 54,832 | 47,504 | 71,197 | 54,121 | 67,592 | 110,060 | 40,324 |
| Media Services (Library) | 870,894 | 1,351,232 | 1,625,868 | 871,040 | 869,509 | 1,890,394 | 1,640,700 | 1,553,461 | 1,808,511 | 894,536 |
| Board of Education Services | 138,281 | 162,738 | 168,339 | 122,216 | 129,421 | 163,894 | 112,108 | 129,701 | 124,636 | 135,446 |
| Executive Administration | 2,103,396 | 2,522,983 | 2,139,746 | 1,781,448 | 1,629,110 | 780,742 | 827,954 | 1,324,942 | 1,363,979 | 1,468,181 |
| Building Level Administration | 2,238,186 | 2,347,443 | 2,415,915 | 2,349,276 | 2,190,853 | 2,032,067 | 2,041,801 | 2,101,055 | 1,960,258 | 1,832,381 |
| Business Services | 585,623 | 579,407 | 358,771 | 327,816 | 348,417 | 371,301 | 328,972 | - | - | - |
| Security Services | 68,558 | 375,270 | 412,101 | 17,556 | 11,305 | 15,388 | - | - | - | - |
| Operation of Plant | 7,356,927 | 7,430,143 | 4,946,752 | 7,476,859 | 5,152,447 | 4,261,152 | 4,122,899 | 4,449,441 | 4,409,375 | 3,854,851 |
| Pupil Transportation | 2,985,638 | 2,820,535 | 2,633,332 | 2,649,380 | 2,483,182 | 2,344,042 | 2,328,762 | 2,298,371 | 2,233,479 | 2,156,817 |
| Food Services | 1,743,496 | 1,761,399 | 1,711,675 | 1,677,953 | 1,502,884 | 1,455,752 | 1,463,522 | 1,522,679 | 1,421,720 | 1,385,581 |
| Central Office Support Services | 79,118 | 61,000 | 60,629 | 146,875 | 37,891 | 710 | 11,790 | - | - | 60 |
| Adult Education and Community Services | 1,508,016 | 1,081,228 | 8,890,390 | 1,004,276 | 1,099,844 | 1,084,813 | 1,149,061 | 1,225,323 | 1,244,293 | 1,104,348 |
| Capital Outlay | 4,151 | - | - | - | 6,752,013 | 638,596 | 460,659 | 927,601 | 9,027,558 | 2,092,824 |
| Debt Service: | | | | | | | | | | |
| Interest and Fiscal Charges | 2,169,826 | 2,007,978 | 2,728,478 | 2,253,788 | 2,647,053 | 7,265,113 | 4,363,114 | 4,328,355 | 6,104,399 | 3,275,209 |
| Total Primary Government Expenses | \$ 49,160,928 | \$ 48,568,601 | \$ 56,101,827 | \$ 48,847,205 | \$ 51,526,628 | \$ 48,307,175 | \$ 44,145,495 | \$ 45,155,088 | \$ 53,418,314 | \$ 39,492,178 |
| Program Revenues | | | | | | | | | | |
| Government Activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Total Instruction | \$ 1,228,258 | \$ 1,990,362 | \$ 1,899,964 | \$ - | \$ - | \$ - | \$ 1,941,900 | \$ 2,156,034 | \$ 1,369,101 | \$ 1,270,108 |
| Support Services: | | | | | | | | | | |
| Attendance | - | - | - | - | - | - | - | - | - | - |
| Guidance | - | - | - | - | - | - | - | - | - | - |
| Health, Psych, Speech, and Audio | - | - | - | - | - | - | - | - | - | - |
| Improvement of Instruction | - | - | - | - | - | - | - | - | - | - |
| Professional Development | - | - | - | - | - | - | - | - | - | - |
| Media Services (Library) | - | - | - | - | - | - | - | - | - | - |
| Board of Education Services | - | - | - | - | - | - | - | - | - | - |
| Executive Administration | - | - | - | - | - | - | - | - | - | - |
| Building Level Administration | - | - | - | - | - | - | - | - | - | - |
| Business Services | - | - | - | - | - | - | - | - | - | - |
| Security Services | - | - | - | - | - | - | - | - | - | - |
| Operation of Plant | - | - | - | - | - | - | 80,449 | 79,804 | 75,830 | 76,215 |
| Pupil Transportation | - | - | - | - | - | - | - | - | - | - |
| Food Services | 857,792 | 928,008 | 913,398 | 902,893 | 941,522 | 916,604 | 1,014,344 | 1,089,885 | 1,002,740 | 1,033,038 |
| Central Office Support Services | - | - | - | - | - | - | - | - | - | - |
| Adult Education and Community Services | 592,055 | 450,695 | 117,788 | 206,346 | 197,877 | 197,449 | 145,733 | 120,425 | 169,773 | 158,775 |
| Capital Outlay | - | 42,826 | 32,486 | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | | | | |
| Interest and Fiscal Charges | - | - | - | - | - | - | - | - | - | - |
| Operating Grants and Contributions | 8,073,259 | 7,825,666 | 7,470,853 | 10,721,744 | 11,251,350 | 10,563,098 | 6,566,271 | 5,291,038 | 17,251,266 | 11,399,880 |
| Capital Grants and Contributions | - | - | - | - | 76,000 | 58,957 | 199,578 | 137,734 | 302,392 | 244,908 |
| Total Primary Government Program Revenue | \$ 10,751,364 | \$ 11,237,557 | \$ 10,434,489 | \$ 11,830,983 | \$ 12,466,749 | \$ 11,736,108 | \$ 9,948,275 | \$ 8,874,920 | \$ 20,171,102 | \$ 14,182,924 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Total Primary Government Net Expense | \$ (38,409,564) | \$ (37,331,044) | \$ (45,667,338) | \$ (37,016,222) | \$ (39,059,878) | \$ (36,571,067) | \$ (34,197,220) | \$ (36,280,168) | \$ (33,247,212) | \$ (25,309,254) |

Source: School District of Washington records

SCHOOL DISTRICT OF WASHINGTON
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Total Primary Government Net Expense | \$ (38,409,564) | \$ (37,331,044) | \$ (45,667,339) | \$ (37,016,222) | \$ (39,059,879) | \$ (36,571,068) | \$ (34,197,220) | \$ (36,280,168) | \$ (33,247,212) | \$ (25,309,254) |
| General Revenues: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Tax | \$ 28,606,540 | \$ 29,753,232 | \$ 28,478,380 | \$ 30,276,973 | \$ 28,206,888 | \$ 27,859,003 | \$ 25,209,345 | \$ 24,438,798 | \$ 23,449,365 | \$ 22,930,820 |
| Sales Tax | 3,630,271 | 3,565,652 | 3,452,691 | 3,865,077 | 3,307,819 | 3,136,813 | 3,089,298 | 3,201,282 | 3,405,963 | 3,389,551 |
| Other | 2,202,430 | 2,151,550 | 2,176,324 | 1,375,656 | 507,320 | 668,713 | 3,707,434 | 3,450,602 | 2,995,522 | 1,863,415 |
| State Aid | 4,014,474 | 4,009,291 | 3,819,530 | 4,221,810 | 4,192,687 | 3,349,480 | 4,859,142 | 5,166,440 | 4,770,081 | 4,408,198 |
| Interest and Investment Earnings | 496,534 | 518,707 | 764,485 | 553,208 | 878,511 | 624,435 | 473,574 | 636,235 | 1,243,448 | 1,134,975 |
| Bond Proceeds | - | - | - | - | - | 17,650,000 | - | - | - | - |
| Miscellaneous | 708,514 | 773,384 | 1,378,858 | 1,426,112 | 1,592,665 | 1,403,908 | 9,055 | 55,991 | 75,763 | - |
| Total General Revenues | 39,658,763 | 40,771,816 | 40,070,268 | 41,718,836 | 38,685,890 | 54,692,353 | 37,347,848 | 36,949,348 | 35,940,142 | 33,726,959 |
| Change in Net Position | | | | | | | | | | |
| Total Primary Government | \$ 1,249,199 | \$ 3,440,772 | \$ (5,597,071) | \$ 4,702,614 | \$ (373,989) | \$ 18,121,285 | \$ 3,150,628 | \$ 669,180 | \$ 2,692,930 | \$ 8,417,705 |

Source: School District of Washington records

SCHOOL DISTRICT OF WASHINGTON
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|-------------|------|------|------|------|------|---------------|---------------|---------------|---------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| General Fund | | | | | | | | | | |
| Reserved | | | | | | | \$ - | \$ - | \$ - | \$ - |
| Unreserved | | | | | | | 14,000,110 | 12,184,913 | 11,427,035 | 9,967,095 |
| Total General Fund | | | | | | | 14,000,110 | 12,184,913 | 11,427,035 | 9,967,095 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved - Debt Service | | | | | | | 9,533,910 | 8,753,386 | 8,873,977 | 10,823,649 |
| Unreserved reported in: | | | | | | | | | | |
| Special Revenue Fund | | | | | | | 226,785 | 423,815 | 1,388,712 | 1,211,967 |
| Capital Projects Fund | | | | | | | 4,829,665 | 4,246,816 | 4,430,983 | 1,199,481 |
| Total All Other Governmental Funds | | | | | | | 14,590,360 | 13,424,017 | 14,693,672 | 13,235,097 |
| Total Fund Balance | | | | | | | \$ 28,590,470 | \$ 25,608,930 | \$ 26,120,707 | \$ 23,202,192 |

| | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | | | | | | |
| Nonspendable | | | | | | |
| Prepaid items | \$ 240,300 | \$ 261,899 | \$ 246,932 | \$ 233,516 | \$ - | \$ - |
| Inventory | 418,539 | 179,324 | 152,262 | 279,484 | 708,403 | - |
| Unassigned | 15,098,554 | 15,017,393 | 15,621,773 | 16,414,931 | 17,241,402 | 16,159,815 |
| Total General Fund | 15,757,393 | 15,458,616 | 16,020,967 | 16,927,931 | 17,949,805 | 16,159,815 |
| All Other Governmental Funds | | | | | | |
| Restricted | | | | | | |
| Debt Service | 3,249,326 | 3,058,488 | 2,685,548 | 9,513,265 | 9,146,254 | 11,754,059 |
| Teacher salaries and benefits | 1,295,493 | 1,238,041 | 1,182,737 | 1,068,382 | - | - |
| Escrowed Certificates of Participation | 10,430,707 | 1,255,030 | 1,255,030 | 1,266,806 | 1,947,623 | 2,023,623 |
| Assigned Fund Balance | | | | | | |
| Unspent Bond Proceeds | - | - | 3,985,243 | 10,082,250 | 3,985,243 | 14,571,378 |
| Other Capital Projects | 3,119,879 | 4,338,485 | 5,873,677 | 7,274,504 | 4,475,424 | 1,855,101 |
| Total all other governmental funds | 18,095,405 | 9,890,044 | 14,982,235 | 29,205,207 | 19,554,544 | 30,204,162 |
| Total Fund Balance | \$ 33,852,798 | \$ 25,348,660 | \$ 31,003,202 | \$ 46,133,138 | \$ 37,504,349 | \$ 46,363,977 |

Source: School District of Washington records

**SCHOOL DISTRICT OF WASHINGTON
GOVERNMENTAL FUND REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | | | | | | | | | | |
| Local Sources | \$ 36,136,144 | \$ 37,296,572 | \$ 35,713,091 | \$ 36,804,257 | \$ 35,715,466 | \$ 34,614,132 | \$ 31,316,300 | \$ 31,108,277 | \$ 30,766,935 | \$ 29,858,099 |
| County Sources | 1,748,247 | 1,716,277 | 1,722,449 | 1,700,915 | 1,885,998 | 1,211,492 | 3,025,721 | 2,761,578 | 2,504,931 | 1,414,589 |
| State Sources | 8,762,137 | 8,558,798 | 8,254,411 | 9,475,018 | 8,443,507 | 7,264,413 | 7,330,172 | 7,879,007 | 7,472,978 | 6,919,392 |
| Federal Sources | 3,225,992 | 3,338,544 | 3,279,096 | 3,238,166 | 3,822,364 | 4,491,385 | 4,300,696 | 2,706,243 | 2,503,610 | 2,527,473 |
| Other Sources | 671,666 | 1,353,467 | 1,320,998 | 1,280,560 | - | - | 1,323,234 | 1,365,225 | 589,641 | 755,883 |
| Total Revenues | \$ 50,544,186 | \$ 52,263,658 | \$ 50,290,045 | \$ 52,498,916 | \$ 49,867,335 | \$ 47,581,422 | \$ 47,296,123 | \$ 45,820,330 | \$ 43,838,095 | \$ 41,475,436 |

Source: School District of Washington records

SCHOOL DISTRICT OF WASHINGTON
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| EXPENDITURES | | | | | | | | | | |
| Total Instruction | \$ 25,835,808 | \$ 25,523,770 | \$ 25,359,227 | \$ 25,301,470 | \$ 23,850,214 | \$ 23,374,795.00 | \$ 22,653,732.00 | \$ 23,177,851.00 | \$ 22,060,930.00 | \$ 19,754,381.00 |
| Support Services | | | | | | | | | | |
| Attendance | 250,969 | 243,818 | 180,129 | 147,599 | 139,673 | 104,208 | 139,905 | 179,360 | 100,094 | 81,967 |
| Guidance | 1,047,376 | 1,056,070 | 925,209 | 885,447 | 899,793 | 793,033 | 786,806 | 782,800 | 648,541 | 620,278 |
| Health, Psych, Speech, and Audio | 427,077 | 962,086 | 846,304 | 1,408,378 | 1,279,393 | 1,153,972 | 1,180,038 | 663,088 | 623,929 | 562,642 |
| Improvement of Instruction | 543,130 | 566,195 | 548,513 | 496,554 | 460,774 | 506,006 | 491,341 | 411,678 | 176,552 | 232,352 |
| Professional Development | 41,987 | 60,710 | 80,116 | 55,001 | 47,539 | 71,197 | 54,121 | 67,592 | 110,060 | 40,324 |
| Media Services (Library) | 732,710 | 1,407,634 | 1,623,834 | 874,729 | 869,584 | 1,890,394 | 1,640,700 | 1,553,461 | 1,808,511 | 894,536 |
| Board of Education Services | 138,532 | 162,738 | 168,339 | 122,216 | 129,422 | 163,894 | 112,108 | 129,701 | 124,636 | 135,446 |
| Executive Administration | 2,356,841 | 2,956,493 | 2,137,211 | 1,785,860 | 1,628,232 | 780,741 | 827,954 | 1,324,942 | 1,363,979 | 1,468,181 |
| Building Level Administration | 2,428,113 | 2,408,516 | 2,408,820 | 2,212,212 | 2,191,642 | 2,032,067 | 2,041,801 | 2,101,055 | 1,960,258 | 1,832,381 |
| Business Services | 575,039 | 446,164 | 361,284 | 329,622 | 348,560 | 371,301 | 328,972 | 11,790 | - | - |
| Operation of Plant | 4,793,437 | 4,921,740 | 4,939,870 | 4,180,530 | 4,278,038 | 4,261,152 | 4,122,899 | 4,449,441 | 4,409,375 | 3,854,851 |
| Security Services | 68,559 | 149,606 | 45,128 | 17,350 | 11,309 | 15,388 | - | - | - | - |
| Pupil Transportation | 2,985,638 | 2,820,535 | 2,633,332 | 2,649,609 | 2,483,182 | 2,344,042 | 2,328,762 | 2,298,371 | 2,233,479 | 2,156,817 |
| Food Services | 1,697,056 | 1,775,045 | 1,708,992 | 1,682,695 | 1,503,323 | 1,455,752 | 1,463,522 | 1,522,679 | 1,421,720 | 1,385,581 |
| Central Office Support Services | 77,817 | 67,434 | 60,456 | 147,540 | 37,893 | 710 | - | - | - | 60 |
| Adult Education | 356,670 | 386,415 | 411,184 | 397,555 | 458,793 | 514,514 | 522,072 | 561,323 | 605,943 | 526,715 |
| Community Services | 1,187,453 | 1,004,648 | 605,540 | 611,586 | 641,468 | 570,299 | 626,989 | 664,000 | 638,350 | 577,633 |
| Capital Outlay | 1,273,318 | 6,596,327 | 9,413,416 | 6,294,978 | 11,022,715 | 638,596 | 460,659 | 927,601 | 9,027,558 | 2,092,824 |
| Debt Service | | | | | | | | | | |
| Principal Retirement | 7,630,000 | 2,285,000 | 8,700,000 | 1,775,000 | 4,200,000 | 5,295,000 | 2,370,000 | 2,215,000 | 4,025,000 | 1,610,000 |
| Interest and Fiscal Charges | 2,316,106 | 2,129,366 | 2,422,310 | 3,066,007 | 2,779,286 | 1,970,113 | 1,993,114 | 2,113,355 | 2,079,399 | 1,665,209 |
| Total Support Services | 30,927,828 | 32,406,540 | 40,219,987 | 29,140,468 | 35,410,619 | 24,932,379 | 21,491,763 | 21,977,237 | 31,357,384 | 19,737,797 |
| TOTAL EXPENDITURES | \$ 56,763,636 | \$ 57,930,310 | \$ 65,579,214 | \$ 54,441,938 | \$ 59,260,833 | \$ 48,307,174 | \$ 44,145,495 | \$ 45,155,088 | \$ 53,418,314 | \$ 39,492,178 |
| Debt Service as a % of non-capital expenditures | 17.92% | 8.60% | 19.80% | 9.67% | 14.47% | 15.24% | 9.99% | 9.79% | 13.75% | 8.76% |

Source: School District of Washington records

SCHOOL DISTRICT OF WASHINGTON
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

| Year | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|----------------|----------------|-----------------|----------------|----------------|--------------|--------------|------------|----------------|--------------|
| Excess (deficiency) of revenues over expenditures | \$ (6,219,450) | \$ (5,666,652) | \$ (15,289,169) | \$ (1,943,022) | \$ (9,393,498) | \$ (725,754) | \$ 3,150,628 | \$ 665,242 | \$ (9,580,219) | \$ 1,983,258 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Payments to refunded capital lease escrow agent | - | - | - | (6,050,000) | - | - | - | - | 12,109,609 | - |
| Proceeds from capital lease | - | - | - | 5,420,000 | - | - | - | - | - | - |
| Bond Issuance | 9,685,000 | - | - | 9,000,000 | - | 15,000,000 | - | - | - | - |
| Refunding bond issued | 4,775,000 | - | - | - | - | 2,650,000 | - | - | - | 6,445,000 |
| Payment to be refunded bond escrow agent | - | - | - | - | - | 42,607 | - | - | - | (10,553) |
| Premium on issuance of bonds | 240,700 | - | - | 2,056,260 | - | - | - | - | - | - |
| Other Noncurrent/Sale of Property | 22,888 | 12,111 | 159,233 | 145,552 | 147,639 | - | - | 3,938 | 163,000 | - |
| Area Voc. & Contract Ed Services | - | - | - | - | 1,137,666 | 1,154,432 | - | - | - | - |
| Net change in fund balances | \$ 8,504,138 | \$ (5,654,541) | \$ (15,129,936) | \$ 8,628,790 | \$ (8,108,193) | ##### | \$ 3,150,628 | \$ 669,180 | \$ 2,692,390 | \$ 8,417,705 |

Basic Financial Statements

School District of Washington
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year Ending 6/30 | Real Property Assessed Value 19% | Real Property Est. Actual Value | Personal Property Assessed Value 33% | Personal Property Est. Actual Value | Total Property Assessed Value | Total Property Est. Actual Value | Total Tax Rate per \$100 A/V |
|-------------------------------|--|------------------------------------|---|--|----------------------------------|-------------------------------------|------------------------------------|
| 2016 | \$ 555,993,578 | \$ 2,666,278,694 | \$ 154,582,195 | \$ 463,792,964 | \$ 710,575,773 | \$ 3,130,071,658 | \$ 4.0510 |
| 2015 | \$ 557,340,226 | \$ 2,666,545,537 | \$ 192,528,119 | \$ 577,642,121 | \$ 749,868,345 | \$ 3,244,187,658 | \$ 4.0205 |
| 2014 | \$ 548,630,323 | \$ 2,633,748,191 | \$ 167,895,146 | \$ 503,735,812 | \$ 716,525,469 | \$ 3,137,484,003 | \$ 3.8260 |
| 2013 | \$ 603,646,860 | \$ 2,862,271,579 | \$ 158,800,884 | \$ 476,450,297 | \$ 762,447,744 | \$ 3,338,721,876 | \$ 3.8060 |
| 2012 | \$ 601,609,547 | \$ 2,848,653,839 | \$ 142,531,864 | \$ 427,638,356 | \$ 744,141,411 | \$ 3,276,292,195 | \$ 3.7860 |
| 2011 | \$ 609,658,457 | \$ 2,893,061,711 | \$ 133,935,903 | \$ 401,847,894 | \$ 743,594,360 | \$ 3,294,909,605 | \$ 3.7923 |
| 2010 | \$ 593,468,806 | \$ 2,829,617,981 | \$ 126,423,341 | \$ 379,307,954 | \$ 719,892,147 | \$ 3,208,925,935 | \$ 3.6600 |
| 2009 | \$ 587,265,704 | \$ 2,799,519,722 | \$ 131,495,617 | \$ 394,526,304 | \$ 718,761,321 | \$ 3,194,046,026 | \$ 3.6600 |
| 2008 | \$ 566,639,835 | \$ 2,710,514,768 | \$ 122,597,913 | \$ 367,830,522 | \$ 689,237,748 | \$ 3,078,345,290 | \$ 3.6600 |
| 2007 | \$ 503,585,258 | \$ 2,413,499,960 | \$ 124,226,760 | \$ 372,717,552 | \$ 627,812,018 | \$ 2,786,217,512 | \$ 3.6600 |

Source: Franklin, St. Charles, and Warren County Assessor's Offices

Note: On January 1 of every second year the property values are rendered for appraisal (reassessment). The appraisal process for the School District of Washington is conducted by the Franklin, St. Charles and Warren County Assessor's offices. For the School District of Washington, residential real estate is appraised at 19% of market value, commercial at 32% of value, agricultural at 12% of value and personal property at 33% of value.

The Assessor's Office submits preliminary values to the school district by June. These values are usually a realistic estimate of the ultimate certified values that come by August. The preliminary values are good estimates upon which to base the tax levies for the operating and debt service budgets. Once the certified values are received by the district, the tax rate adoption is completed prior to September and the budgeting process can begin for the subsequent fiscal year.

Property owners (both Real Estate and Personal Property) are taxed by the various taxing authorities (including the school district) in their county of residence. Tax levy rates (so much per \$100 of assessed valuations) are set by the taxing authorities according to the State law. Assessed valuations are set by the county in which the property resides and every other year is a reassessment year. The tax obligation is billed by the county department of revenue and paid through that department to the taxing authorities. The tax billed is simply the levy rate multiplied by the assessed valuation. There are normally multiple taxing authority obligations included on one tax bill which is typically mailed to tax payers in November with a due date of December 31. The District receives the majority of its revenue in late December and January.

School District of Washington
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

| Taxing Districts | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| School District of Washington | \$ 4.0738 | \$ 4.0510 | \$ 4.0205 | \$ 3.8260 | \$ 3.8060 | \$ 3.7860 | \$ 3.7923 | \$ 3.6600 | \$ 3.6600 | \$ 3.6600 |
| General Fund | \$ 3.4338 | \$ 3.2910 | \$ 3.2988 | \$ 3.1043 | \$ 3.2175 | \$ 3.3260 | \$ 3.1244 | \$ 1.8656 | \$ 1.8656 | \$ 1.6831 |
| Special (Teachers') Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1.2700 | \$ 1.2700 | \$ 1.2700 |
| Capital Fund | \$ 0.2700 | \$ 0.3900 | \$ 0.3900 | \$ 0.3900 | \$ 0.2900 | \$ 0.1700 | \$ 0.3779 | \$ 0.3779 | \$ 0.3600 | \$ 0.3600 |
| Debt Service Fund | \$ 0.3700 | \$ 0.3700 | \$ 0.3317 | \$ 0.3317 | \$ 0.2985 | \$ 0.2900 | \$ 0.2900 | \$ 0.1465 | \$ 0.1644 | \$ 0.3469 |

| Overlapping | | | | | | | | | | |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| City of Washington | \$ 0.6062 | \$ 0.6062 | \$ 0.6062 | \$ 0.6048 | \$ 0.6020 | \$ 0.5962 | \$ 0.5959 | \$ 0.5941 | \$ 0.5857 | \$ 0.5940 |
| East Central College | \$ 0.4541 | \$ 0.4541 | \$ 0.4541 | \$ 0.4400 | \$ 0.4385 | \$ 0.4329 | \$ 0.4329 | \$ 0.4348 | \$ 0.4313 | \$ 0.4471 |
| Total Overlapping | \$ 1.0603 | \$ 1.0603 | \$ 1.0603 | \$ 1.0448 | \$ 1.0405 | \$ 1.0291 | \$ 1.0288 | \$ 1.0289 | \$ 1.0170 | \$ 1.0411 |

Source: Franklin County Collector and Assessor's Offices

| School District of Washington Principal Property Taxpayers 2012-2016 | | | | | | | | | | | | | | | | |
|--|-------------------------------|------|---|-------------------------------|------|---|-------------------------------|------|---|-------------------------------|------|---|-------------------------------|------|--|--|
| | 2016 | | | | 2015 | | | 2014 | | | 2013 | | | 2012 | | |
| Taxpayer | Taxable Assessed Valuation | Rank | Percentage of Total of Taxable Value | Taxable Assessed Valuation | Rank | Percentage of Total of Taxable Value | Taxable Assessed Valuation | Rank | Percentage of Total of Taxable Value | Taxable Assessed Valuation | Rank | Percentage of Total of Taxable Value | Taxable Assessed Valuation | Rank | Percentage Of Total Taxable Value | |
| Real Estate | | | | | | | | | | | | | | | | |
| AmerenUE | \$ 24,696,640 | 1 | 4.29% | \$ 11,745,284 | 1 | 2.11% | \$ 12,014,462 | 1 | 2.16% | \$ 12,014,492 | 1 | 2.19% | \$ 19,403,849 | 1 | 3.21% | |
| PC II Vertical LLC | \$ 8,123,511 | 2 | 1.41% | \$ 2,355,641 | 10 | 0.42% | | | | \$ 2,342,212 | 10 | 0.43% | | | | |
| Wal-Mart Real Estate Business | \$ 5,440,000 | 3 | 0.95% | \$ 5,440,000 | 2 | 0.98% | \$ 5,440,000 | 2 | 0.98% | \$ 5,440,000 | 2 | 0.99% | \$ 5,719,446 | 3 | 0.95% | |
| Missouri Natural Gas | \$ 3,990,646 | 4 | 0.69% | \$ 3,977,654 | 3 | 0.72% | \$ 3,968,589 | 3 | 0.71% | \$ 2,688,634 | 6 | 0.49% | \$ 2,690,230 | 7 | 0.45% | |
| Parker-Hannifin Corp | \$ 3,501,900 | 5 | 0.61% | \$ 3,429,048 | 4 | 0.62% | \$ 3,474,465 | 4 | 0.62% | \$ 3,474,465 | 3 | 0.63% | \$ 3,491,535 | 4 | 0.58% | |
| Bank of Washington | \$ 3,068,175 | 6 | 0.53% | \$ 3,068,175 | 6 | 0.55% | \$ 3,279,952 | 6 | 0.59% | \$ 3,289,350 | 4 | 0.60% | \$ 3,410,900 | 5 | 0.57% | |
| USR-DESCO Washington Crossing | \$ 2,958,827 | 7 | 0.51% | \$ 3,958,828 | 7 | 0.71% | \$ 3,027,077 | 7 | 0.54% | \$ 3,027,077 | 5 | 0.55% | \$ 3,030,725 | 6 | 0.50% | |
| Lowes Home Centers Inc | \$ 2,691,344 | 8 | 0.47% | \$ 2,691,344 | 8 | 0.48% | \$ 2,839,578 | 8 | 0.51% | \$ 2,414,775 | 8 | 0.44% | \$ 2,624,406 | 9 | 0.43% | |
| CG Power Systems USA Inc | \$ 2,603,249 | 9 | 0.45% | \$ 2,603,249 | 9 | 0.47% | \$ 2,661,900 | 9 | 0.48% | \$ 2,661,900 | 7 | 0.49% | \$ 2,664,285 | 8 | 0.44% | |
| Target Corporation Target Pro | \$ 2,281,629 | 10 | 0.40% | | | | \$ 2,406,973 | 10 | 0.43% | \$ 2,406,973 | 9 | 0.44% | \$ 2,407,815 | 10 | 0.40% | |
| PCII Lots 10A and 10C LLC | | | | \$ 3,320,012 | 5 | 0.60% | \$ 3,448,087 | 5 | 0.62% | | | | | | | |
| Mercy Health East Communities | | | | | | | | | | | | | \$ 13,150,305 | 2 | 2.18% | |
| Subtotal Top Ten Property Owners | \$ 59,355,921 | | 10.31% | \$ 39,269,223 | | 7.66% | \$ 42,561,083 | | 7.64% | \$ 39,759,878 | | 7.25% | \$ 58,593,496 | | 9.71% | |
| Remaining property owners | \$ 516,254,358 | | 89.69% | \$ 516,724,356 | | 92.94% | \$ 514,779,143 | | 92.36% | \$ 508,870,445 | | 92.75% | \$ 545,053,364 | | 90.29% | |
| Total Assessed Value | \$ 575,610,279 | | 100.00% | \$ 555,993,579 | | 100.60% | \$ 557,340,226 | | 100.00% | \$ 548,630,323 | | 100.00% | \$ 603,646,860 | | 100.00% | |
| Personal Property | | | | | | | | | | | | | | | | |
| AmerenUE | \$ 48,046,582 | 1 | 28.20% | \$ 33,529,879 | 1 | 21.69% | \$ 72,827,388 | 1 | 37.83% | \$ 54,977,097 | 1 | 32.74% | \$ 39,908,391 | 1 | 25.13% | |
| RTI Advanced Forming Inc | \$ 1,695,137 | 2 | 1.00% | \$ 1,982,532 | 3 | 1.28% | \$ 1,878,974 | 3 | 0.98% | \$ 1,137,875 | 2 | 0.68% | | | | |
| CG Powers Systems USA, Inc | \$ 1,228,759 | 3 | 0.72% | \$ 1,436,719 | 4 | 0.93% | \$ 1,684,462 | 4 | 0.87% | \$ 768,840 | 6 | 0.46% | \$ 771,763 | 10 | 0.49% | |
| First Student Inc | \$ 1,020,171 | 4 | 0.60% | | | | | | | | | | | | | |
| Valent Aerostructures-Wash. LLC | \$ 979,976 | 5 | 0.58% | \$ 1,006,948 | 6 | 0.65% | \$ 1,247,086 | 6 | 0.65% | \$ 1,080,630 | 3 | 0.64% | | | | |
| Rudd Equipment - Goodwin Bros | \$ 933,754 | 6 | 0.55% | | | | | | | | | | | | | |
| C G Power Systems USA, Inc | \$ 854,117 | 7 | 0.50% | \$ 1,084,128 | 5 | 0.70% | \$ 1,361,483 | 5 | 0.71% | | | | | | | |
| Magnet LLC | \$ 792,827 | 8 | 0.47% | \$ 799,576 | 8 | 0.52% | \$ 876,984 | 7 | 0.46% | \$ 924,128 | 4 | 0.55% | \$ 1,107,248 | 3 | 0.70% | |
| Canam Steel Corp-Midwestern | \$ 780,646 | 9 | 0.46% | | | | | | | \$ 634,166 | 9 | 0.38% | \$ 831,859 | 8 | 0.52% | |
| Fricks Meat Products | \$ 767,722 | 10 | 0.45% | \$ 689,442 | 9 | 0.45% | \$ 761,511 | 9 | 0.40% | \$ 705,055 | 8 | 0.42% | \$ 806,457 | 9 | 0.51% | |
| Alberici Constructors | | | | \$ 2,000,106 | 2 | 1.29% | \$ 3,852,333 | 2 | 2.00% | | | | | | | |
| G H T M LC | | | | \$ 851,372 | 7 | 0.55% | \$ 814,363 | 8 | 0.42% | \$ 716,025 | 7 | 0.43% | | | | |
| Charah, Inc | | | | \$ 668,185 | 10 | 0.43% | | | | | | | | | | |
| Enterprise Rent-A-Car (Washington) | | | | | | | \$ 706,637 | 10 | 0.37% | | | | | | | |
| W M F Inc | | | | | | | | | | \$ 853,649 | 5 | 0.51% | \$ 900,978 | 7 | 0.57% | |
| Miete Corp-KJU IN | | | | | | | | | | \$ 524,694 | 10 | 0.31% | | | | |
| PFHC Medical Management LLC | | | | | | | | | | | | | \$ 2,112,281 | 2 | 1.33% | |
| Bank of AM Leasing - CG Power Systems | | | | | | | | | | | | | \$ 1,039,390 | 4 | 0.65% | |
| RTI Tradco Inc-Wash Inc | | | | | | | | | | | | | \$ 1,015,843 | 5 | 0.64% | |
| L L Enterprises llc | | | | | | | | | | | | | \$ 967,473 | 6 | 0.61% | |
| Subtotal Top Ten Property Owners | \$ 57,099,691 | | 33.52% | \$ 44,048,887 | | 28.50% | \$ 86,011,221 | | 44.67% | \$ 62,322,159 | | 37.12% | \$ 49,461,683 | | 31.15% | |
| Remaining Property Owners | \$ 113,256,179 | | 66.48% | \$ 110,533,308 | | 71.50% | \$ 106,516,898 | | 55.33% | \$ 105,572,987 | | 62.88% | \$ 109,339,201 | | 68.85% | |
| Total Assessed Value | \$ 170,355,870 | | 100.00% | \$ 154,582,195 | | 100.00% | \$ 192,528,119 | | 100.00% | \$ 167,895,146 | | 100.00% | \$ 158,800,884 | | 100.00% | |

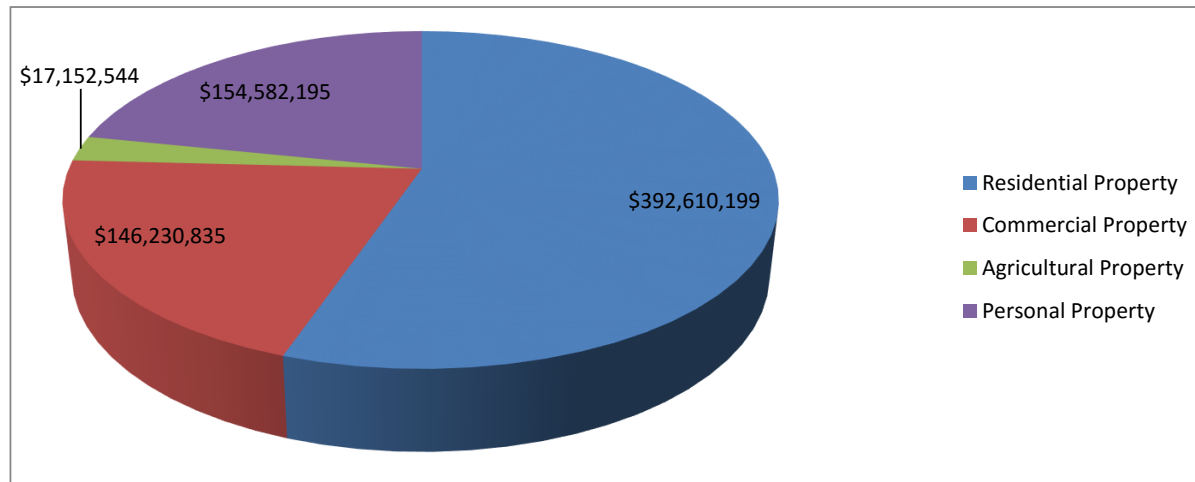
Source: Franklin County Collector's Office

Note: Reporting five years as the remaining years of information was not available.

School District of Washington
Assessed Value and Estimate Actual Value of Taxable Property
Last Ten Fiscal Years

| June 30 | Residential Property | Commercial Property | Agricultural Property | Personal Property | Total Taxable Assessed Value | Total Direct Tax Rate | Total Property Est. Actual Value |
|----------------|-----------------------------|----------------------------|------------------------------|--------------------------|-------------------------------------|------------------------------|---|
| 2016 | \$ 392,610,199 | \$ 146,230,835 | \$ 17,152,544 | \$ 154,582,195 | \$ 710,575,773 | \$ 4.0738 | \$ 3,130,071,659 |
| 2015 | \$ 390,704,806 | \$ 149,457,417 | \$ 17,178,003 | \$ 192,528,119 | \$ 749,868,345 | \$ 4.0510 | \$ 3,244,187,659 |
| 2014 | \$ 387,028,231 | \$ 143,985,907 | \$ 17,616,185 | \$ 167,895,146 | \$ 716,525,469 | \$ 4.0205 | \$ 3,137,484,002 |
| 2013 | \$ 422,083,970 | \$ 167,471,440 | \$ 14,091,450 | \$ 158,800,884 | \$ 762,447,744 | \$ 3.8260 | \$ 3,338,721,876 |
| 2012 | \$ 418,435,007 | \$ 168,977,313 | \$ 14,197,227 | \$ 142,531,864 | \$ 744,141,411 | \$ 3.8060 | \$ 3,276,292,194 |
| 2011 | \$ 426,334,923 | \$ 168,672,465 | \$ 14,651,069 | \$ 133,935,903 | \$ 743,594,360 | \$ 3.7923 | \$ 3,294,909,604 |
| 2010 | \$ 420,906,829 | \$ 158,149,938 | \$ 14,412,039 | \$ 126,423,341 | \$ 719,892,147 | \$ 3.6600 | \$ 3,208,925,935 |
| 2009 | \$ 417,020,051 | \$ 156,294,994 | \$ 13,950,659 | \$ 131,495,617 | \$ 718,761,321 | \$ 3.6600 | \$ 3,194,046,025 |
| 2008 | \$ 405,982,774 | \$ 146,888,739 | \$ 13,768,322 | \$ 122,597,913 | \$ 689,237,748 | \$ 3.6600 | \$ 3,078,345,290 |
| 2007 | \$ 361,083,409 | \$ 129,495,253 | \$ 13,006,596 | \$ 124,226,760 | \$ 627,812,018 | \$ 3.6600 | \$ 2,786,217,512 |

Source: Franklin, St. Charles, and Warren County Assessor's Offices



As is evident by the chart above, over 60% of revenue comes from income, property and vehicle taxes with Residential being the most significant of those revenues. As we realize a decline in this major revenue source, the District will need to implement strategies to decrease spending and increase other revenue sources.

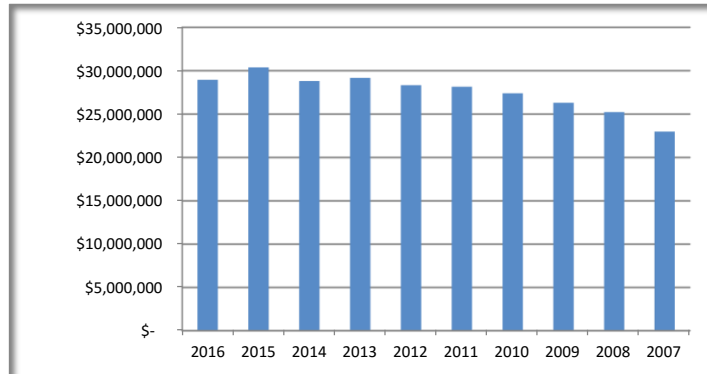
**School District of Washington
Property Tax Levies and Collections
Last Ten Fiscal Years**

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Assessed Valuations | \$ 710,575,773 | \$ 749,868,345 | \$ 716,525,469 | \$ 762,447,744 | \$ 744,140,186 | \$ 743,594,360 | \$ 722,367,397 | \$ 718,658,701 | \$ 689,237,748 | \$ 627,812,018 |
| Tax Rate | \$ 4.0738 | \$ 4.0510 | \$ 4.0205 | \$ 3.8260 | \$ 3.8060 | \$ 3.7860 | \$ 3.7923 | \$ 3.6600 | \$ 3.6600 | \$ 3.6600 |
| Taxes Levied for the Fiscal Year | \$ 28,947,436 | \$ 30,377,167 | \$ 28,807,906 | \$ 29,171,251 | \$ 28,321,975 | \$ 28,152,482 | \$ 27,394,339 | \$ 26,302,908 | \$ 25,226,102 | \$ 22,977,920 |
| Collected within Fiscal Year of | | | | | | | | | | |
| Amount | \$ 27,283,761 | \$ 28,491,019 | \$ 27,008,132 | \$ 27,272,976 | \$ 26,705,721 | \$ 26,203,085 | \$ 24,308,028 | \$ 22,673,715 | \$ 21,808,861 | \$ 21,150,716 |
| % of Levy | 94% | 94% | 94% | 93% | 94% | 93% | 89% | 86% | 86% | 92% |
| Collected in Subsequent Years | | | | | | | | | | |
| Amount | \$ 1,218,752 | \$ 1,635,099 | \$ 658,432 | \$ 2,387,435 | \$ 1,545,114 | \$ 1,689,789 | \$ 1,659,265 | \$ 1,938,507 | \$ 1,122,585 | \$ 749,415 |
| % of Levy | 98% | 99% | 96% | 102% | 100% | 99% | 95% | 94% | 91% | 95% |

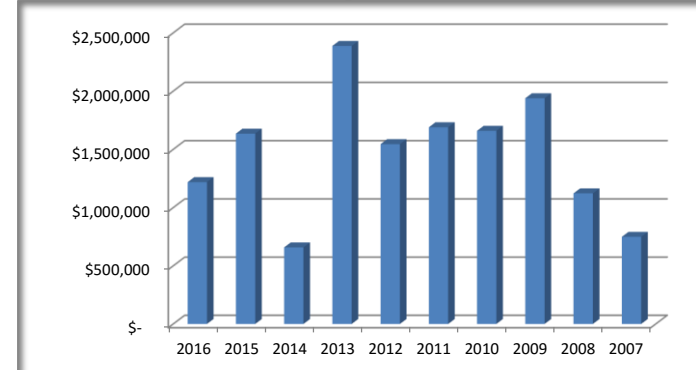
Note: Based on Fiscal Year, Warren County unable to provide delinquent information.

Source: School District of Washington records and Franklin, St. Charles and Warren County Department of Revenue

Taxes Levied



Delinquent Taxes Collected



**School District of Washington
Outstanding Debt By Type
Last Ten Fiscal Years**

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|------------------|------------------|------------------|------------------|------------------|
| Capital Leases | \$ 23,710,000 | \$ 15,260,000 | \$ 15,945,000 | \$ 16,545,000 | \$ 17,650,000 |
| General Obligation Bonds | \$ 28,775,000 | \$ 30,395,000 | \$ 31,995,000 | \$ 40,095,000 | \$ 32,395,000 |
| Total Primary | \$ 52,485,000 | \$ 45,655,000 | \$ 47,940,000 | \$ 56,640,000 | \$ 50,045,000 |
| Estimated Actual Value of Taxable Property | \$ 3,130,071,659 | \$ 3,244,187,659 | \$ 3,137,484,002 | \$ 3,338,721,876 | \$ 3,276,292,194 |
| % of General Bonded Debt to Estimated Actual Value of Taxable Property | 1.68% | 1.41% | 1.53% | 1.70% | 1.53% |
| Personal Income (County data) | N/A | N/A | 3,912,903 | 3,755,524 | 3,648,796 |
| % of Personal Income | N/A | N/A | 12.25% | 15.08% | 13.72% |
| Population (County data) | N/A | 102,426 | 102,084 | 101,757 | 101,386 |
| Per Capita | N/A | \$ 446 | \$ 470 | \$ 557 | \$ 494 |

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|------------------|------------------|------------------|------------------|------------------|
| Capital Leases | \$ 18,100,000 | \$ 18,500,000 | \$ 18,940,000 | \$ 19,430,000 | \$ 7,400,000 |
| General Obligation Bonds | \$ 36,145,000 | \$ 19,395,000 | \$ 20,095,000 | \$ 20,695,000 | \$ 23,160,000 |
| Total Primary | \$ 54,245,000 | \$ 37,895,000 | \$ 39,035,000.00 | \$ 40,125,000.00 | \$ 30,560,000.00 |
| Estimated Actual Value of Taxable Property | \$ 3,294,909,604 | \$ 3,208,925,935 | \$ 3,194,046,025 | \$ 3,078,345,290 | \$ 2,786,217,512 |
| % of General Bonded Debt to Estimated Actual Value of Taxable Property | 1.65% | 1.18% | 1.22% | 1.30% | 1.10% |
| Personal Income (County data) | 3,555,654 | 3,420,151 | 3,407,119 | 3,487,936 | 3,328,130 |
| % of Personal Income | 15.26% | 11.08% | 11.46% | 11.50% | 9.18% |
| Population (County data) | 101,648 | 101,537 | 101,422 | 101,149 | 100,265 |
| Per Capita | \$ 534 | \$ 373 | \$ 385 | \$ 397 | \$ 305 |

Note: N/A - Not Available; Information is for Franklin County, 2012 and 2013 demographic information not available at the time of publication.

Source: School District of Washington records and Bureau of Economic Analysis

**School District Of Washington
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2016

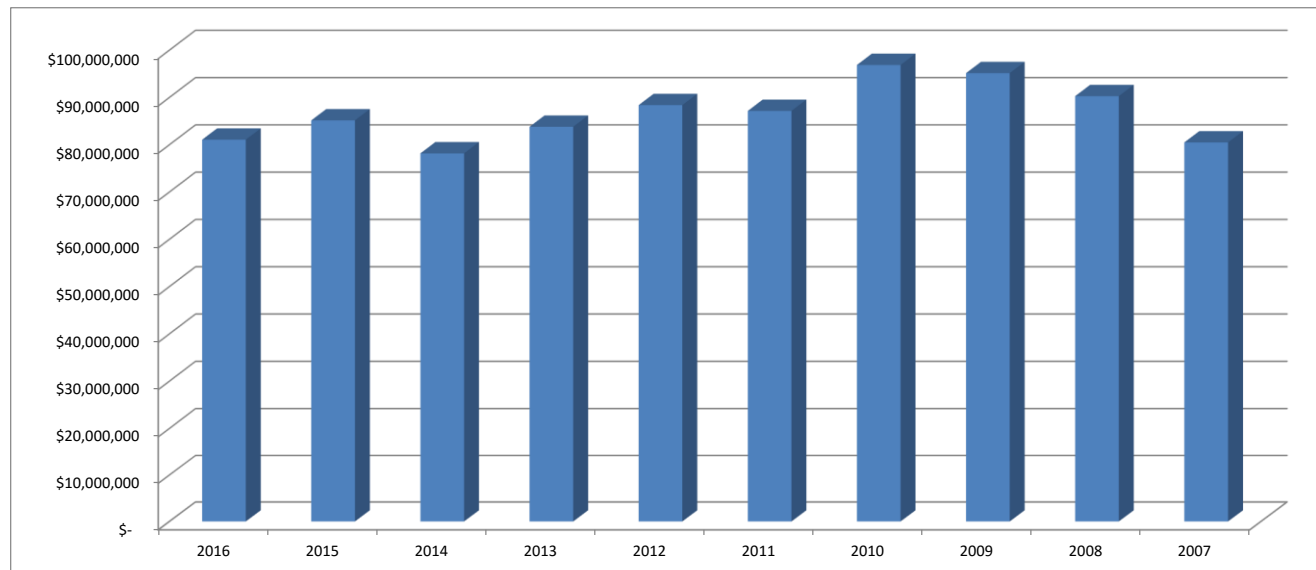
| | |
|---------------------------------------|----------------|
| Assessed Value | \$ 710,575,773 |
| Debt Limit (15% of Assessed Value) | \$ 106,586,366 |
| Debt Applicable to Limit | \$ 28,775,000 |
| Amount Available in Debt Service Fund | \$ 3,249,326 |

Legal Debt Margin \$ 81,060,692

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Debt Limitation | \$ 106,586,366 | \$ 112,480,252 | \$ 107,478,820 | \$ 114,367,162 | \$ 111,621,212 | \$ 111,539,154 | \$ 107,983,822 | \$ 107,814,198 | \$ 103,385,662 | \$ 94,171,803 |
| General Obligation Bonds Payable | \$ (28,775,000) | \$ (30,395,000) | \$ (31,995,000) | \$ (40,095,000) | \$ (32,395,000) | \$ (36,145,000) | \$ (19,395,000) | \$ (20,095,000) | \$ (20,695,000) | \$ (23,160,000) |
| Avail. Debt Service Fund Balance | \$ 3,249,326 | \$ 3,058,488 | \$ 2,685,548 | \$ 9,513,265 | \$ 9,146,254 | \$ 11,754,059 | \$ 8,272,199 | \$ 7,416,642 | \$ 7,579,646 | \$ 9,468,529 |
| Net Debt Applicable | \$ (25,525,674) | \$ (27,336,512) | \$ (29,309,452) | \$ (30,581,735) | \$ (23,248,746) | \$ (24,390,941) | \$ (11,122,801) | \$ (12,678,358) | \$ (13,115,354) | \$ (13,691,471) |
| Legal Debt Margin | \$ 81,060,692 | \$ 85,143,740 | \$ 78,169,368 | \$ 83,785,427 | \$ 88,372,466 | \$ 87,148,213 | \$ 96,861,021 | \$ 95,135,840 | \$ 90,270,308 | \$ 80,480,332 |
| Legal Debt Margin as a % of Debt Limit | 76.05% | 75.70% | 72.73% | 73.26% | 79.17% | 78.13% | 89.70% | 88.24% | 87.31% | 85.46% |

Note: Legal Debt Margin is the additional amount of debt the District may incur. Legal Debt Limit is the assessed valuation (A/V) multiplied by 15%.

Source: School District of Washington financial records

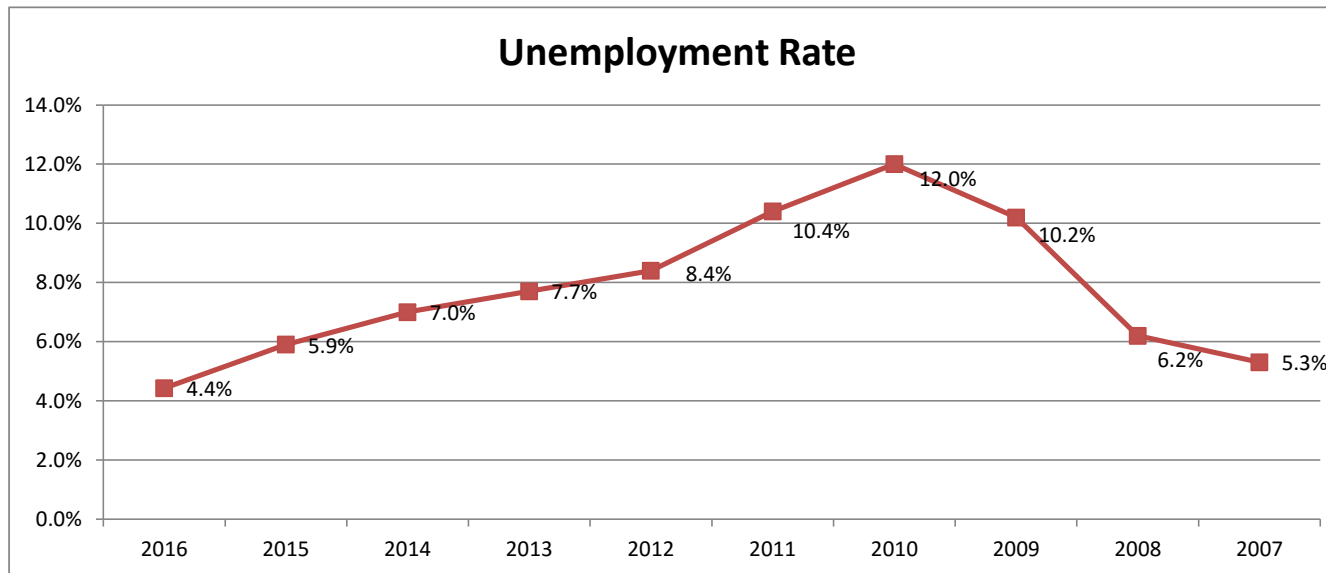


**School District of Washington
Demographic and Economic Statistics - Franklin County Only
Last Ten Fiscal Years**

| Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|------|------------|-----------------|----------------------------|-------------------|
| 2016 | N/A | N/A | N/A | 4.4% |
| 2015 | 102,426 | N/A | N/A | 5.9% |
| 2014 | 102,084 | \$ 3,912,903 | \$ 38,330 | 7.0% |
| 2013 | 101,757 | \$ 3,755,524 | \$ 36,907 | 7.7% |
| 2012 | 101,386 | \$ 3,648,796 | \$ 35,989 | 8.4% |
| 2011 | 101,648 | \$ 3,555,654 | \$ 34,980 | 10.4% |
| 2010 | 101,537 | \$ 3,420,151 | \$ 33,684 | 12.0% |
| 2009 | 101,422 | \$ 3,407,119 | \$ 33,593 | 10.2% |
| 2008 | 101,149 | \$ 3,487,936 | \$ 34,483 | 6.2% |
| 2007 | 100,265 | \$ 3,328,130 | \$ 33,193 | 5.3% |

Note: N/A - Not available

Source: U.S. Census Bureau, Bureau of Economic Analysis and Federal Reserve Bank of St. Louis



**School District of Washington
Principal Employers
Current Year and Ten Years Ago**

| | | 2016 | | | 2007 | | |
|----------------------------|------------------|-----------|------|-----------------------------------|-----------|------|-----------------------------------|
| Employer | Type | Employees | Rank | Percent of Total Employment | Employees | Rank | Percent of Total Employment |
| Mercy Hospital | Health Care | 1382 | 1 | 6.88% | 775 | 2 | 3.86% |
| Parker Hannifin | Manufacturer | 1041 | 2 | 5.18 | 849 | 1 | 4.23 |
| Washington School District | Education | 620 | 3 | 3.09 | | | |
| CG Powers (Pauwels) | Manufacturer | 451 | 4 | 2.24 | 260 | 6 | 1.29 |
| Walmart Super Center | Retail Merchant | 413 | 5 | 2.06 | 461 | 3 | 2.29 |
| Magnet | Advertising Spec | 292 | 6 | 1.45 | 366 | 4 | 1.82 |
| RTI Tradco | Manufacturer | 240 | 7 | 1.19 | 166 | 8 | 0.83 |
| Frick's Quality Meats | Meat Processing | 192 | 8 | 0.96 | | | |
| YMCA | Athletic Club | 174 | 9 | 0.87 | | | |
| Valent Aerostructures | Manufacturer | 156 | 10 | 0.78 | | | |
| Rawlings Sporting Goods Co | Manufacturer | | | | 276 | 5 | 1.37 |
| Patients First Healthcare | Health Care | | | | 250 | 7 | 1.24 |
| Canam Steel | Manufacturer | | | | 150 | 9 | 0.75 |
| Cedar Crest Manor | Health Care | | | | 130 | 10 | 0.65 |

Source: City of Washington, Finance Department
Washington Area Chamber of Commerce

**SCHOOL DISTRICT OF WASHINGTON
EMPLOYEE COUNTS
LAST TEN FISCAL YEARS**

| POSITION | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| ADMINISTRATION | | | | | | | | | | |
| SUPT/ASST. SUPT | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| CHIEF FINANCIAL OFFICER | N/A | N/A | 1 | 1 | 1 | 1 | 1 | 1 | 1 | N/A |
| PRINCIPAL HS AND MS | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| PRINCIPAL/ BLDG. SUPV. - ELEMENTARY | 9 | 9 | 9 | 10 | 9 | 9 | 9 | 9 | 9 | 8 |
| ASSOC & ASST. PRINCIPAL HS & MS | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 1 | 2 | 3 |
| DIRECTOR/COORDINATORS | 13 | 12 | 12 | 11 | 5 | 5 | 5 | 4 | 4 | 5 |
| SUB TOTAL | 32 | 31 | 31 | 31 | 24 | 24 | 24 | 21 | 22 | 23 |
| TEACHERS (INCLUDES COUNSELORS, LIBRARIANS, SPEECH PATHOLOGISTS, PSYCH EXAMINERS) | | | | | | | | | | |
| ELEMENTARY | 160 | 183 | 172 | 169 | 170 | 158 | 150 | 164 | 158 | 159 |
| MIDDLE SCHOOL | 45 | 47 | 45 | 44 | 45 | 43 | 45 | 44 | 42 | 43 |
| HIGH SCHOOL | 90 | 94 | 92 | 98 | 92 | 86 | 82 | 85 | 85 | 96 |
| CAREER CENTER | 20 | 19 | 20 | 20 | 20 | 20 | 20 | 20 | 17 | 17 |
| EARLY CHILDHOOD SPECIAL ED | 15 | 9 | 10 | 11 | 9 | 9 | 9 | 13 | 9 | 9 |
| INSTRUCT. COOR/PROCESS COOR | 5 | 5 | 4 | 6 | 4 | 3 | 3 | 3 | 3 | 1 |
| SUB TOTAL | 335 | 357 | 343 | 348 | 340 | 319 | 309 | 329 | 314 | 325 |
| SUPPORT STAFF | | | | | | | | | | |
| DISTRICT OFFICE SUPPORT STAFF | 12 | 12 | 11 | 11 | 11 | 10 | 13 | 13 | 11 | 12 |
| ALL OTHER SEC/ADMIN. ASST. | 29 | 28 | 30 | 30 | 29 | 26 | 24 | 25 | 27 | 28 |
| TECHNOLOGY | 5 | 6 | 6 | 6 | 8 | 7 | 7 | 7 | 6 | 5 |
| PARAPROFESSIONAL | 84 | 83 | 72 | 68 | 67 | 63 | 61 | 65 | 64 | 62 |
| NURSE / HEALTH COORD | 11 | 10 | 10 | 10 | 11 | 11 | 10 | 10 | 8 | 8 |
| PT /OT AND ASST. | 6 | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 3 |
| PARENT EDUCATOR | 7 | 8 | 8 | 7 | 8 | 10 | 12 | 13 | 14 | 9 |
| SOCIAL WORKER | 2 | 2 | 2 | 1 | 1 | N/A | N/A | N/A | N/A | N/A |
| FOOD SERVICE DIRECTOR | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| FOOD SERVICE COOK & KITCHEN MGR. | 44 | 45 | 46 | 42 | 43 | 40 | 40 | 40 | 41 | 39 |
| NOON AIDE/CROSSING GUARD | 14 | 17 | 17 | 17 | 16 | 16 | 17 | 18 | 17 | 18 |
| BEFORE/AFTER CARE FACILITATOR | N/A | 5 | 12 | 5 | N/A | N/A | N/A | N/A | N/A | N/A |
| BLDG GROUNDS DIR/MAINT. FOREMAN | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| GROUNDS/DELIVERY/MAINT. | 14 | 12 | 12 | 12 | 12 | 12 | 12 | 11 | 12 | 12 |
| CUSTODIANS/CUST. SUPERVISOR | 45 | 47 | 46 | 43 | 41 | 42 | 44 | 44 | 46 | 48 |
| SUB TOTAL | 276 | 283 | 280 | 260 | 255 | 244 | 247 | 253 | 253 | 247 |
| GRAND TOTAL | 643 | 671 | 654 | 639 | 619 | 587 | 580 | 603 | 589 | 595 |

Note: Does not include substitutes, temporaries or seasonal employees

Source: School District of Washington HR records

**School District of Washington
Operating Statistics
Last Ten Fiscal Years**

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Enrolled Pupils | 3982 | 4031 | 4102 | 4105 | 4046 | 4144 | 4182 | 4109 | 4082 | 4100 |
| Operating Expenditures | \$ 44,808,299 | \$ 45,753,038 | \$ 43,634,233 | \$ 42,626,683 | \$ 40,327,088 | \$ 39,189,699 | \$ 38,700,152 | \$ 39,045,810 | \$ 36,860,351 | \$ 34,124,141 |
| Cost Per Enrolled Pupil | \$ 10,845 | \$ 10,842 | \$ 10,214 | \$ 9,900 | \$ 9,361 | \$ 9,074 | \$ 8,810 | \$ 8,798 | \$ 8,690 | \$ 8,720 |
| % of Change | 1.06% | 1.10% | 1.03% | 1.06% | 1.03% | 1.03% | 1.00% | 1.01% | 1.00% | 1.08% |
| Teaching Staff | 357 | 343 | 348 | 340 | 319 | 309 | 329 | 314 | 325 | 298 |
| Enrolled Pupils/Teacher Ratio | 18 | 18 | 18 | 19 | 18 | 19 | 19 | 18 | 19 | 19 |
| # of Free & Reduced | 1370 | 1367 | 1427 | 1396 | 1246 | 1260 | 1221 | 957 | 808 | 771 |
| % of Enrolled Pupils Qualifying for Free/Reduced | 34.40% | 33.91% | 34.79% | 34.00% | 30.80% | 30.40% | 29.20% | 23.30% | 19.80% | 18.80% |
| Fund Balance % (Reserves) | 33.22% | 32.85% | 35.29% | 44.29% | 41.23% | 36.02% | 31.27% | 30.32% | 23.97% | 23.36% |

Note: Operating Expenditures are before transfers; Teaching Staff includes Counselors
Source: School District of Washington records

**School District of Washington
Teacher Base Salaries
Last Ten Fiscal Years**

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| School District of Washington | | | | | | | | | | |
| Minimum Salary | \$ 35,400 | \$ 35,050 | \$ 34,950 | \$ 34,100 | \$ 32,950 | \$ 31,800 | \$ 31,800 | \$ 31,800 | \$ 31,000 | \$ 29,800 |
| Maximum Salary | \$ 72,456 | \$ 71,739 | \$ 70,120 | \$ 69,960 | \$ 69,085 | \$ 68,591 | \$ 68,591 | \$ 68,591 | \$ 66,865 | \$ 59,092 |
| SDOW Average Salary | \$ 48,746 | \$ 47,549 | \$ 47,138 | \$ 46,833 | \$ 46,121 | \$ 45,749 | \$ 45,495 | \$ 45,046 | \$ 43,851 | \$ 41,880 |
| County Average Salary | \$ 44,215 | \$ 43,408 | \$ 42,425 | \$ 41,573 | \$ 40,699 | \$ 40,315 | \$ 41,038 | \$ 40,957 | \$ 40,194 | \$ 39,423 |
| Statewide Average Salary | \$ 49,060 | \$ 48,495 | \$ 47,849 | \$ 47,247 | \$ 46,736 | \$ 46,287 | \$ 46,944 | \$ 46,070 | \$ 45,050 | \$ 43,524 |

Note: Amounts do not include benefits such as pension, health insurance, disability, etc.

Source: District data from School District of Washington records; Dept of Secondary Education

**School District of Washington
School Building Information
Last Ten Fiscal Years**

| Location | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Elementary | | | | | | | | | | |
| Augusta - 1939 | | | | | | | | | | |
| Square Feet | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 |
| Capacity | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 |
| Enrollment | 153 | 149 | 139 | 147 | 139 | 146 | 141 | 144 | 158 | 156 |
| Campbellton - 1958 | | | | | | | | | | |
| Square Feet | 30941 | 30941 | 30941 | 30941 | 30941 | 30941 | 30941 | 30941 | 30941 | 30941 |
| Capacity | 280 | 280 | 280 | 280 | 280 | 280 | 280 | 280 | 158 | 158 |
| Enrollment | 148 | 146 | 161 | 156 | 152 | 149 | 155 | 170 | 186 | 182 |
| Clearview - 1963 | | | | | | | | | | |
| Square Feet | 35596 | 35596 | 35596 | 35596 | 35596 | 35596 | 35596 | 35596 | 35596 | 35596 |
| Capacity | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 | 324 |
| Enrollment | 341 | 336 | 333 | 339 | 324 | 344 | 331 | 318 | 309 | 296 |
| Fifth Street - 1938 | | | | | | | | | | |
| Square Feet | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 | 26392 |
| Capacity | 236 | 236 | 236 | 236 | 236 | 236 | 236 | 236 | 236 | 236 |
| Enrollment | N/A | 113 | 134 | 132 | 131 | 138 | 137 | 124 | 138 | 143 |
| Labadie - 1962 | | | | | | | | | | |
| Square Feet | 25142 | 25142 | 25142 | 25142 | 25142 | 25142 | 25142 | 25142 | 25142 | 25142 |
| Capacity | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 |
| Enrollment | 125 | 117 | 103 | 111 | 107 | 119 | 127 | 145 | 150 | 164 |
| Marthasville - 1940 | | | | | | | | | | |
| Square Feet | 36325 | 36325 | 29315 | 29315 | 29315 | 29315 | 29315 | 29315 | 29315 | 29315 |
| Capacity | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 |
| Enrollment | 213 | 236 | 253 | 254 | 244 | 258 | 248 | 228 | 211 | 181 |
| South Point - 1952 | | | | | | | | | | |
| Square Feet | 48980 | 48980 | 48980 | 48980 | 48980 | 48980 | 48980 | 48980 | 48980 | 48980 |
| Capacity | 445 | 445 | 445 | 445 | 445 | 445 | 445 | 445 | 445 | 445 |
| Enrollment | 431 | 455 | 453 | 467 | 473 | 466 | 488 | 481 | 480 | 491 |
| Washington West - 1998 | | | | | | | | | | |
| Square Feet | 63340 | 63340 | 58385 | 58385 | 58385 | 58385 | 58385 | 58385 | 58385 | 58385 |
| Capacity | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 |
| Enrollment | 622 | 494 | 528 | 496 | 491 | 484 | 479 | 444 | 414 | 397 |

**School District of Washington
School Building Information (Concluded)
Last Ten Fiscal Years**

| Location | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Middle School | | | | | | | | | | |
| Washington Middle School - 1970 | | | | | | | | | | |
| Square Feet | 77131 | 77131 | 77131 | 77131 | 77131 | 77131 | 77131 | 77131 | 77131 | 77131 |
| Capacity | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 563 | 563 |
| Enrollment | 606 | 614 | 602 | 596 | 608 | 619 | 647 | 592 | 543 | 547 |
| High School | | | | | | | | | | |
| Washington High School - 1955 | | | | | | | | | | |
| Square Feet | 277287 | 277287 | 277287 | 277287 | 277287 | 277287 | 277287 | 277287 | 277287 | 277287 |
| Capacity | 1713 | 1713 | 1713 | 1713 | 1713 | 1713 | 1713 | 1713 | 1713 | 1713 |
| Enrollment | 1343 | 1371 | 1396 | 1407 | 1377 | 1421 | 1429 | 1463 | 1493 | 1543 |
| Other Structures | | | | | | | | | | |
| Administration Building - 1889 | | | | | | | | | | |
| Square Feet | 19131 | 19131 | 19131 | 19131 | 19131 | 19131 | 19131 | 19131 | 19131 | 19131 |
| Capacity | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Early Learning Center - 2014 | | | | | | | | | | |
| Square Feet | 25320 | 25320 | 25320 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Capacity | 300 | 300 | 300 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | 170 | 144 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Central Warehouse - 1960 | | | | | | | | | | |
| Square Feet | 16725 | 16725 | 16725 | 16725 | 16725 | 16725 | 16725 | 16725 | 16725 | 16725 |
| Capacity | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Family Resource Center - 1979 | | | | | | | | | | |
| Square Feet | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 | 1600 |
| Capacity | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Four Rivers Career Center - 1979 | | | | | | | | | | |
| Square Feet | 83727 | 83727 | 83727 | 83727 | 83727 | 83727 | 83727 | 83727 | 83727 | 83727 |
| Capacity | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Technology and Learning Center - 2008 | | | | | | | | | | |
| Square Feet | 21868 | 21868 | 21868 | 21868 | 21868 | 21868 | 21868 | 21868 | 21868 | N/A |
| Capacity | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Enrollment | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Source: September Official Enrollment, Facilities Department

**School District of Washington
Personnel Information**

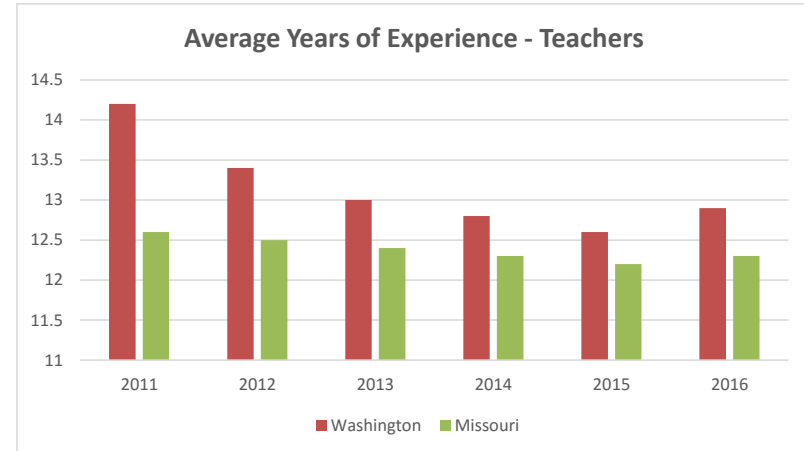
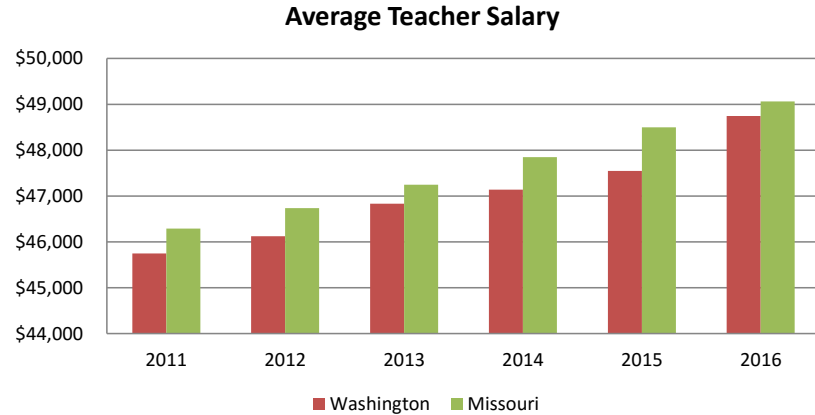
| Year | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|------------|----------|----------|----------|----------|----------|----------|
| Average Teacher Salary | Washington | \$44,908 | \$45,307 | \$46,039 | \$46,322 | \$46,710 | \$47,888 |
| | Missouri | \$45,309 | \$45,709 | \$46,224 | \$46,758 | \$47,412 | \$47,955 |
| Average Teacher Salary (*total) | Washington | \$45,749 | \$46,121 | \$46,833 | \$47,138 | \$47,549 | \$48,746 |
| | Missouri | \$46,287 | \$46,736 | \$47,247 | \$47,849 | \$48,495 | \$49,060 |
| Average Administrator Salary | Washington | \$79,787 | \$90,801 | \$89,871 | \$89,265 | \$93,282 | \$96,173 |
| | Missouri | \$83,581 | \$84,787 | \$86,033 | \$87,206 | \$88,805 | \$90,107 |
| Average Years of Experience | Washington | 14.2 | 13.4 | 13.0 | 12.8 | 12.6 | 12.9 |
| | Missouri | 12.6 | 12.5 | 12.4 | 12.3 | 12.2 | 12.3 |
| Teachers with a Master's Degree or Higher (%) | Washington | 61.7 | 61.3 | 57.3 | 55.3 | 53.7 | 54.0 |
| | Missouri | 57.7 | 58.8 | 59.1 | 58.9 | 59 | 58.7 |

*Includes extended contract salary and extra duty pay.

Source: Missouri Dept. of Elementary and Secondary Education

Core Data as Submitted by Missouri Public Schools

Data as of November 6, 2016



**School District of Washington
Student Teacher Ratios**

| Student/Teacher Ratios | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Washington High School | 22 | 23 | 23 | 22 | 21 |
| Washington Middle School | 17 | 17 | 16 | 17 | 17 |
| | | | | | |
| Augusta Elementary | 15 | 16 | 15 | 14 | 17 |
| Campbellton Elementary | 17 | 16 | 16 | 14 | 15 |
| Clearview Elementary | 16 | 17 | 17 | 17 | 17 |
| Fifth St. Elementary | 14 | 14 | 13 | 12 | N/A |
| Labadie Elementary | 12 | 12 | 12 | 13 | 14 |
| Marthasville Elementary | 15 | 16 | 15 | 16 | 14 |
| South Point Elementary | 17 | 17 | 16 | 16 | 15 |
| Washington West Elementary | 21 | 18 | 19 | 19 | 19 |
| Average Elementary Ratio | 16 | 16 | 15 | 15 | 16 |

As you can see from the spreadsheet above, many of the outlying elementaries have relatively low populations, thus low student to teacher ratios. Also, by this report, the buildings look right in range to what would be considered an ideal ratio. But each year it seems the District has a few buildings with pockets of growth at varying grade levels. So much so, it means that they are at the bubble of what is acceptable or an additional class needs to be added.