



Dave Yost • Auditor of State

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education</i>				
<u>Child Nutrition Cluster:</u>				
School Breakfast Program	10.553			<u>\$68,988</u>
National School Lunch Program	10.555			
Cash Assistance				666,833
Non- Cash Assistance (Food Distribution)				<u>73,648</u>
Total National School Lunch Program				<u>740,481</u>
Total U.S. Department of Agriculture				<u>809,469</u>
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education</i>				
Adult Education - Basic Grants to States	84.002			72,495
Title I Grants to Local Educational Agencies	84.010			847,732
Career and Technical Education - Basic Grants to States	84.048			79,971
<u>Special Education Cluster:</u>				
Special Education_Grants to States	84.027			1,321,904
Special Education_Preschool Grants	84.173			<u>34,298</u>
Total Special Education Cluster				1,356,202
English Language Acquisition State Grants	84.365			33,635
Supporting Effective Instruction State Grant	84.367			<u>176,838</u>
Total U.S. Department of Education				<u>2,566,873</u>
Total Expenditures of Federal Awards				<u>\$3,376,342</u>

The accompanying notes are an integral part of this schedule.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Sylvania City School District, Lucas County, Ohio (the District's) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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

NOTE E - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2016 to 2017 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$9,561
Special Education_Grants to States	84.027	149,290
English Language Acquisition State Grants	84.365	916
Supporting Effective Instruction State Grant	84.367	41,897



Dave Yost • Auditor of State

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

Sylvania City School District
Lucas County
4747 North Holland-Sylvania Road
Sylvania, Ohio 43560

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District, Lucas County, Ohio (the District) 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 and have issued our report thereon dated December 23, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State

Columbus, Ohio

December 23, 2016



Dave Yost • Auditor of State

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

Sylvania City School District
Lucas County
4747 North Holland-Sylvania Road
Sylvania, Ohio 43560

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as item 2016-001. Our opinion on the major federal program is not modified with respect to this matter.

The District's response to our noncompliance finding is described in the accompanying corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2016-001.

The District's response to our internal control over compliance finding is described in the corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on it.

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Sylvania City School District, Lucas County, Ohio, 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. We issued our unmodified report thereon dated December 23, 2016. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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Dave Yost
Auditor of State

Columbus, Ohio

December 23, 2016

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Special Education_Grants to States – CFDA #84.027 and Special Education_Preschool Grants – CFDA #84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

Federal Expenditures

Finding Number	2016-001		
CFDA Title and Number	CFDA #10.555 – National School Lunch Program		
Federal Award Identification Number / Year	2016		
Federal Agency	U.S. Department of Agriculture		
Pass-Through Entity	Ohio Department of Education		
Repeat Finding from Prior Audit?	No	Finding Number (if repeat)	

Noncompliance and Material Weakness

2 CFR §200.510(b) provides that the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.

At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in §200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee has elected to use the 10 percent de minimis cost rate as covered in §200.414 Indirect costs.

The District did prepare its Schedule of Expenditures of Federal Awards (the Schedule) in compliance with the requirements above. However, the National School Lunch Program's expenditures were understated by \$324,776. This was partly due to omitting a large reimbursement claim submitted at the end of FY 16 (\$251,128), and partly due to omitting commodities from the Schedule (\$73,648). These errors were a result of inadequate policies and procedures in preparing and reviewing the Schedule.

The District's inaccurate completion of the Schedule could lead to inaccurate reporting of Federal expenditures. Adjustments were made to the District's Schedule as noted above. The District should remain knowledgeable of its federal programs, and requirements should be understood by the District. We recommend the District implement policies and procedures, including a final review of the Schedule, to ensure the Schedule is accurately completed.

Officials' Response:

See Planned Corrective Action on the following page.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2016**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	We will include food service federal funding and commodities on the federal schedule at the end of each fiscal year.	6/30/2017	Lisa Shanks

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**SYLVANIA CITY
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2016

**PREPARED BY
TREASURER'S DEPARTMENT
LISA SHANKS, TREASURER/CFO**

**4747 N. HOLLAND SYLVANIA RD.
SYLVANIA, OHIO 43560**

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

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Office of the Treasurer

Lisa Shanks, Treasurer/CFO



December 23, 2016

Board of Education Members and Citizens of the Sylvania City School District:

As the Superintendent and Treasurer/CFO of the Sylvania City School District (the "District"), we are pleased to submit to you the twentieth Comprehensive Annual Financial Report (CAFR) issued by the District. This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2016. This CAFR, which includes an opinion from Dave Yost, Auditor of State, who performed the District's audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. This report is available to the Chamber of Commerce, major taxpayers, the public library, financial rating services, and other interested parties.

The District is located in Northwestern Ohio on the Ohio-Michigan border and is comprised of the City of Sylvania, Sylvania Township, a portion of the City of Toledo and a portion of the Village of Ottawa Hills, which are all part of Lucas County. As a suburb of Toledo, Sylvania is basically a residential community with a broad service-based economy. Socioeconomic indicators continue to describe Sylvania as an affluent community with housing values and income levels well above state and county norms.

The District provides a full range of educational programs and services. These include diverse learning opportunities at the elementary and secondary levels. Educational opportunities range from comprehensive career and technical programs to college preparatory classes with an emphasis on honors and Advanced Placement course work. A broad range of clubs, co-curricular and extracurricular activities are available to students so that they may have a well-rounded educational experience in Sylvania Schools. Special education services are in-depth and provide the support necessary for our students with disabilities to be successful. The district also provides support for adult and community learning. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a non-major governmental fund. The District currently serves approximately 7,494 students in grades pre-K through 12th Grade.

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code for the purpose of providing educational services authorized by charter and further mandated by State and/or Federal agencies. A five member Board of Education (the "Board") serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies.

The Superintendent is the chief administrative officer of the District, responsible for both education and support operations. The Treasurer/CFO is the chief financial officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as specified by Ohio law.

Other Board appointed officials includes directors of educational and support services and building principals.

THE REPORTING ENTITY

The District has reviewed its reporting entity definition in order to ensure conformance with GASB. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. The District has no component units nor is it a component unit of any other governmental entity.

The Cities of Sylvania and Toledo, Sylvania Township, and the Village of Ottawa Hills have all been excluded from the accompanying financial statements. The Northwest Ohio Computer Association (NWOCA) and the Sylvania Area Joint Recreation District (SAJRD) are reported as jointly governed organizations.

QUALITY IN EDUCATION

The District strives to maintain quality schools that not only reflect the philosophy of the community, but help to maintain property values as well. While the emphasis is on the educational program itself, the District continues to maintain expectations for excellence in our students, staff, and programs. We feel it is appropriate to briefly review some of the District's quality benchmarks that define the foundation upon which the success of our programs are built.

Curriculum Development. The District is implementing Ohio's Learning Standards in the four core areas: English Language Arts, Mathematics, Science, and Social Studies and in all supporting discipline areas. Teachers are continuing to participate in intensive training that emphasizes ways to raise student achievement with a heavy emphasis on differentiation and closing the gap. The District is continuing to focus on and support innovative thought-provoking learning experiences. Teacher leadership teams at all levels have targeted areas to help train academic leaders in each building. Teachers are continuing to design rigorous lessons for their students and are creating hands-on, 21st century skills to help prepare them to be life-long learners and engaged citizens. As the new standards continue to take shape over the next year, resources will be chosen to best support the new curriculum. The District is continuing work towards a more digital learning environment to benefit our students.

Technology. Technology is one of the District's top initiatives in preparing our students for their future. We utilize technology in a variety of ways to enhance differentiated learning, digital citizenship and increased access to up to date curriculum tools. We have also implemented a pervasive wireless access system to provide staff and student access to the internet from anywhere in all of our buildings. Lastly, we are continuing with our district-wide Digit Learning Initiative which includes professional development for staff to integrate technology into our rich student experience. The goal is to ensure that our students develop into contributing community members.

Testing. Our SAT and ACT scores continue to remain an average of 40-50 points higher than the national average and 10-20 points higher than the State average. 50% of the students participating in advance placement testing qualify for college credit. ACT scores for the District also remain points above the State and national average. The District continues to grow the number of students qualifying as National Merit Scholars and now boasts over 15 perfect scores on the PSAT and ACT tests in the past four years. Over 92% of the graduates pursue post-secondary/military education, earning millions in scholarships each year.

Class Size. There is an average of 23-24 students per class in grades K through 5. The class size for grades 6 – 12 is dependent upon the class offered and ranges from 25-30 students. This range compares very favorably among our comparable districts across the State as well as other districts in the area.

Co-curricular and Extra-curricular. Over 90% of our students are involved in inter-scholastic athletics, programs, clubs, AP/honors, and contests representing about 120 academic and athletic teams and organizations. Many of these teams and clubs receive regional and state rankings in contests annually.

Staff Development. Professional development is a top focus of the District to help teachers learn new ways to differentiate learning through digital instruction directly in the classroom. Leadership teams have been working on the framework for the changes and the needs for the changing curriculum and supporting the training of building level leadership teams to help solidify the training for each department and grade level in each of the District's 12 schools. As Ohio's New Learning Standards are implemented, the professional development efforts are combining with technology to help teachers best create a 21st century learning environment for students.

Comprehensive Support for Special Needs. The District is prepared to meet the needs of all students, but extra attention has been given to ensure that the District provides an outstanding and comprehensive special-needs and gifted program, along with interventions for identified students in specific areas. With the digital classrooms, the ability to differentiate education to better meet individual needs of every student increases and allows us to focus on closing the gap for all our students. The District is implementing new schedules to meet the needs of all students and to help provide time and support for continued student growth at all levels.

ECONOMIC CONDITIONS AND OUTLOOK

The District's population has been stable the past several years with only minimal changes, if any, from year to year. The U.S. Census completed in 2010, represented a combined population of 63,000 people in 25,000 households living in the City of Sylvania and Sylvania Township. Sylvania Township has realized the most residential growth as it encompasses land available for expansion. Unfortunately, the City of Sylvania has limited land available for residential development. On the other hand, commercial development has increased modestly in both Sylvania Township and the City of Sylvania.

In November of 2016, the District passed a combination operating-permanent improvement levy. The new levy will generate an additional \$6.4 million annually for operating expenditures and \$1.4 million for general permanent improvements. The District will begin collecting on this levy in February 2017 but will not realize full collection until fiscal year 2018. The need for additional revenue became unavoidable when real estate receipts declined as a result of the depreciation of property values that occurred in 2009 and 2012. Through calendar year 2016 collections, the District realized an accumulated shortfall of real estate receipts totaling \$10.3 million. Additional operating revenues will eliminate the immediate need for drastic reductions to the normal operations of the District. However, a conservative long term spending plan is necessary to preserve tax dollars indefinitely. Prior to this levy, the last levy passed in the District was in May 2011.

The State of Ohio is in the second year of the biennial budget. The District is expecting to receive slightly more funding in fiscal year 2017 than it received in 2016. However, the funding cap limit prohibits the district from receiving in excess of 7.5% of what it received the prior fiscal year. This places an additional financial hardship on the District and moves the funding mechanism away from a true per pupil calculation. The funding cap limit further shifts the financial responsibility from the State of Ohio to Sylvania Schools and its taxpayers.

MAJOR INITIATIVES FOR THE FUTURE

Full implementation of the newly revised Strategic Plan will keep the District focused on student learning through high-quality, differentiated instruction, efficiency and effectiveness of district operations, and vibrant school-community partnerships.

Fundraising efforts by the Sylvania Schools' Athletic Foundation and Academic Excellence Foundation will raise money privately to help support the District's ongoing initiatives. The Athletic Foundation is providing support to renovate and replace athletic facilities, while the Academic Excellence Foundation is currently raising funds to support the Digital Learning Initiative.

With the full implementation of these plans and directives, the District will continue the academic excellence and fiscal accountability standards that the community has come to expect of the Sylvania City School District.

LONG-TERM FINANCIAL PLANNING

The Ohio Department of Education requires school districts to submit a five year forecast in October and May each year. The forecast provides three years of historical financial data and five years of revenue and expenditure estimates. The forecast is a benchmark used by administrators and the Sylvania Board of Education to determine the current and future costs of existing educational programs and sustainability of proposed educational initiatives.

The need for general permanent improvements is at the forefront of concerns. The recent passage of a new permanent improvement levy will allow the district to plan for the necessary repairs to its buildings and grounds. Building administrators are working closely together to prioritize and develop preventative maintenance plans and refresh schedules so resources are allocated appropriately.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control. The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Governmental fund operations are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary funds and the private-purpose trust fund operations are presented on the accrual basis, whereby revenues are recognized when earned, and expenses when incurred.

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 is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from the implementation.

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year. Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level for all budgeted funds. All purchase order requests must be approved by the Director of Business Affairs and certified by the Treasurer/CFO; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, a blanket bond covers all employees, and a separate, higher limit bond covers certain individuals in policy-making roles.

The basis of accounting, the basis of presentation of the District's various funds, and information on budgetary accounting can be found in Note 2 to the financial statements.

FINANCIAL REPORTING

The basic financial statements for reporting on the District's financial activities are as follows:

Government-wide financial statements: These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District did not have any business-type activities.

Fund financial statements: These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting. The District has no proprietary funds.

Schedule of budgetary comparisons: This schedule presents comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison for the general fund has been presented as required supplementary information and is not considered part of the basic financial statements.

Management is responsible for preparing a Discussion and Analysis (MD&A) of the District. This discussion appears after the Report of Independent Auditors in the financial section of this report. The MD&A provides an assessment of the District's finances for 2016. The MD&A is intended to be read in conjunction with this letter of transmittal.

INDEPENDENT AUDIT

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Dave Yost, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2016. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

AWARDS

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sylvania City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America as applied to governmental units and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for review.

ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to Julian & Grube, Inc. who provided technical assistance on this report. Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully,



Treasurer/CFO



Scott D. Nelson
Superintendent

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
List of Principal Officials**

MEMBERS OF THE BOARD OF EDUCATION

The Board of Education is a body politic and corporate with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by laws of the State of Ohio. The Board is comprised of five members who are elected for overlapping four-year terms. The current members of the Board of Education of the Sylvania City School District are:

<u>Board Member</u>	<u>Began Service as a Board member</u>	<u>Present Term Expires</u>
Julie Hoffman, President	January, 2010	December 31, 2017
Stephen Rothschild, Vice President	January, 2014	December 31, 2017
David Spiess, Member	January, 2002	December 31, 2017
Jim Nusbaum, Member	January, 2004	December 31, 2019
Vicki Donovan Lyle, Member	January, 2004	December 31, 2019

SUPERINTENDENT OF SCHOOLS

The superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. Scott Nelson was appointed on July 1, 2015 to serve in this capacity. Mr. Nelson has been with the district for eighteen years prior to this appointment.

TREASURER/CFO

The treasurer serves as the chief financial officer of the District and, with the Board president, executes all conveyances made by the Board of Education. The Board appointed Laura Sauber, Treasurer/CFO of the Sylvania City School District effective January 19, 2010 and she served in this capacity until her departure from the District on July 31, 2016. Lisa Shanks was appointed by the Board to be Treasurer/CFO effective September 1, 2016.

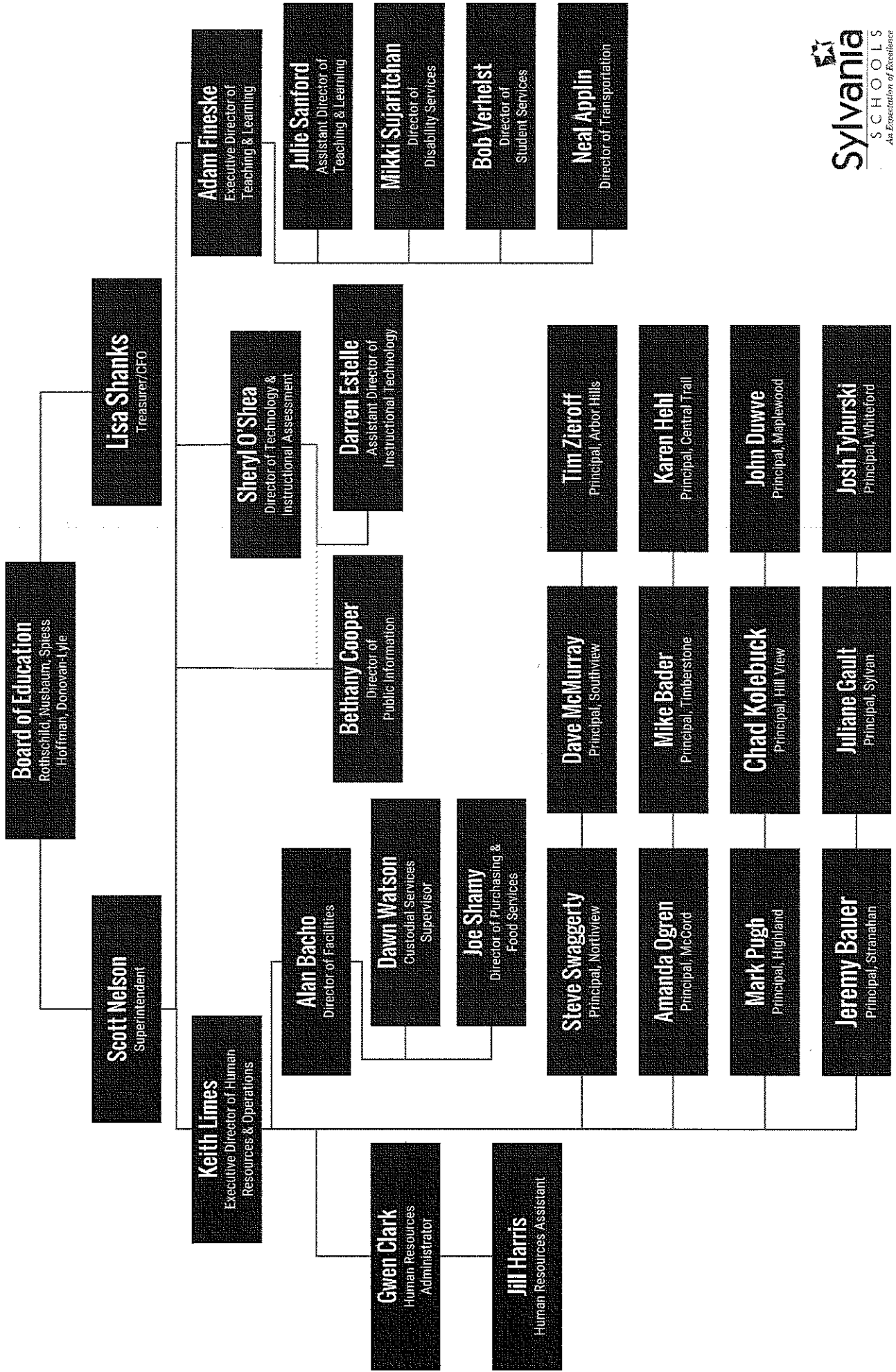
**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

MANAGEMENT TEAM (1)

Scott Nelson	Superintendent of Schools
Lisa Shanks	Treasurer/CFO
Keith Limes	Exec Director Human Resources/Operations
Adam Fineske	Exec Director Teaching/Learning
Sheryl O'Shea	Dir Technology/Instructional Assessment
Alan Bacho	Director Facilities
Mikki Sujaritchan	Director Disability Services
Bob Verhelst	Director Student Services
Neal Applin	Director Transportation
Bethany Cooper	Director Public Information
Joe Shamy	Director Purchasing/Food Service
Julie Sanford	Assistant Director Teaching/Learning
Darren Estelle	Assistant Director Instructional Technology
Gwen Clark	Human Resources Administrator
Dawn Watson	Custodial Services Supervisor
Jill Harris	Human Resources Assistant
Steve Swaggerty	Northview High School Principal
Dave McMurray	Southview High School Principal
Tim Zieroff	Arbor Hills Junior High School Principal
Amanda Ogren	McCord Junior High School Principal
Mike Bader	Timberstone Principal
Karen Hehl	Central Elementary Principal
Mark Pugh	Highland Elementary Principal
Chad Kolebuck	Hill View Elementary Principal
John Duwve	Maplewood Elementary Principal
Jeremy Bauer	Stranahan Elementary Principal
Juliane Gault	Sylvan Elementary Principal
Josh Tyburski	Whiteford Elementary Principal

- (1) The Organizational Chart was changed for the 2016/2017 school year and the management team listed above reflects those changes.

Sylvania Schools 2016-2017 Administrative Organization





Government Finance Officers Association

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

Presented to

**Sylvania City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Sylvania City School District
Lucas County
4747 North Holland-Sylvania Road
Sylvania, Ohio 43560

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District, Lucas County, Ohio (the District), 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and

compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

December 23, 2016

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

The discussion and analysis of the Sylvania City School District's ("the District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- In total, the net position deficit of governmental activities decreased \$2,714,008 which represents a 2.53% decrease from 2015.
- General revenues accounted for \$85,552,157 in revenue or 88.15% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for \$11,495,295 or 11.85% of total revenues of \$97,047,452.
- The District had \$94,333,444 in expenses related to governmental activities; only \$11,495,295 of these expenses was offset by program specific charges for services, operating grants or contributions or capital grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$85,552,157 were adequate to provide for these programs.
- The general fund and debt service fund are the only major funds of the District. The general fund had \$82,254,870 in revenues and other financing sources and \$80,947,112 in expenditures and other financing uses. During fiscal year 2016, the general fund's fund deficit balance increased \$1,307,758 from a deficit of \$3,494,715 to a deficit of \$2,186,957.
- The debt service fund had \$8,232,605 in revenues and \$8,909,945 in expenditures. During fiscal year 2016, the debt service fund's fund balance decreased \$677,340 from \$4,887,379 to \$4,210,039.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and debt service fund are by far the most significant funds, and the only governmental funds reported as major funds.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Reporting the District as a Whole

Statement of net position and the statement of activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

The statement of net position and the statement of activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, food service operations, uniform school supplies activities and natatorium operations.

The District's statement of net position and statement of activities can be found on pages F19-F20 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page F14. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and debt service fund. All other governmental funds are considered nonmajor.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F21 and F23 of this report. Reconciliations between amounts reported in the governmental funds and amounts reported on the statement of net position and the statement of activities is presented on pages F22 and F24.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for students. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages F25 and F26. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F27-F65 of this report.

Required Supplementary Information

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) for the general fund is provided on pages F68 and F69 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages F70 through F76 of this report.

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2016 and 2015.

	Net Position - Governmental Activities	
	2016	2015
<u>Assets</u>		
Current and other assets	\$ 73,203,473	\$ 73,743,836
Capital assets, net	104,303,840	108,622,917
Total assets	177,507,313	182,366,753
<u>Deferred outflows of resources</u>		
Unamortized deferred charges	6,795,790	4,046,813
Pension	11,675,994	7,635,618
Total deferred outflows	18,471,784	11,682,431
<u>Liabilities</u>		
Current liabilities	9,648,505	10,741,859
Long-term liabilities:		
Due within one year	5,697,945	5,874,460
Due in more than one year:		
Net pension liability	118,963,886	105,148,893
Other amounts	99,095,964	101,730,518
Total liabilities	233,406,300	223,495,730
<u>Deferred inflows of resources</u>		
Property taxes and PILOTS	59,093,337	58,778,507
Pensions	8,007,263	19,016,758
Total deferred inflows	67,100,600	77,795,265
<u>Net Position</u>		
Net investment in capital assets	15,548,098	13,948,002
Restricted	4,145,252	5,007,886
Unrestricted (deficit)	(124,221,153)	(126,197,699)
Total net position (deficit)	\$ (104,527,803)	\$ (107,241,811)

The District has adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the District's liabilities plus deferred inflows exceeded assets plus deferred outflows by \$104,527,803. Of this total \$4,145,252 is restricted in use and \$15,548,098 is invested in capital assets (net of related debt), resulting in a deficit in unrestricted net position of \$124,221,153.

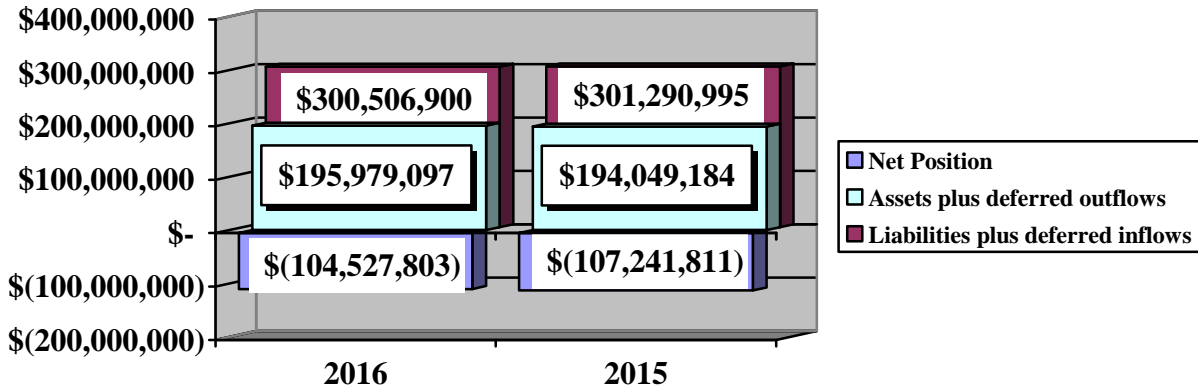
**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

At year-end, capital assets represented 58.76% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. The net investment in capital assets at June 30, 2016, was \$15,548,098. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current and other assets decreased 0.73% from the prior year. The primary increase was in the area of property taxes receivable which increased \$1,554,626. Current property taxes receivable are offset by a deferred inflow since they are levied in fiscal year 2016 but intended to finance fiscal year 2017. In addition, the District had a decrease in capital assets of \$4,319,077 due primarily to depreciation expense. Current liabilities decreased due primarily to a decrease in contracts payable of \$863,700. The graph below illustrates the total assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities at June 30, 2016 and 2015.

Governmental Activities



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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

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

	Change in Net Position - Governmental Activities	
	2016	2015
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 2,900,573	\$ 2,891,731
Operating grants and contributions	8,594,722	7,795,617
Capital grants and contributions	-	1,291,581
General revenues:		
Property taxes	62,939,688	60,637,947
Payments in lieu of taxes	384,847	371,564
Grants and entitlements	21,821,964	22,401,241
Investment earnings	41,732	16,758
Miscellaneous	363,926	629,316
Total revenues	<u>97,047,452</u>	<u>96,035,755</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	35,316,565	35,427,259
Special	13,291,068	12,642,540
Vocational	1,814,688	2,020,980
Adult/continuing	71,055	64,496
Other	2,186,237	2,366,766
Support services:		
Pupil	5,521,918	4,980,915
Instructional staff	1,926,976	1,898,434
Board of education	32,820	32,869
Administration	7,358,021	7,102,339
Fiscal	1,800,082	1,807,046
Business	242,293	235,270
Operations and maintenance	9,336,202	9,130,167
Pupil transportation	4,477,720	4,690,537
Central	784,648	830,846
Operation of non-instructional services:		
Food service operations	2,215,835	2,045,249
Other non-instructional services	1,125,676	1,210,717
Extracurricular activities	2,666,350	2,806,529
Interest and fiscal charges	4,165,290	3,791,038
Total expenses	<u>94,333,444</u>	<u>93,083,997</u>
Change in net position	2,714,008	2,951,758
Net position (deficit) at beginning of year	<u>(107,241,811)</u>	<u>(110,193,569)</u>
Net position (deficit) at end of year	<u>\$ (104,527,803)</u>	<u>\$ (107,241,811)</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Governmental Activities

Net position of the District's governmental activities increased \$2,714,008 as revenues continued to exceed expenses in fiscal year 2016. Net position increased in fiscal year 2016 because the fact that revenues increased approximately 1.05% over fiscal year 2015 while expenses increased approximately 1.34% from fiscal year 2015. Total governmental expenses of \$94,333,444 were offset by program revenues of \$11,495,295 and general revenues of \$85,552,157. Program revenues supported 12.19% of the total governmental expenses.

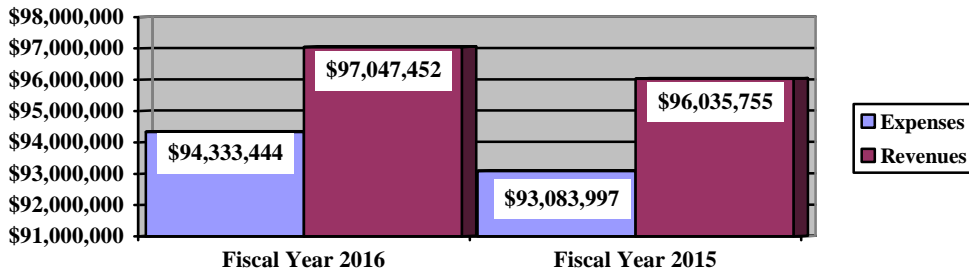
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 87.74% of total governmental revenue. In the program revenues area, the District obtained fewer federal and state grant funding in fiscal year 2016 versus 2015. Operating grants and contributions increased 10.25% from the prior year primarily due to increased funding received through State of Ohio Foundation payments restricted to special education programs. Capital grants and contributions decreased due to a donation received from the Sylvania Athletic Foundation for improvements to various District athletic facilities in 2015. In the general revenues area, unrestricted grants and entitlements revenue decreased as less of the State of Ohio Foundation revenue was considered restricted for special education programs in fiscal year 2015 versus 2016 resulting in less being reported as unrestricted. Other general revenues decreased partially due to the reporting of certain Bureau of Workers' Compensation refunds received in fiscal year 2015 that were not received again in fiscal year 2016.

Overall, expenses increased 1.34% in total. Special instruction expenses increased 5.13%, or \$648,528, and support services instructional staff expenses increased 1.50%, or \$28,542. Due to new reporting guidelines issued by the Ohio Department of Education (ODE) in fiscal year 2016, certain expenses previously reported as support services instructional expenses and are now reported as special instruction expenses. Support services administration expenses increased due to the timing and reporting of severance payments related to the District's 2015/2016, 2014/2015 and 2013/2014 severance leave plans. Fluctuations in the functional expenses related to the severance leave plans can vary year to year depending upon the function of the employees retiring under the plans. Operations and maintenance expenses increased due to operational costs of the District's new facilities.

The overall change in net position was an increase in fiscal year 2016 of \$2,714,008.

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

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

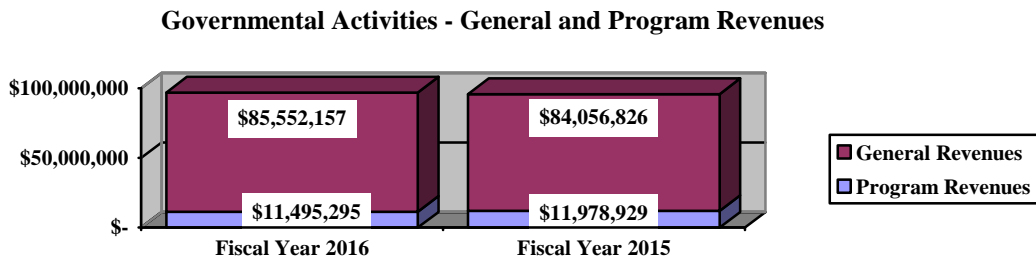
**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

The following table shows, for governmental activities, the total cost of services and the net cost of services.

Governmental Activities				
	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>
Program expenses				
Instruction:				
Regular	\$ 35,316,565	\$ 34,379,774	\$ 35,427,259	\$ 34,740,629
Special	13,291,068	7,372,142	12,642,540	6,810,596
Vocational	1,814,688	1,203,894	2,020,980	1,564,651
Adult/continuing	71,055	16,600	64,496	(19,504)
Other	2,186,237	2,186,237	2,366,766	2,366,766
Support services:				
Pupil	5,521,918	5,380,642	4,980,915	4,918,530
Instructional staff	1,926,976	1,899,595	1,898,434	1,858,439
Board of education	32,820	32,820	32,869	32,869
Administration	7,358,021	7,358,021	7,102,339	7,102,339
Fiscal	1,800,082	1,800,082	1,807,046	1,807,046
Business	242,293	242,293	235,270	235,270
Operations and maintenance	9,336,202	9,276,856	9,130,167	9,063,870
Pupil transportation	4,477,720	4,436,338	4,690,537	4,648,331
Central	784,648	763,048	830,846	809,246
Operations of non-instructional services:				
Food service operations	2,215,835	384,762	2,045,249	536,227
Other non-instructional services	1,125,676	13,054	1,210,717	52,629
Extracurricular activities	2,666,350	1,926,701	2,806,529	786,096
Interest and fiscal charges	4,165,290	4,165,290	3,791,038	3,791,038
Total expenses	\$ 94,333,444	\$ 82,838,149	\$ 93,083,997	\$ 81,105,068

The dependence upon tax and other general revenues for governmental activities is apparent, 85.72% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 87.81%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are by far the primary support for the District's students. The graph below presents the District's governmental activities revenue for fiscal years 2016 and 2015.



**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

The District's Funds

The District's governmental funds (as presented on the balance sheet on page F21) reported a combined fund balance of \$2,609,163, which is higher than last year's total of \$2,170,521. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2016 and 2015.

	Fund Balance (deficit) <u>June 30, 2016</u>	Fund Balance (deficit) <u>June 30, 2015</u>	Increase (Decrease)
General	\$ (2,186,957)	\$ (3,494,715)	\$ 1,307,758
Debt service	4,210,039	4,887,379	(677,340)
Nonmajor Governmental	<u>586,081</u>	<u>777,857</u>	<u>(191,776)</u>
Total	<u>\$ 2,609,163</u>	<u>\$ 2,170,521</u>	<u>\$ 438,642</u>

The fund balance of the nonmajor governmental funds decreased 24.65% from the prior year. The building fund balance decreased due to the construction projects that were finished in fiscal year 2016. There were no other significant variances in the other nonmajor governmental funds.

General Fund

The District's general fund balance increased \$1,307,758. The table that follows assists in illustrating the financial activities of the general fund.

	<u>General Fund</u>			
	2016	2015	Increase	Percentage
<u>Revenues</u>	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>	<u>Change</u>
Taxes	\$ 55,474,876	\$ 54,119,890	\$ 1,354,986	2.50 %
Tuition	593,769	750,543	(156,774)	(20.89) %
Earnings on investments	41,732	16,753	24,979	149.10 %
Intergovernmental	24,489,904	24,641,542	(151,638)	(0.62) %
Other revenues	<u>1,651,017</u>	<u>1,603,348</u>	<u>47,669</u>	2.97 %
Total	<u>\$ 82,251,298</u>	<u>\$ 81,132,076</u>	<u>\$ 1,119,222</u>	1.38 %
<u>Expenditures</u>				
Instruction	\$ 47,657,971	\$ 48,658,149	\$ (1,000,178)	(2.06) %
Support services	30,817,850	30,493,577	324,273	1.06 %
Operation of non-instructional services	137,997	125,140	12,857	10.27 %
Extracurricular activities	1,695,967	1,660,479	35,488	2.14 %
Facilities acquisition and construction	56,597	126,606	(70,009)	(55.30) %
Debt service	<u>460,400</u>	<u>359,199</u>	<u>101,201</u>	28.17 %
Total	<u>\$ 80,826,782</u>	<u>\$ 81,423,150</u>	<u>\$ (596,368)</u>	(0.73) %

As can be seen in the above table, revenues generated are sufficient to cover expenditures in the general fund.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Tax revenue increased slightly primarily due to an increase in the District's assessed valuation. Intergovernmental revenue decreased as the District received more funding from the State of Ohio in fiscal year 2016 primarily related to funding for special education programs.

The decrease in instructional expenditures can be primarily attributed to a decrease in special education costs. This decrease is partially offset by an increase in support service expenditures which previously reported certain costs related to special education. These costs are now reported as instructional expenditures in fiscal year 2016 based upon reporting requirements established by ODE. Debt service expenditures increased due to the payment of the Current interest energy conservation bonds from the general fund.

All other expenditures remained comparable to fiscal year 2015.

Debt Service Fund

The District's debt service fund decreased \$677,340. Tax revenues were not sufficient to cover debt service payments for the fiscal year.

General Fund Budgeting Highlights

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

During the course of fiscal 2016, the District did amend its general fund budget. For the general fund, original and final budgeted revenues and other financing sources were \$80,326,792. Actual revenues and other financing sources for fiscal 2016 was \$80,822,294. This represents a \$495,502 increase, or less than two percent, from final budgeted revenues. This increase is primarily due to property tax revenues being more than estimated. General fund original and final appropriations (appropriated expenditures plus other financing uses) were \$83,727,629. The actual budget basis expenditures and other financing uses for fiscal year 2016 totaled \$82,191,095, which was \$1,536,534 less than the final budget appropriations. Actual expenditures were less than budgeted expenditures as salary and fringe benefit costs proved to be lower than anticipated in the original and final budget.

The budgetary statement for the general fund has been presented as required supplementary information.

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Capital Assets and Debt Administration

Capital Assets

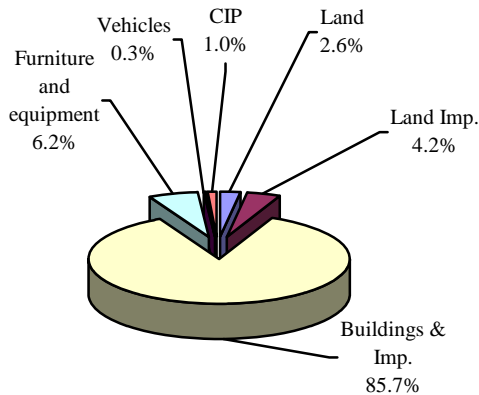
At the end of fiscal 2016, the District had \$104,303,840 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2016 balances compared to 2015:

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

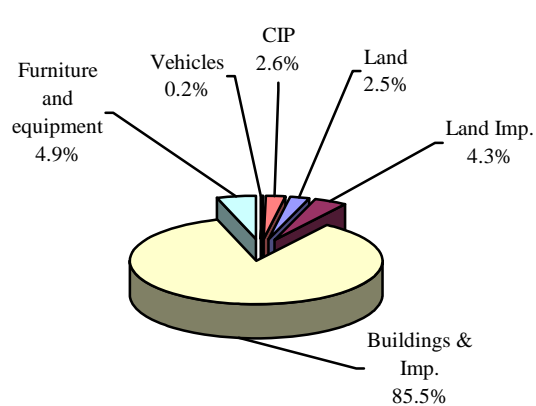
	Governmental Activities	
	2016	2015
Land	\$ 2,694,493	\$ 2,694,493
Land improvements	4,330,392	4,707,106
Buildings and improvements	89,455,632	92,827,988
Furniture and equipment	6,452,510	5,341,291
Vehicles	273,904	245,945
Construction in progress	<u>1,096,909</u>	<u>2,806,094</u>
Total	<u>\$ 104,303,840</u>	<u>\$ 108,622,917</u>

Total additions to capital assets for 2016 were \$270,688. The overall decrease in capital assets of \$4,319,077 (net of accumulated depreciation) is primarily due to depreciation expense of \$4,589,765 being recorded in fiscal year 2016. The construction in progress represents costs incurred on the replacement of buildings and upgrades and renovations to existing structures and upgrades to HVAC systems. These projects are being funded by the Series 2011 bond issue and energy improvements are being funded by H.B. 264 energy conservation notes issued in fiscal year 2014. The graphs below present the District's capital assets for fiscal 2016 and fiscal 2015.

**Capital Assets - Governmental Activities
2016**



**Capital Assets - Governmental Activities
2015**



See Note 9 for further information on the District's capital assets.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Debt Administration

At June 30, 2016, the District had \$88,172,524 in general obligation bonds, energy conservation bonds and notes obligations outstanding. Of this total, \$4,755,000 is due within one year and \$83,417,524 is due within greater than one year.

The following table summarizes the bonds, notes and leases outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2016</u>	Governmental Activities <u>2015</u>
General obligation bonds	\$ 83,432,524	\$ 84,934,452
Energy conservation notes & bonds	<u>4,740,000</u>	<u>5,040,000</u>
Total	<u>\$ 88,172,524</u>	<u>\$ 89,974,452</u>

The District's energy conservation notes were issued in fiscal year 2014 to provide financing for HVAC, electrical, and plumbing system upgrades to create energy savings by reducing energy consumption. The project will be funded from the savings created from reduced energy consumption. Prior to the issuance of the financial statements, these energy conservation notes were refinanced on a long-term basis through the issuance of energy conservation bonds (see Note 10).

The District has issued various general obligation bonds to provide resources to finance construction projects throughout the District and to refund previous bonds outstanding. The District's general obligation bonds consist of both current interest bonds and capital appreciation bonds.

The District's general obligation bond and energy conservation bond activity is detailed in Note 9 to the basic financial statements.

Current Financial Related Activities

The district's largest revenue source is derived from general property taxes and state reimbursements associated with property taxes. Real estate receipts generate approximately 76% of annual revenues received by Sylvania Schools. While property values are expected to increase modestly, the district continues to struggle with the irrevocable shortfall of tax revenue which occurred as a result of sharp declines in values from previous property value updates. Sylvania residents approved a combination Operating-Permanent Improvement Levy in November 2016 that will help to alleviate the financial stress experienced by the district the past several years. The additional revenue will stabilize the district's financial position in the short term. However, a conservative long term spending plan is necessary to facilitate a healthy financial environment in future years. Currently, Ohio is in the second year of the biennial budget. While the existing budget has provided Sylvania Schools with additional funding for fiscal years 2016 and 2017, the funding cap limit has restricted the amount the district would have otherwise receive through the normal calculation process.

Collective bargaining agreements with the district's employee unions are in effect through June 30, 2017. In consideration of the existing financial challenges, Sylvania Schools' employees agreed to a base salary freeze in the 2016-2017 fiscal year. However, salary increases outlined in employee agreements such as steps, longevity, and experience were honored by the district. The district has extended its contract with Paramount Insurance Company Inc. through December 31, 2018. Insurance premiums will increase 8% in calendar year 2017 and are capped at 10% in calendar 2018. Negotiations with both employee groups will reopen in early 2017.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Contacting the District's Financial Management

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Lisa Shanks, Treasurer/CFO, Sylvania City School District, 4747 N. Holland Sylvania Rd., Sylvania, Ohio 43560.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 8,716,679
Receivables:	
Property taxes	63,231,326
Payment in lieu of taxes	246,026
Accounts.	78,363
Intergovernmental	856,059
Prepayments	73,013
Inventory held for resale.	2,007
Capital assets:	
Nondepreciable capital assets	3,791,402
Depreciable capital assets, net.	100,512,438
Capital assets, net.	<u>104,303,840</u>
Total assets.	<u>177,507,313</u>
 Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	6,795,790
Pension - STRS	9,770,043
Pension - SERS	1,905,951
Total deferred outflows of resources	<u>18,471,784</u>
 Liabilities:	
Accounts payable.	237,619
Accrued wages and benefits payable	7,696,402
Intergovernmental payable	96,662
Pension and postemployment benefits payable.	1,266,607
Accrued interest payable	351,215
Long-term liabilities:	
Due within one year.	5,697,945
Due in more than one year:	
Net pension liability (See Note 11)	118,963,886
Other amounts due in more than one year	99,095,964
Total liabilities	<u>233,406,300</u>
 Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	58,847,311
Payment in lieu of taxes levied for the next fiscal year	246,026
Pension - STRS.	7,104,212
Pension - SERS.	903,051
Total deferred inflows of resources	<u>67,100,600</u>
 Net position:	
Net investment in capital assets	15,548,098
Restricted for:	
Capital projects	877,897
Debt service.	2,490,716
Locally funded programs	9,469
State funded programs.	46,933
Federally funded programs	563,664
Student activities	156,573
Unrestricted (deficit)	(124,221,153)
Total net position (deficit).	<u>\$ (104,527,803)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental activities:				
Instruction:				
Regular	\$ 35,316,565	\$ 698,828	\$ 237,963	\$ (34,379,774)
Special	13,291,068	329,996	5,588,930	(7,372,142)
Vocational	1,814,688	-	610,794	(1,203,894)
Adult/continuing.	71,055	-	54,455	(16,600)
Other	2,186,237	-	-	(2,186,237)
Support services:				
Pupil.	5,521,918	-	141,276	(5,380,642)
Instructional staff	1,926,976	-	27,381	(1,899,595)
Board of education	32,820	-	-	(32,820)
Administration.	7,358,021	-	-	(7,358,021)
Fiscal.	1,800,082	-	-	(1,800,082)
Business.	242,293	-	-	(242,293)
Operations and maintenance	9,336,202	50,136	9,210	(9,276,856)
Pupil transportation.	4,477,720	41,382	-	(4,436,338)
Central	784,648	-	21,600	(763,048)
Operation of non-instructional services:				
Food service operations	2,215,835	1,008,406	822,667	(384,762)
Other non-instructional services	1,125,676	89,579	1,023,043	(13,054)
Extracurricular activities.	2,666,350	682,246	57,403	(1,926,701)
Interest and fiscal charges	4,165,290	-	-	(4,165,290)
Total governmental activities	<u>\$ 94,333,444</u>	<u>\$ 2,900,573</u>	<u>\$ 8,594,722</u>	<u>(82,838,149)</u>
General revenues:				
Property taxes levied for:				
General purposes				55,372,937
Debt service.				7,213,104
Capital outlay.				353,647
Payments in lieu of taxes.				384,847
Grants and entitlements not restricted				
to specific programs				21,821,964
Investment earnings				41,732
Miscellaneous				363,926
Total general revenues				<u>85,552,157</u>
Change in net position				2,714,008
Net position (deficit) at beginning of year				<u>(107,241,811)</u>
Net position (deficit) at end of year.				<u>\$ (104,527,803)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,760,075	\$ 3,787,683	\$ 1,168,921	\$ 8,716,679
Receivables:				
Property taxes	55,651,730	7,235,435	344,161	63,231,326
Payment in lieu of taxes	215,578	29,016	1,432	246,026
Accounts	63,978	-	14,385	78,363
Interfund loans	146,479	-	-	146,479
Intergovernmental	966	-	855,093	856,059
Prepayments	73,013	-	-	73,013
Inventory held for resale	-	-	2,007	2,007
Total assets	<u>\$ 59,911,819</u>	<u>\$ 11,052,134</u>	<u>\$ 2,385,999</u>	<u>\$ 73,349,952</u>
Liabilities:				
Accounts payable	\$ 207,550	\$ -	\$ 30,069	\$ 237,619
Accrued wages and benefits payable	7,360,641	-	335,761	7,696,402
Compensated absences payable	614,090	-	-	614,090
Intergovernmental payable	92,538	-	4,124	96,662
Pension and postemployment benefits payable	1,162,983	-	103,624	1,266,607
Interfund loans payable	-	-	146,479	146,479
Total liabilities	<u>9,437,802</u>	<u>-</u>	<u>620,057</u>	<u>10,057,859</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	51,799,492	6,728,644	319,175	58,847,311
Payment in lieu of taxes levied for the next fiscal year	215,578	29,016	1,432	246,026
Delinquent property tax revenue not available	645,904	84,435	4,161	734,500
Intergovernmental revenue not available	-	-	855,093	855,093
Total deferred inflows of resources	<u>52,660,974</u>	<u>6,842,095</u>	<u>1,179,861</u>	<u>60,682,930</u>
Fund balances:				
Nonspendable:				
Prepays	73,013	-	-	73,013
Restricted:				
Debt service	-	4,210,039	-	4,210,039
Capital improvements	-	-	873,736	873,736
Non-public schools	-	-	44,708	44,708
Other purposes	-	-	9,469	9,469
Extracurricular	-	-	156,573	156,573
Unassigned (deficit)	(2,259,970)	-	(498,405)	(2,758,375)
Total fund balances (deficit)	<u>(2,186,957)</u>	<u>4,210,039</u>	<u>586,081</u>	<u>2,609,163</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 59,911,819</u>	<u>\$ 11,052,134</u>	<u>\$ 2,385,999</u>	<u>\$ 73,349,952</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Total governmental fund balances		\$ 2,609,163
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		104,303,840
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Delinquent property taxes receivable	\$ 734,500	
Intergovernmental receivable	855,093	
Total		1,589,593
Unamortized premiums on bonds issued are not recognized in the funds.		(8,831,551)
Unamortized deferred charges on debt refundings are not recognized in the funds.		6,795,790
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(351,215)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.		
Deferred outflows - Pension	11,675,994	
Deferred Inflows - Pension	(8,007,263)	
Net pension liability	(118,963,886)	
Total		(115,295,155)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(88,172,524)	
Compensated absences	(7,175,744)	
Total		(95,348,268)
Net position (deficit) of governmental activities		\$ (104,527,803)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 55,474,876	\$ 7,227,962	\$ 354,300	\$ 63,057,138
Payment in lieu of taxes	338,245	44,452	2,150	384,847
Tuition	593,769	-	-	593,769
Transportation fees	41,382	-	-	41,382
Earnings on investments	41,732	-	698	42,430
Charges for services	-	-	1,008,406	1,008,406
Extracurricular	225,461	-	456,785	682,246
Classroom materials and fees	435,055	-	-	435,055
Rental income	50,136	-	-	50,136
Contributions and donations	107,233	-	-	107,233
Contract services	89,579	-	-	89,579
Other local revenues	363,926	-	31,984	395,910
Intergovernmental - state	24,489,904	960,191	997,876	26,447,971
Intergovernmental - federal	-	-	3,092,155	3,092,155
Total revenues	<u>82,251,298</u>	<u>8,232,605</u>	<u>5,944,354</u>	<u>96,428,257</u>
Expenditures:				
Current:				
Instruction:				
Regular	32,724,121	-	208,554	32,932,675
Special	11,251,314	-	2,000,371	13,251,685
Vocational	1,496,299	-	76,518	1,572,817
Adult/continuing	-	-	72,470	72,470
Other	2,186,237	-	-	2,186,237
Support services:				
Pupil	5,458,076	-	115,323	5,573,399
Instructional staff	1,786,235	-	19,663	1,805,898
Board of education	32,820	-	-	32,820
Administration	7,348,252	-	-	7,348,252
Fiscal	1,678,342	109,445	5,555	1,793,342
Business	243,842	-	-	243,842
Operations and maintenance	9,037,605	-	1,213	9,038,818
Pupil transportation	4,464,648	-	-	4,464,648
Central	768,030	-	21,600	789,630
Operation of non-instructional services:				
Food service operations	-	-	1,966,316	1,966,316
Other non-instructional services	137,997	-	984,840	1,122,837
Extracurricular activities	1,695,967	-	430,937	2,126,904
Facilities acquisition and construction	56,597	-	343,294	399,891
Debt service:				
Principal retirement	300,000	5,370,000	-	5,670,000
Interest and fiscal charges	160,400	3,430,500	-	3,590,900
Total expenditures	<u>80,826,782</u>	<u>8,909,945</u>	<u>6,246,654</u>	<u>95,983,381</u>
Excess of revenues over (under) expenditures	<u>1,424,516</u>	<u>(677,340)</u>	<u>(302,300)</u>	<u>444,876</u>
Other financing sources (uses):				
Transfers in	3,572	-	120,330	123,902
Transfers (out)	(120,330)	-	(3,572)	(123,902)
Total other financing sources (uses)	<u>(116,758)</u>	<u>-</u>	<u>116,758</u>	<u>-</u>
Net change in fund balances	1,307,758	(677,340)	(185,542)	444,876
Fund balances (deficit) at beginning of year	(3,494,715)	4,887,379	777,857	2,170,521
(Decrease) in reserve for inventory	-	-	(6,234)	(6,234)
Fund balances (deficit) at end of year	<u>\$ (2,186,957)</u>	<u>\$ 4,210,039</u>	<u>\$ 586,081</u>	<u>\$ 2,609,163</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Net change in fund balances - total governmental funds	\$	444,876
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 270,688	
Current year depreciation	(4,589,765)	
Total		(4,319,077)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		(6,234)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property tax revenue	(117,450)	
Intergovernmental	736,645	
Total		619,195
Repayment of bond, note and capital lease principal is an expenditure in the funds but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
		5,670,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in the funds, an interest expenditure is reported when due. The following items contributed in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	7,345	
Accreted interest on capital appreciation bonds	(738,072)	
Amortization of bond premiums	537,360	
Amortization of deferred charges on debt refundings	(381,023)	
Total		(574,390)
Contractually required pension contributions are reported as expenditures in the funds; however, the statement of activities reports these amounts as deferred outflows.		
		6,881,795
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(5,646,917)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
		(355,240)
Change in net position of governmental activities	\$	2,714,008

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 9,399	\$ 92,283
Total assets.	9,399	\$ 92,283
Liabilities:		
Accounts payable.	-	\$ 6,391
Intergovernmental payable	-	512
Due to students.	-	85,380
Total liabilities	-	\$ 92,283
Net position:		
Held in trust for scholarships	9,399	
Total net position.	\$ 9,399	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 28
Gifts and contributions	1,000
Total additions	1,028
 Deductions:	
Scholarships awarded	1,500
Change in net position	(472)
Net position at beginning of year	9,871
Net position at end of year	\$ 9,399

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Sylvania City School District (the "District") is located in the greater metropolitan Toledo area of Lucas County in northwestern Ohio. The District encompasses all of the City of Sylvania, and portions of Sylvania Township.

The District is organized under Section 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District currently operates 7 elementary schools, 3 middle schools, and 2 comprehensive high schools. The District employs 320 non-certified, 48 administrative, and 532 certified employees (full time equivalents) to provide services to 7,494 students in grades K through 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Computer Association (NWOCA)

The District is a participant with 41 other public entities in a jointly governed organization to operate NWOCA. NWOCA was formed for the purpose of providing computer services. NWOCA is governed by a board of directors consisting of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the board. The District does not have an ongoing financial interest or responsibility in NWOCA.

Sylvania Area Joint Recreation District (SAJRD)

The District, in conjunction with the City of Sylvania and the Sylvania Township, formed the Sylvania Area Joint Recreation District under the authority of Ohio Revised Code Section 755.14(C). The SAJRD Board of Trustees is composed of twelve members, four of whom are appointed by each of the separate governmental entities identified above. Funding for the SAJRD is provided by a voter-approved tax levy on all real property located within the Sylvania School District. Taxes are collected by the County Auditor and remitted to the SAJRD Board of Trustees.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

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

Debt service fund - The debt service fund is used to account for the resources restricted for the payment of general long-term debt principal, interest and related costs including the retirement of current interest term and serial bonds, capital appreciation bonds and both short-term and long-term notes and loans. All revenues derived from general or special levies, either within or exceeding the statutory unvoted ten mill limitation, which is levied for debt service on bonds or loans are paid into this fund.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements distinguish between those activities that are governmental and those that are considered business-type activities. The District has no business-type activities.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

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

Like the government-wide statements, the private-purpose trust fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of this fund are included on the statement of fund net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows, and in the presentation of expenses versus expenditures.

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources have been reported for the following two items related the District's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the District's contributions to the pension systems subsequent to the measurement date. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

The District also reports a deferred inflow of resources for the net difference between projected and actual earnings on pension plan investments related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the fund level for all budgeted funds.

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

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Lucas County Budget Commission for rate determination.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commissions' certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts from the certificate of estimated resources that was in effect at the time the original permanent appropriations covering the entire fiscal year were passed by the Board of Education. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts from the certificate of amended resources that was in effect at the time the final appropriations were passed by the Board of Education.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The District's legal level of budgetary control has been established at the fund level for all budgeted funds. The appropriation resolution, established at the legal level of control funds, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the legal level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budget amounts reflect the first appropriation for that fund covering the entire fiscal year, including amounts automatically carried over from the prior year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Lapsing of Appropriations:

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of control.

F. Cash and Investments

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

During fiscal year 2016, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares prices which is the price the investment could be sold for on June 30, 2016.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$41,732, which includes \$24,420 assigned from other District funds.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

For presentation on the basic financial statements, investments purchased by the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. An analysis of the District’s investment account at fiscal year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, inventories of supplies are reported at cost, inventories held for resale are reported at the lower of cost or market, and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when received. Inventories are accounted for using the purchase method on the fund statements and using the consumption method on the government-wide statements.

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

H. Capital Assets

General capital assets are those assets specifically related to governmental activities. These 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 capitalized at cost (or estimated historical cost) and 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 \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	5 - 50 years
Buildings and improvements	7 - 45 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 15 years

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable.” Interfund balances between governmental funds are eliminated in the governmental activities column on the statement of net position.

J. Compensated Absences

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service; or 20 years service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2016, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized as a liability on the fund financial statements when due.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

L. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

M. Net Position

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

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

N. Estimates

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

O. Interfund Activity

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

P. Nonpublic Schools

Within the District boundaries, St. Joseph and St. Francis schools are operated through the Toledo Catholic Diocese; and Toledo Junior, Emmanuel Baptist, and Toledo Islamic are operated as private schools. All of these schools provide instruction for grades K-8. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial school. The receipt and expenditure of these state monies by the District are reflected in a nonmajor governmental fund for financial reporting purposes.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

Q. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.

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

R. Pensions

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither one of these transactions occurred during fiscal year 2016.

T. Fair Market Value

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

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

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

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

<u>Major fund</u>	<u>Deficit</u>
General	\$ 2,186,957
 <u>Nonmajor governmental funds</u>	
Food service	93,434
Vocational Educational Enhancements	3,486
Adult Basic Education	1,480
IDEA Part B	209,927
Vocational Educational	4,045
Title III, Limited English Proficiency	10,374
Title I	135,011
Pre-School for Handicapped Grant	1,258
Improving Teacher Quality	39,390

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

NOTE 4 - DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "equity in pooled cash and cash equivalents". State statutes require the classification of monies held by the District into three categories.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Deposits with Financial Institutions

At June 30, 2016, the carrying amount of all District deposits was \$3,884,763. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2016, \$2,130,104 of the District’s bank balance of \$4,421,324 was exposed to custodial risk as discussed below, while \$2,291,220 was covered by the Federal Deposit Insurance Corporation.

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

B. Investments

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

<u>Investment type</u>	<u>Fair Value</u>	Investment <u>Maturity</u> 6 months or <u>less</u>
STAR Ohio	\$ <u>4,933,598</u>	\$ <u>4,933,598</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District’s investment policy limits investment portfolio maturities to five years or less. State law and the District policy requires that repurchase agreements cannot exceed thirty (30) days. In addition, securities subject to repurchase agreements must exceed the principal value by greater or equal to two (2) percent.

Credit Risk: STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard service. Standard & Poor’s has assigned STAR Ohio an AAAM money market rating. The District’s investment policy does not specifically address credit risk beyond the adherence to Chapter 135 of the Ohio Revised Code, of which all relevant provisions are described previously in this note disclosure (Note 4).

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 4,933,598	100.00

C. Reconciliation of cash and investments to the statement of Net Position

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,884,763
Investments	4,933,598
Total	<u>\$ 8,818,361</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 8,716,679
Private-purpose trust funds	9,399
Agency funds	92,283
Total	<u>\$ 8,818,361</u>

NOTE 5 - INTERFUND TRANSACTIONS

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

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ <u>146,479</u>

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

- B.** Interfund transfers for the fiscal year ended June 30, 2016, consisted of the following, as reported on the fund statements:

Transfers from general fund to:

Nonmajor governmental funds	\$ 120,330
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Transfers from nonmajor governmental funds to:

General fund	<u>3,572</u>
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Total	<u><u>\$ 123,902</u></u>
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Interfund transfers represent the use of unrestricted revenues collected in the general fund that are used to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers from the general fund supported food service operations. The transfer for the building fund (a nonmajor governmental fund) to the general fund is a residual equity transfer to close out the fund. Interfund transfers between governmental funds are eliminated for reporting on the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Public utility real and personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Lucas County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 was \$3,206,334 in the general fund, \$422,356 in the debt service fund and \$20,825 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2015 was \$2,105,396 in the general fund, \$279,275 in the debt service fund and \$13,532 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

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

	2015 Second Half Collections		2016 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,300,991,340	98.27	\$ 1,341,184,900	97.98
Public utility personal	<u>22,940,560</u>	<u>1.73</u>	<u>27,592,880</u>	<u>2.02</u>
Total	<u>\$ 1,323,931,900</u>	<u>100.00</u>	<u>\$ 1,368,777,780</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 83.50		\$ 83.30	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2016 consisted of taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental Activities	
Property taxes	\$ 63,231,326
Payments in lieu of taxes	246,026
Accounts	78,363
Intergovernmental	<u>856,059</u>
Total	<u>\$ 64,411,774</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 8 - CAPITAL ASSETS

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

Governmental activities:	<u>Balance</u>		<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
<i>Capital assets, not being depreciated:</i>	<u>06/30/15</u>				<u>06/30/16</u>
Land	\$ 2,694,493	\$ -	\$ -	\$ -	\$ 2,694,493
Construction in progress	<u>2,806,094</u>	<u>225,280</u>	<u>(1,934,465)</u>		<u>1,096,909</u>
Total capital assets, not being depreciated	<u>5,500,587</u>	<u>225,280</u>	<u>(1,934,465)</u>		<u>3,791,402</u>
<i>Capital assets, being depreciated:</i>					
Land improvements	9,006,438	-	-	-	9,006,438
Building and improvements	128,112,639	-	-	-	128,112,639
Furniture and equipment	9,790,018	1,831,251	-	-	11,621,269
Vehicles	<u>6,272,533</u>	<u>148,622</u>	<u>(75,604)</u>	<u>(75,604)</u>	<u>6,345,551</u>
Total capital assets, being depreciated	<u>153,181,628</u>	<u>1,979,873</u>	<u>(75,604)</u>	<u>(75,604)</u>	<u>155,085,897</u>
<i>Less: accumulated depreciation</i>					
Land improvements	(4,299,332)	(376,714)	-	-	(4,676,046)
Building and improvements	(35,284,651)	(3,372,356)	-	-	(38,657,007)
Furniture and equipment	(4,448,727)	(720,032)	-	-	(5,168,759)
Vehicles	<u>(6,026,588)</u>	<u>(120,663)</u>	<u>75,604</u>	<u>75,604</u>	<u>(6,071,647)</u>
Total accumulated depreciation	<u>(50,059,298)</u>	<u>(4,589,765)</u>	<u>75,604</u>	<u>75,604</u>	<u>(54,573,459)</u>
Governmental activities capital assets, net	<u>\$108,622,917</u>	<u>\$ (2,384,612)</u>	<u>\$ (1,934,465)</u>	<u>\$ (1,934,465)</u>	<u>\$ 104,303,840</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$2,524,876
Special	164,113
Vocational	236,560
<u>Support Services:</u>	
Pupil	11,829
Instructional staff	144,054
Administration	141,119
Fiscal	13,016
Operations and maintenance	453,640
Pupil transportation	91,837
<u>Operation of non-instructional services:</u>	
Food service operations	257,276
Other non-instructional services	2,843
Extracurricular activities	<u>548,602</u>
Total depreciation expense	<u>\$4,589,765</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS

A. General Obligation Bonds

General obligation bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations are reported on the statement of net position. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The source of payment is derived from bonded debt tax levies.

Series 2006 Refunding General Obligation Bonds

On December 27, 2006, the District issued general obligation bonds (Series 2006 Refunding Bonds) to advance refund the callable of the Series 2001 and Series 2002 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2016 is \$7,065,000.

The refunding issue is comprised of both current interest bonds, par value \$8,315,000, and capital appreciation bonds par value \$509,990. The interest rates on the current interest bonds range from 3.75% - 4.00%. The capital appreciation bonds mature on December 1, 2014 (effective interest rate 11.8708%) and December 1, 2015 (effective interest rate 16.0366%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond which matured December 1, 2014 was \$580,000. On December 1, 2015, the second capital appreciation bond matured at an accreted value of \$1,100,000. There are no remaining Series 2006 capital appreciation bonds at June 30, 2016.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2021.

The reacquisition price exceeded the net carrying amount of the old debt by \$597,320. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Series 2009 School Improvement General Obligation Bonds

During fiscal year 2009, the voters of the District authorized the issuance of \$78,999,981 in general obligation bonds, for the purpose of renovating and otherwise improving school facilities. These bonds will be retired from proceeds of an additional 2.89 (average) mil bonded debt tax levy. On April 9, 2015, the District advance refunded \$70,580,000 of these bonds with proceeds from the Series 2015 refunding bonds (see below). After the refunding, there were \$3,130,000 of Series 2009 School Improvement current interest bonds remaining. The balance of these Series 2009 School Improvement current interest bonds at June 30, 2016 is \$1,660,000.

The remaining portion of the Series 2009 School Improvement bonds are capital appreciation bonds. The capital appreciation bonds mature on December 1, 2017 (effective interest rate 11.517%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2017 is \$1,990,000. Total accreted interest of \$909,848 has been included in the statement of net position at June 30, 2016.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Series 2011 Refunding General Obligation Bonds

On September 7, 2011, the District issued general obligation bonds (Series 2011 Refunding Bonds) to advance refund the callable of the Series 1998 refunding current interest bonds, the Series 2001 refunding current interest bonds and the Series 2002 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2016, is \$6,570,000.

The refunding issue is comprised of both current interest bonds, par value \$8,615,000, and capital appreciation bonds par value \$415,000. The interest rates on the current interest bonds range from 2.00% - 4.00%. The capital appreciation bonds matured on December 1, 2014 (effective interest rate 4.55%) at an accreted value of \$485,000.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2022.

The reacquisition price exceeded the net carrying amount of the old debt by \$312,919. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Series 2014 Energy Conservation Bonds

On July 29, 2014, the District issued \$5,255,000 of House Bill 264 (H.B. 264) energy conservation bonds to retire energy conservation notes previously issued on January 17, 2014. Proceeds of the issuances are to provide financing to perform various energy improvement capital projects at the District. HVAC, electrical, and plumbing systems are being updated further to create energy savings by reducing energy consumption. The project will be funded from the savings created from reduced energy consumption. The bonds bear an interest rates from 1.00% - 4.00% and mature on December 1, 2028.

Series 2015 Refunding General Obligation Bonds

On April 9, 2015, the District issued general obligation bonds (Series 2015 Refunding Bonds) to advance refund the callable of the Series 2009 refunding current interest bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2009 current interest bonds at June 30, 2016, is \$64,060,000.

The refunding issue is comprised of both current interest bonds serial bonds, par value \$55,855,000, current interest term bonds, par value \$9,750,000, and capital appreciation bonds par value \$1,845,000. The interest rates on the current interest bonds range from 2.00% - 5.00%. The capital appreciation bonds mature on December 1, 2018 (effective interest rate 24.173%) and December 1, 2019 (effective interest rate 24.259%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds maturing December 1, 2018 and December 1, 2019 are \$2,325,000 and \$2,345,000, respectively. Total accreted interest of \$542,695 has been included in the statement of net position at June 30, 2016.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2036.

The reacquisition price exceeded the net carrying amount of the old debt by \$6,753,487. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

B. Other Long-Term Obligations

Net pension liability: The District's net pension liability is described in Note 11. The District pays obligations related to employee compensation from the fund benefitting from their service.

Capital Lease Obligation: The capital lease obligations are described in Note 8.

Compensated absences: The liability for compensated absences will be paid from the fund from which the employee was paid. For the District, this is primarily the general fund.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

C. The District has restated the long-term obligations at June 30, 2015 to include \$3,130,000 of Series 2009 capital improvements bonds which were outstanding at June 30, 2015. This restatement had no effect on net position as previously reported at June 30, 2015 as unamortized deferred charges on debt refunding (a deferred outflow of resources) was understated by the same amount. During fiscal year 2016, the following changes occurred in governmental activities long-term obligations:

	<u>Restated Balance 06/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/16</u>	<u>Amount Due in One Year</u>
<u>General Obligation Bonds</u>					
Series 2006, Refunding					
Current Interest Bonds					
3.75% - 4.00%					
12/01/21 maturity	\$ 7,065,000	\$ -	\$ -	\$ 7,065,000	\$ 1,125,000
Series 2006, Refunding					
Capital Appreciation Bonds					
14.449% (average effective)					
12/01/14 and 12/01/15 maturity	277,510	-	(277,510)	-	-
Series 2006, Refunding					
Capital Appreciation Bonds					
Accreted interest	740,853	81,637	(822,490)	-	-
Series 2009, Improvement					
Current Interest Bonds					
4.835% - 5.25%					
12/01/16 maturity	3,130,000	-	(1,470,000)	1,660,000	1,660,000
Series 2009, Improvement					
Capital Appreciation Bonds					
11.5170% (average effective)					
12/01/17 maturity	779,981	-	-	779,981	-

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

	<u>Restated Balance 06/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/16</u>	<u>Amount Due in One Year</u>
<u>General Obligation Bonds (continued):</u>					
Series 2009, Improvement Capital Appreciation Bonds					
Accreted interest	\$ 735,332	\$ 174,516	\$ -	\$ 909,848	\$ -
Series 2011, Refunding Current Interest Bonds 2.00% - 4.00%					
12/01/22 maturity	7,825,000	-	(1,255,000)	6,570,000	1,245,000
Series 2014, Energy Current Interest Bonds 1.00% - 4.00%					
12/01/28 maturity	5,040,000	-	(300,000)	4,740,000	305,000
Series 2015, Refunding Current Interest Bonds 2.00% - 5.00%					
12/01/36 maturity	65,605,000	-	(1,545,000)	64,060,000	420,000
Series 2015, Refunding Capital Appreciation Bonds 24.22% (average effective)					
12/01/18 and 12/01/19 maturity	1,845,000	-	-	1,845,000	-
Series 2015, Refunding Capital Appreciation Bonds Accreted interest					
	<u>60,776</u>	<u>481,919</u>	<u>-</u>	<u>542,695</u>	<u>-</u>
Total general obligation bonds	<u>93,104,452</u>	<u>738,072</u>	<u>(5,670,000)</u>	<u>88,172,524</u>	<u>4,755,000</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

	Restated Balance <u>06/30/15</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/16</u>	Amount Due in <u>One Year</u>
Other Obligations:					
Net Pension Liability:					
STRS	\$ 85,934,466	\$ 11,613,594	\$ -	\$ 97,548,060	\$ -
SERS	<u>19,214,427</u>	<u>2,201,399</u>	<u>-</u>	<u>21,415,826</u>	<u>-</u>
Total net pension liability	<u>105,148,893</u>	<u>13,814,993</u>	<u>-</u>	<u>118,963,886</u>	<u>-</u>
Compensated absences	<u>8,261,615</u>	<u>1,284,316</u>	<u>(1,756,097)</u>	<u>7,789,834</u>	<u>942,945</u>
Total, other obligations	<u>113,410,508</u>	<u>15,099,309</u>	<u>(1,756,097)</u>	<u>126,753,720</u>	<u>942,945</u>
Total, all governmental activities long-term liabilities	206,514,960			214,926,244	<u>\$ 5,697,945</u>
Add: Unamortized bond premiums	<u>9,368,911</u>			<u>8,831,551</u>	
Total on statement of net position	<u>\$ 215,883,871</u>			<u>\$ 223,757,795</u>	

D. Principal and interest requirements to retire general obligation school improvement bonds and general obligation refunding bonds outstanding at June 30, 2016, are as follows:

Fiscal Year Ending June 30	Current Interest Refunding Bonds			Current Interest Energy Conservation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 2,790,000	\$ 3,274,156	\$ 6,064,156	\$ 305,000	\$ 154,350	\$ 459,350
2018	2,600,000	3,178,237	5,778,237	310,000	148,200	458,200
2019	2,250,000	3,083,388	5,333,388	315,000	141,950	456,950
2020	2,340,000	2,991,888	5,331,888	325,000	133,925	458,925
2021	4,785,000	2,837,363	7,622,363	335,000	124,025	459,025
2022 - 2026	16,830,000	11,810,607	28,640,607	1,855,000	443,050	2,298,050
2027 - 2031	18,580,000	8,144,300	26,724,300	1,295,000	79,100	1,374,100
2032 - 2036	22,725,000	3,937,025	26,662,025	-	-	-
2037	<u>4,795,000</u>	<u>119,875</u>	<u>4,914,875</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 77,695,000</u>	<u>\$ 39,376,839</u>	<u>\$ 117,071,839</u>	<u>\$ 4,740,000</u>	<u>\$ 1,224,600</u>	<u>\$ 5,964,600</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Fiscal Year Ending June 30	Capital Appreciation Improvement Bonds			Capital Appreciation Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	779,981	1,210,019	1,990,000	-	-	-
2019	-	-	-	1,025,000	1,300,000	2,325,000
2020	-	-	-	820,000	1,525,000	2,345,000
Total	\$ 779,981	\$ 1,210,019	\$ 1,990,000	\$ 1,845,000	\$ 2,825,000	\$ 4,670,000

Fiscal Year Ending June 30	Current Interest Improvement Bonds		
	Principal	Interest	Total
2017	\$ 1,660,000	\$ 26,975	\$ 1,686,975
Total	\$ 1,660,000	\$ 26,975	\$ 1,686,975

E. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2016, are a voted debt margin of \$45,420,058 (including available funds of \$4,210,039), an unvoted debt margin of \$1,368,778, and an energy conservation debt margin of \$7,579,000.

NOTE 10 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2016, the District purchased commercial coverage through the Ohio School Plan for property and contents with a limit of \$244,594,796 and a \$1,000 deductible.

General liability is protected by the Ohio School Plan with an \$8,000,000 general aggregate/\$6,000,000 single occurrence limit and a \$0 deductible.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 10 - RISK MANAGEMENT – (Continued)

Vehicles are covered by The Ohio School Plan and hold \$1,000 deductible for comprehensive coverage. Vehicles have been insured under a liability policy, with a \$6,000,000 per occurrence limitation and a \$0 deductible.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in coverage from the prior year.

B. Group Health and Dental Insurance

The District is fully insured through commercial carriers for group health and dental benefits.

The District provides employee medical/surgical benefits through a Paramount health insurance program. This plan provides employees a choice of four levels of HMO coverage. Paramount administers the health insurance program. The District pays \$1,664.74 (100% co-ins), \$1,597.86 (90/10 co-ins), \$1,536.12 (80/20 co-ins) and \$1,387.21 (High Deductible) for family coverage or \$652.82 (100% co-ins), \$626.60 (90/10 co-ins), \$602.38 (80/20 co-ins) and \$543.98 (High Deductible) for individual coverage per month for full-time employees. The premium is paid by the fund that pays the salary for the employee.

The District provides employee dental benefits through a managed-care dental program. This plan provides dental benefits with a \$50 family and \$25 single deductible. Delta Dental administers the dental program. The District pays \$97.60 family or \$32.36 single per employee per month, which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee.

C. Workers' Compensation

For fiscal year 2016, the District paid the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The District's contractually required contribution to SERS was \$1,559,305 for fiscal year 2016. Of this amount, \$97,081 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

The District's contractually required contribution to STRS was \$5,322,490 for fiscal year 2016. Of this amount, \$911,764 is reported as pension and postemployment benefits payable.

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 21,415,826	\$ 97,548,060	\$ 118,963,886
Proportion of the net pension liability	0.37531480%	0.35296087%	
Pension expense	\$ 1,291,983	\$ 4,354,934	\$ 5,646,917

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 346,646	\$ 4,447,553	\$ 4,794,199
District contributions subsequent to the measurement date	<u>1,559,305</u>	<u>5,322,490</u>	<u>6,881,795</u>
Total deferred outflows of resources	<u><u>\$ 1,905,951</u></u>	<u><u>\$ 9,770,043</u></u>	<u><u>\$ 11,675,994</u></u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 736,351	\$ 7,026,950	\$ 7,763,301
Changes in proportionate share and difference between District contributions and proportionate share of contributions	<u>166,700</u>	<u>77,262</u>	<u>243,962</u>
Total deferred inflows of resources	<u><u>\$ 903,051</u></u>	<u><u>\$ 7,104,212</u></u>	<u><u>\$ 8,007,263</u></u>

\$6,881,795 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2017	\$ (319,808)	\$ (1,606,095)	\$ (1,925,903)
2018	(319,808)	(1,606,095)	(1,925,903)
2019	(319,809)	(1,606,095)	(1,925,904)
2020	<u>403,020</u>	<u>2,161,626</u>	<u>2,564,646</u>
Total	<u><u>\$ (556,405)</u></u>	<u><u>\$ (2,656,659)</u></u>	<u><u>\$ (3,213,064)</u></u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 29,696,055	\$ 21,415,826	\$ 14,443,191

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 135,501,614	\$ 97,548,060	\$ 65,452,670

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$186,313.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$186,313, \$238,348, and \$203,950, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

B. State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$368,635, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

NOTE 13 - STATUTORY RESERVES

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 13 - STATUTORY RESERVES - (Continued)

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2015	\$ 1,288,757
Current year set-aside requirement	-
Current year qualifying expenditures	(892,434)
Current year offsets	<u>(396,323)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2017	<u>\$ -</u>
Set-aside balance June 30, 2016	<u>\$ -</u>

NOTE 14 - CONTINGENCIES

A. Grants

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

B. Litigation

The District is not involved in material litigation as either plaintiff or defendant that management believes would have a material adverse effect on the financial statements.

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 15 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance to the extent fund balance is available. For the general fund, fund balance is not reported as assigned for encumbrances as unassigned fund balance is negative. At year end, the District's commitments for encumbrances (less amounts already reported as payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 622,729
Nonmajor governmental	<u>82,844</u>
Total	<u>\$ 705,573</u>

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REQUIRED SUPPLEMENTARY INFORMATION

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 53,360,505	\$ 53,360,505	\$ 54,373,938	\$ 1,013,433
Payments in lieu of taxes	338,245	338,245	338,245	-
Tuition	835,000	835,000	593,994	(241,006)
Transportation fees	45,000	45,000	45,612	612
Earnings on investments	17,000	17,000	41,732	24,732
Classroom materials and fees	251,000	251,000	255,501	4,501
Rental income	50,000	50,000	69,298	19,298
Other local revenues	260,000	260,000	252,263	(7,737)
Intergovernmental - state	24,494,000	24,494,000	24,489,904	(4,096)
Total revenues	79,650,750	79,650,750	80,460,487	809,737
Expenditures:				
Current:				
Instruction:				
Regular	33,213,369	33,213,369	33,147,013	66,356
Special	11,215,175	11,215,175	11,176,517	38,658
Vocational	1,609,721	1,609,721	1,607,310	2,411
Other	2,439,459	2,439,459	2,219,858	219,601
Support services:				
Pupil	5,504,786	5,504,786	5,450,935	53,851
Instructional staff	1,939,945	1,939,945	1,890,030	49,915
Board of education	35,291	35,291	34,841	450
Administration	7,773,648	7,773,648	7,636,538	137,110
Fiscal	1,771,630	1,771,630	1,738,772	32,858
Business	272,005	272,005	252,536	19,469
Operations and maintenance	9,529,839	9,529,839	9,267,515	262,324
Pupil transportation	4,859,469	4,859,469	4,635,525	223,944
Central	1,178,109	1,178,109	821,869	356,240
Operation of non-instructional services:				
Other non-instructional services	15,500	15,500	14,500	1,000
Extracurricular activities	1,402,342	1,402,342	1,383,524	18,818
Facilities acquisition and construction	75,441	75,441	72,353	3,088
Debt service:				
Principal	300,000	300,000	300,000	-
Interest and fiscal charges	160,400	160,400	160,400	-
Total expenditures	83,296,129	83,296,129	81,810,036	1,486,093
Excess of revenues (under) expenditures	(3,645,379)	(3,645,379)	(1,349,549)	2,295,830
Other financing sources (uses):				
Transfers in	-	-	22,883	22,883
Transfers (out)	(225,000)	(225,000)	(177,431)	47,569
Advances in	204,042	204,042	204,042	-
Advances (out)	(205,000)	(205,000)	(203,628)	1,372
Refund of prior year's receipts	(1,500)	(1,500)	-	1,500
Refund of prior year's expenditures	400,000	400,000	83,778	(316,222)
Sale of capital assets	72,000	72,000	51,104	(20,896)
Total other financing sources (uses)	244,542	244,542	(19,252)	(263,794)
Net change in fund balance	(3,400,837)	(3,400,837)	(1,368,801)	2,032,036
Fund balance at beginning of year	3,543,409	3,543,409	3,543,409	-
Prior year encumbrances appropriated	508,203	508,203	508,203	-
Fund balance at end of year	\$ 650,775	\$ 650,775	\$ 2,682,811	\$ 2,032,036

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

BUDGETARY BASIS OF ACCOUNTING

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

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

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

The adjustments necessary to convert the changes in financial position/fund balance for the year on the budget basis to the GAAP basis for the general fund are as follows:

Net Change in Fund Balance

	General Fund
Budget basis	\$ (1,368,801)
Net adjustment for revenue accruals	1,193,413
Net adjustment for expenditure accruals	960,089
Net adjustment for other sources/uses	(149,811)
Funds budgeted elsewhere	(95,774)
Adjustment for encumbrances	768,642
GAAP basis	\$ 1,307,758

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the public school support fund, the uniform school supplies fund, the natatorium fund, the special services rotary fund and the rotary fund.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.37531480%	0.37966100%	0.37966100%
District's proportionate share of the net pension liability	\$ 21,415,826	\$ 19,214,427	\$ 22,577,221
District's covered-employee payroll	\$ 11,298,938	\$ 11,032,186	\$ 10,474,176
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	174.17%	215.55%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.35296087%	0.35329868%	0.35329868%
District's proportionate share of the net pension liability	\$ 97,548,060	\$ 85,934,466	\$ 102,364,574
District's covered-employee payroll	\$ 36,825,550	\$ 36,097,362	\$ 37,587,531
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.89%	238.06%	272.34%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,559,305	\$ 1,489,200	\$ 1,529,061	\$ 1,449,626
Contributions in relation to the contractually required contribution	<u>(1,559,305)</u>	<u>(1,489,200)</u>	<u>(1,529,061)</u>	<u>(1,449,626)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 11,137,893	\$ 11,298,938	\$ 11,032,186	\$ 10,474,176
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,424,025	\$ 1,436,569	\$ 1,586,889	\$ 1,109,650	\$ 1,039,402	\$ 1,054,118
<u>(1,424,025)</u>	<u>(1,436,569)</u>	<u>(1,586,889)</u>	<u>(1,109,650)</u>	<u>(1,039,402)</u>	<u>(1,054,118)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,587,546	\$ 11,428,552	\$ 11,720,007	\$ 11,276,931	\$ 10,584,542	\$ 9,870,019
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 5,322,490	\$ 5,155,577	\$ 4,692,657	\$ 4,886,379
Contributions in relation to the contractually required contribution	<u>(5,322,490)</u>	<u>(5,155,577)</u>	<u>(4,692,657)</u>	<u>(4,886,379)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 38,017,786	\$ 36,825,550	\$ 36,097,362	\$ 37,587,531
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 4,828,217	\$ 5,247,089	\$ 5,275,129	\$ 5,135,368	\$ 4,852,315	\$ 4,595,742
<u>(4,828,217)</u>	<u>(5,247,089)</u>	<u>(5,275,129)</u>	<u>(5,135,368)</u>	<u>(4,852,315)</u>	<u>(4,595,742)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 37,140,131	\$ 40,362,223	\$ 40,577,915	\$ 39,502,831	\$ 37,325,500	\$ 35,351,862
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014, 2015, and 2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014, 2015, and 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014, 2015, and 2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014, 2015, and 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES

**SYLVANIA CITY SCHOOL DISTRICT
MAJOR FUNDS**

General Fund

The General fund accounts for and reports all Financial resources not accounted for and reported in another fund. These general fund's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

Other Major Fund

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted committed or assigned to expenditure for principal and interest.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 53,360,505	\$ 53,360,505	\$ 54,373,938	\$ 1,013,433
Payments in lieu of taxes.	338,245	338,245	338,245	-
Tuition	835,000	835,000	593,994	(241,006)
Transportation fees.	45,000	45,000	45,612	612
Earnings on investments	17,000	17,000	41,732	24,732
Classroom materials and supplies	251,000	251,000	255,501	4,501
Rental income	50,000	50,000	69,298	19,298
Other local revenue	260,000	260,000	252,263	(7,737)
Intergovernmental-state	24,494,000	24,494,000	24,489,904	(4,096)
Total revenues	<u>79,650,750</u>	<u>79,650,750</u>	<u>80,460,487</u>	<u>809,737</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	22,594,650	22,594,650	22,593,910	740
Fringe benefits	9,579,385	9,579,385	9,578,509	876
Purchased services	192,141	192,141	154,407	37,734
Supplies and materials	834,253	834,253	807,671	26,582
Capital outlay	10,870	10,870	10,870	-
Other	2,070	2,070	1,646	424
Total instruction-regular.	<u>33,213,369</u>	<u>33,213,369</u>	<u>33,147,013</u>	<u>66,356</u>
Instruction-special				
Salaries and wages	6,832,019	6,832,019	6,831,832	187
Fringe benefits	2,930,261	2,930,261	2,929,403	858
Purchased services	1,432,015	1,432,015	1,398,142	33,873
Supplies and materials	19,930	19,930	16,190	3,740
Other	950	950	950	-
Total instruction-special.	<u>11,215,175</u>	<u>11,215,175</u>	<u>11,176,517</u>	<u>38,658</u>
Instruction-vocational				
Salaries and wages	992,294	992,294	991,734	560
Fringe benefits	371,949	371,949	371,053	896
Purchased services	35,035	35,035	34,996	39
Supplies and materials	146,856	146,856	146,030	826
Capital outlay	39,335	39,335	39,335	-
Other	24,252	24,252	24,162	90
Total instruction-vocational	<u>1,609,721</u>	<u>1,609,721</u>	<u>1,607,310</u>	<u>2,411</u>
Instruction-other				
Purchased services	2,439,459	2,439,459	2,219,858	219,601
Total instruction-other.	<u>2,439,459</u>	<u>2,439,459</u>	<u>2,219,858</u>	<u>219,601</u>
Support services-pupil				
Salaries and wages	3,668,424	3,668,424	3,668,269	155
Fringe benefits	1,374,770	1,374,770	1,373,781	989
Purchased services	369,000	369,000	351,518	17,482
Supplies and materials	10,705	10,705	7,924	2,781
Other	81,887	81,887	49,443	32,444
Total support services-pupil	<u>5,504,786</u>	<u>5,504,786</u>	<u>5,450,935</u>	<u>53,851</u>

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Support services-instructional staff				
Salaries and wages	992,728	992,728	992,331	397
Fringe benefits	704,003	704,003	703,313	690
Purchased services	82,465	82,465	56,456	26,009
Supplies and materials	145,449	145,449	123,700	21,749
Other	15,300	15,300	14,230	1,070
Total support services-instructional staff	<u>1,939,945</u>	<u>1,939,945</u>	<u>1,890,030</u>	<u>49,915</u>
Support services-board of education				
Salaries and wages	12,500	12,500	12,500	-
Fringe benefits	1,911	1,911	1,911	-
Purchased services	2,500	2,500	2,450	50
Supplies and materials	10,000	10,000	9,600	400
Other	8,380	8,380	8,380	-
Total support services-board of education.	<u>35,291</u>	<u>35,291</u>	<u>34,841</u>	<u>450</u>
Support services-administration				
Salaries and wages	4,338,574	4,338,574	4,338,350	224
Fringe benefits	2,261,268	2,261,268	2,257,037	4,231
Purchased services	936,976	936,976	836,319	100,657
Supplies and materials	152,183	152,183	124,386	27,797
Other	84,647	84,647	80,446	4,201
Total support services-administration	<u>7,773,648</u>	<u>7,773,648</u>	<u>7,636,538</u>	<u>137,110</u>
Support services-fiscal				
Salaries and wages	448,744	448,744	448,282	462
Fringe benefits	230,523	230,523	230,253	270
Purchased services	172,863	172,863	148,989	23,874
Supplies and materials	9,500	9,500	6,812	2,688
Other	910,000	910,000	904,436	5,564
Total support services-fiscal.	<u>1,771,630</u>	<u>1,771,630</u>	<u>1,738,772</u>	<u>32,858</u>
Support services-business				
Salaries and wages	73,427	73,427	73,157	270
Fringe benefits	44,224	44,224	43,495	729
Purchased services	139,254	139,254	121,051	18,203
Supplies and materials	11,800	11,800	11,788	12
Other	3,300	3,300	3,045	255
Total support services-business	<u>272,005</u>	<u>272,005</u>	<u>252,536</u>	<u>19,469</u>
Support services-operations & maintenance				
Salaries and wages	3,241,646	3,241,646	3,241,405	241
Fringe benefits	1,832,227	1,832,227	1,831,886	341
Purchased services	3,636,668	3,636,668	3,516,357	120,311
Supplies and materials	661,973	661,973	623,022	38,951
Capital outlay	117,325	117,325	16,330	100,995
Other	40,000	40,000	38,515	1,485
Total support services-operations & maintenance	<u>9,529,839</u>	<u>9,529,839</u>	<u>9,267,515</u>	<u>262,324</u>

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support services-pupil transportation				
Salaries and wages	2,360,231	2,360,231	2,360,184	47
Fringe benefits	1,360,534	1,360,534	1,333,617	26,917
Purchased services	367,428	367,428	331,092	36,336
Supplies and materials	673,776	673,776	527,772	146,004
Capital outlay	97,500	97,500	82,860	14,640
Total support services-pupil transportation	<u>4,859,469</u>	<u>4,859,469</u>	<u>4,635,525</u>	<u>223,944</u>
Support services-central				
Salaries and wages	296,944	296,944	296,172	772
Fringe benefits	158,174	158,174	157,947	227
Purchased services	501,441	501,441	226,262	275,179
Supplies and materials	210,050	210,050	134,199	75,851
Capital outlay	1,500	1,500	898	602
Other	10,000	10,000	6,391	3,609
Total support services-central	<u>1,178,109</u>	<u>1,178,109</u>	<u>821,869</u>	<u>356,240</u>
Other non-instructional services				
Purchased services	15,500	15,500	14,500	1,000
Total other non-instructional services	<u>15,500</u>	<u>15,500</u>	<u>14,500</u>	<u>1,000</u>
Extracurricular activities				
Salaries and wages	937,923	937,923	931,152	6,771
Fringe benefits	190,976	190,976	189,181	1,795
Purchased services	223,602	223,602	214,300	9,302
Other	49,841	49,841	48,891	950
Total extracurricular activities.	<u>1,402,342</u>	<u>1,402,342</u>	<u>1,383,524</u>	<u>18,818</u>
Facilities acquisition & construction				
Supplies and materials	75,441	75,441	72,353	3,088
Total facilities acquisition & construction.	<u>75,441</u>	<u>75,441</u>	<u>72,353</u>	<u>3,088</u>
Debt service				
Principal retirement	300,000	300,000	300,000	-
Interest and fiscal charges.	160,400	160,400	160,400	-
Total debt service.	<u>460,400</u>	<u>460,400</u>	<u>460,400</u>	<u>-</u>
Total expenditures	<u>83,296,129</u>	<u>83,296,129</u>	<u>81,810,036</u>	<u>1,486,093</u>
Excess of revenues (under) expenditures	<u>(3,645,379)</u>	<u>(3,645,379)</u>	<u>(1,349,549)</u>	<u>2,295,830</u>
Other financing sources (uses):				
Transfers in	-	-	22,883	22,883
Transfers out	(225,000)	(225,000)	(177,431)	47,569
Advances in.	204,042	204,042	204,042	-
Advances out	(205,000)	(205,000)	(203,628)	1,372
Refund of prior year's receipts	(1,500)	(1,500)	-	1,500
Refund of prior year expenditures	400,000	400,000	83,778	(316,222)
Sale of capital assets	72,000	72,000	51,104	(20,896)
Total other financing sources (uses)	<u>244,542</u>	<u>244,542</u>	<u>(19,252)</u>	<u>(263,794)</u>
Excess (deficiency) of revenues and other financing sources over (under) Net change in fund balance	<u>(3,400,837)</u>	<u>(3,400,837)</u>	<u>(1,368,801)</u>	<u>2,032,036</u>
Fund balance at beginning of year	<u>3,543,409</u>	<u>3,543,409</u>	<u>3,543,409</u>	<u>-</u>
Prior year encumbrances appropriated.	<u>508,203</u>	<u>508,203</u>	<u>508,203</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 650,775</u>	<u>\$ 650,775</u>	<u>\$ 2,682,811</u>	<u>\$ 2,032,036</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service				
Total Revenues and Other Sources	\$ 8,149,800	\$ 8,089,524	\$ 8,089,524	\$ -
Total Expenditures and Other Uses	<u>9,371,228</u>	<u>8,909,945</u>	<u>8,909,945</u>	<u>-</u>
Net Change in Fund Balance	(1,221,428)	(820,421)	(820,421)	-
Fund balance at beginning of year	<u>4,608,104</u>	<u>4,608,104</u>	<u>4,608,104</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,386,676</u>	<u>\$ 3,787,683</u>	<u>\$ 3,787,683</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUND DESCRIPTION**

Nonmajor Special Revenue Funds

The special revenue funds are established to account for revenues from specific sources which, legally or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Food Service Section 3313.81, Revised Code

This fund is used to record financial transactions related to food service operations.

Other Grants Sections 5705.09 and 5705.13, Revised Code

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

District Managed Student Activity Section 3313.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services Current Budget Bill, appropriation line item 200-511

A fund to account for receipts and expenditures incurred in providing services and materials to pupils attending non-public schools within the District.

Data Communications for Schools Section 5705.09, Revised Code

A fund provided to account for money appropriated for the costs incurred in connecting schools to the Ohio Educational Computer Network.

Vocational Educational Enhancements State Line Item Appropriation GRF 200-545

A fund used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes and 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Miscellaneous State Grants Section 5705.12, Revised Code

A fund used to account for various monies received from State agencies not classified elsewhere.

Adult Basic Education PL 91-230, Title III

This fund accounts for Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

IDEA Part B Education of the Handicapped Act, PL 91-230

To account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education Carl D. Perkins Vocational Education Act of 1984, PL 98-524

Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

**SYLVANIA CITY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUND DESCRIPTION**

Nonmajor Special Revenue Funds (Continued)

Title III - Limited English Proficiency

Catalog of Federal Domestic Assistance #84.365

Funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency. These programs provided structured English language instruction, with the respect to the years of study to which the program is applicable, and instruction in the child's native language to the extent necessary to allow a child to achieve competence in English. The instruction must be, to the extent necessary, in all courses or subjects of study which will allow a child to meet grade promotion and graduation standards.

Title I

Catalog of Federal Domestic Assistance #84.010

To provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs.

Pre-school for the Handicapped Grant

Education of the Handicapped Act Amendments, PL 99-457.

Catalog of Federal Domestic Assistance #84-173

The Pre-school Grant Program addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Improving Teacher Quality

Title VI ESEA

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

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

Uniform School Supplies

Section 3313.81, Revised Code

This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Special Services Rotary Fund

Section 5705.12, Revised Code

A fund provided to account for income and expenses made in connection with goods and services provided by a school district. Activities in this fund tend to be curricular in nature.

Natatorium

Section 755.14, Revised Code

A fund provided to account for monies received and expended in connection with a community recreation program.

Rotary Fund

Section 5705.12, Revised Code

A fund provided to account for operations that provide goods or services to other governmental units on a cost-reimbursement basis. The use of the fund may be applied to situations where the district acts as fiscal agent for a multi-district program.

Public School Support

Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (i.e., profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by Board resolution. Such expenditures may include curricular and extra-curricular related purchases.

**SYLVANIA CITY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUND DESCRIPTION**

Nonmajor Capital Projects Fund

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

Permanent Improvement

Section 5705.10, Revised Code

This fund is provided to account for all transactions related to the acquisition or construction of such permanent improvements as are authorized by Chapter 5705 of the Revised Code.

Building Fund

Section 5705.09, Revised Code

This fund accounts for the receipts and expenditures related to all special bond funds in the District and to account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities, including real property.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 316,010	\$ 852,911	\$ 1,168,921
Receivables:			
Property taxes	-	344,161	344,161
Payment in lieu of taxes.	-	1,432	1,432
Accounts.	14,385	-	14,385
Intergovernmental	855,093	-	855,093
Inventory held for resale	2,007	-	2,007
	<u>\$ 1,187,495</u>	<u>\$ 1,198,504</u>	<u>\$ 2,385,999</u>
Total assets.	<u>\$ 1,187,495</u>	<u>\$ 1,198,504</u>	<u>\$ 2,385,999</u>
Liabilities:			
Accounts payable.	\$ 30,069	\$ -	\$ 30,069
Accrued wages and benefits payable	335,761	-	335,761
Intergovernmental payable	4,124	-	4,124
Pension and postemployment benefits payable	103,624	-	103,624
Interfund loan payable	146,479	-	146,479
	<u>620,057</u>	<u>-</u>	<u>620,057</u>
Total liabilities.	<u>620,057</u>	<u>-</u>	<u>620,057</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	-	319,175	319,175
Payment in lieu of taxes revenue levied for the next fiscal year	-	1,432	1,432
Delinquent property tax revenue not available.	-	4,161	4,161
Intergovernmental revenue not available	855,093	-	855,093
	<u>855,093</u>	<u>324,768</u>	<u>1,179,861</u>
Total deferred inflows of resources	<u>855,093</u>	<u>324,768</u>	<u>1,179,861</u>
Fund balances:			
Restricted:			
Capital improvements	-	873,736	873,736
Non-public schools	44,708	-	44,708
Other purposes	9,469	-	9,469
Extracurricular	156,573	-	156,573
Unassigned (deficit)	(498,405)	-	(498,405)
	<u>(287,655)</u>	<u>873,736</u>	<u>586,081</u>
Total fund balances (deficit).	<u>(287,655)</u>	<u>873,736</u>	<u>586,081</u>
Total liabilities and fund balances.	<u>\$ 1,187,495</u>	<u>\$ 1,198,504</u>	<u>\$ 2,385,999</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ -	\$ 354,300	\$ 354,300
Payment in lieu of taxes	-	2,150	2,150
Earnings on investments	698	-	698
Charges for services	1,008,406	-	1,008,406
Extracurricular	456,785	-	456,785
Other local revenues	22,774	9,210	31,984
Intergovernmental - state	945,792	52,084	997,876
Intergovernmental - federal	3,092,155	-	3,092,155
Total revenue.	<u>5,526,610</u>	<u>417,744</u>	<u>5,944,354</u>
Expenditures:			
Current:			
Instruction:			
Regular.	208,554	-	208,554
Special	2,000,371	-	2,000,371
Vocational	76,518	-	76,518
Adult/continuing	72,470	-	72,470
Support services:			
Pupil	115,323	-	115,323
Instructional staff.	19,663	-	19,663
Fiscal.	-	5,555	5,555
Operations and maintenance	-	1,213	1,213
Central	21,600	-	21,600
Operation of non-instructional services:			
Food service operations	1,966,316	-	1,966,316
Other non-instructional services	984,840	-	984,840
Extracurricular activities.	430,937	-	430,937
Facilities acquisition and construction	-	343,294	343,294
Total expenditures	<u>5,896,592</u>	<u>350,062</u>	<u>6,246,654</u>
Excess of revenues (under) expenditures	<u>(369,982)</u>	<u>67,682</u>	<u>(302,300)</u>
Other financing sources (uses):			
Transfers in.	120,330	-	120,330
Transfers (out)	-	(3,572)	(3,572)
Total other financing sources (uses)	<u>120,330</u>	<u>(3,572)</u>	<u>116,758</u>
Net change in fund balances	(249,652)	64,110	(185,542)
Fund balances (deficit) at beginning of year	(31,769)	809,626	777,857
(Decrease) in reserve for inventory	(6,234)	-	(6,234)
Fund balances (deficit) at end of year	<u>\$ (287,655)</u>	<u>\$ 873,736</u>	<u>\$ 586,081</u>

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016

	Food Service	Other Grants	District Managed Student Activity	Auxiliary Services	Vocational Educational Enhancements
Assets:					
Equity in pooled cash and cash equivalents.	\$ 3,796	\$ 9,469	\$ 183,510	\$ 64,010	\$ 2,667
Receivables:					
Accounts	6,437	-	1,303	-	-
Intergovernmental	-	-	-	-	5,711
Inventory held for resale	2,007	-	-	-	-
Total assets.	<u>\$ 12,240</u>	<u>\$ 9,469</u>	<u>\$ 184,813</u>	<u>\$ 64,010</u>	<u>\$ 8,378</u>
Liabilities:					
Accounts payable.	\$ 3,713	\$ -	\$ 2,588	\$ 19,302	\$ 599
Accrued wages and benefits payable	61,477	-	-	-	-
Intergovernmental payable	679	-	280	-	-
Pension and postemployment benefits payable	39,805	-	338	-	-
Interfund loan payable	-	-	25,034	-	5,554
Total liabilities.	<u>105,674</u>	<u>-</u>	<u>28,240</u>	<u>19,302</u>	<u>6,153</u>
Deferred inflows of resources:					
Intergovernmental revenue not available	-	-	-	-	5,711
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,711</u>
Fund balances:					
Restricted:					
Non public schools	-	-	-	44,708	-
Other purposes	-	9,469	-	-	-
Extracurricular	-	-	156,573	-	-
Unassigned (deficit)	(93,434)	-	-	-	(3,486)
Total fund balances (deficit)	<u>(93,434)</u>	<u>9,469</u>	<u>156,573</u>	<u>44,708</u>	<u>(3,486)</u>
Total liabilities and fund balances	<u>\$ 12,240</u>	<u>\$ 9,469</u>	<u>\$ 184,813</u>	<u>\$ 64,010</u>	<u>\$ 8,378</u>

Adult Basic Education	IDEA Part B	Vocational Education	Title III - Limited English Proficiency	Title I	Pre-school for the Handicapped Grant	Improving Teacher Quality
\$ -	\$ 15,070	\$ 36,241	\$ -	\$ 1,246	\$ -	\$ 1
6,645	-	-	-	-	-	-
-	609,636	37,001	9,619	124,367	-	68,759
-	-	-	-	-	-	-
<u>\$ 6,645</u>	<u>\$ 624,706</u>	<u>\$ 73,242</u>	<u>\$ 9,619</u>	<u>\$ 125,613</u>	<u>\$ -</u>	<u>\$ 68,760</u>
\$ -	\$ 539	\$ 3,328	\$ -	\$ -	\$ -	\$ -
-	112,986	-	9,412	116,474	-	35,412
-	1,087	-	137	1,518	-	423
1,479	42,152	-	825	14,211	1,258	3,556
6,646	68,233	36,958	-	4,054	-	-
<u>8,125</u>	<u>224,997</u>	<u>40,286</u>	<u>10,374</u>	<u>136,257</u>	<u>1,258</u>	<u>39,391</u>
-	609,636	37,001	9,619	124,367	-	68,759
-	609,636	37,001	9,619	124,367	-	68,759
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,480)	(209,927)	(4,045)	(10,374)	(135,011)	(1,258)	(39,390)
<u>(1,480)</u>	<u>(209,927)</u>	<u>(4,045)</u>	<u>(10,374)</u>	<u>(135,011)</u>	<u>(1,258)</u>	<u>(39,390)</u>
<u>\$ 6,645</u>	<u>\$ 624,706</u>	<u>\$ 73,242</u>	<u>\$ 9,619</u>	<u>\$ 125,613</u>	<u>\$ -</u>	<u>\$ 68,760</u>

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2016

	Total Nonmajor Special Revenue
Assets:	
Equity in pooled cash and cash equivalents	\$ 316,010
Receivables:	
Accounts	14,385
Intergovernmental	855,093
Inventory held for resale	2,007
Total assets.	\$ 1,187,495
Liabilities:	
Accounts payable.	\$ 30,069
Accrued wages and benefits payable	335,761
Intergovernmental payable	4,124
Pension and postemployment benefits payable	103,624
Interfund loan payable	146,479
Total liabilities.	620,057
Deferred inflows of resources:	
Intergovernmental revenue not available	855,093
Total deferred inflows of resources	855,093
Fund balances:	
Restricted:	
Non public schools	44,708
Other purposes	9,469
Extracurricular	156,573
Unassigned (deficit)	(498,405)
Total fund balances (deficit)	(287,655)
Total liabilities and fund balances	\$ 1,187,495

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Food Service</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Data Communications for Schools</u>
Revenues:					
From local sources:					
Earnings on investments	\$ -	\$ -	\$ -	\$ 698	\$ -
Charges for services	1,008,406	-	-	-	-
Extracurricular	-	-	456,785	-	-
Other local revenues	154	15,975	-	-	-
Intergovernmental - state	13,044	-	-	882,563	21,600
Intergovernmental - federal	809,469	-	-	-	-
Total revenue	<u>1,831,073</u>	<u>15,975</u>	<u>456,785</u>	<u>883,261</u>	<u>21,600</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	10,555	-	-	-
Special	-	-	-	-	-
Vocational	-	4,930	-	-	-
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	-	-	-	-	-
Instructional staff	-	-	-	-	-
Central	-	-	-	-	21,600
Operation of non-instructional services:					
Food service operations	1,966,316	-	-	-	-
Other non-instructional services	-	-	-	864,175	-
Extracurricular activities	-	-	430,937	-	-
Total expenditures	<u>1,966,316</u>	<u>15,485</u>	<u>430,937</u>	<u>864,175</u>	<u>21,600</u>
Excess of revenues over (under) expenditures	(135,243)	490	25,848	19,086	-
Other financing sources:					
Transfers in	120,330	-	-	-	-
Total other financing sources	<u>120,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(14,913)	490	25,848	19,086	-
Fund balances (deficit)					
at beginning of year	(72,287)	8,979	130,725	25,622	-
Decrease in reserve for inventory	(6,234)	-	-	-	-
Fund balances (deficit) at end of year	<u>\$ (93,434)</u>	<u>\$ 9,469</u>	<u>\$ 156,573</u>	<u>\$ 44,708</u>	<u>\$ -</u>

<u>Vocational Educational Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA Part B</u>	<u>Vocational Education</u>	<u>Title III - Limited English Proficiency</u>	<u>Title I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,645	-	-	-	-
8,977	19,608	-	-	-	-	-
-	-	65,849	1,149,339	96,609	32,694	737,899
<u>8,977</u>	<u>19,608</u>	<u>72,494</u>	<u>1,149,339</u>	<u>96,609</u>	<u>32,694</u>	<u>737,899</u>
-	-	-	-	-	-	-
-	-	-	1,141,549	-	38,722	786,050
7,690	-	-	-	63,898	-	-
-	-	72,470	-	-	-	-
-	19,608	-	95,715	-	-	-
-	-	-	-	2,663	-	11,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	100,590	-	-	20,075
-	-	-	-	-	-	-
<u>7,690</u>	<u>19,608</u>	<u>72,470</u>	<u>1,337,854</u>	<u>66,561</u>	<u>38,722</u>	<u>817,125</u>
1,287	-	24	(188,515)	30,048	(6,028)	(79,226)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,287</u>	<u>-</u>	<u>24</u>	<u>(188,515)</u>	<u>30,048</u>	<u>(6,028)</u>	<u>(79,226)</u>
(4,773)	-	(1,504)	(21,412)	(34,093)	(4,346)	(55,785)
-	-	-	-	-	-	-
<u>\$ (3,486)</u>	<u>\$ -</u>	<u>\$ (1,480)</u>	<u>\$ (209,927)</u>	<u>\$ (4,045)</u>	<u>\$ (10,374)</u>	<u>\$ (135,011)</u>

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	Pre-school for the Handicapped Grant	Improving Teacher Quality	Total Nonmajor Special Revenue
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ -	\$ 698
Charges for services	-	-	1,008,406
Extracurricular	-	-	456,785
Other local revenues	-	-	22,774
Intergovernmental - state	-	-	945,792
Intergovernmental - federal	34,298	165,998	3,092,155
Total revenue.	34,298	165,998	5,526,610
Expenditures:			
Current:			
Instruction:			
Regular.	-	197,999	208,554
Special	34,050	-	2,000,371
Vocational	-	-	76,518
Adult/continuing	-	-	72,470
Support services:			
Pupil	-	-	115,323
Instructional staff.	-	6,000	19,663
Central	-	-	21,600
Operation of non-instructional services:			
Food service operations	-	-	1,966,316
Other non-instructional services	-	-	984,840
Extracurricular activities	-	-	430,937
Total expenditures	34,050	203,999	5,896,592
Excess of revenues over (under) expenditures	248	(38,001)	(369,982)
Other financing sources:			
Transfers in.	-	-	120,330
Total other financing sources.	-	-	120,330
Net change in fund balances	248	(38,001)	(249,652)
Fund balances (deficit)			
at beginning of year	(1,506)	(1,389)	(31,769)
Decrease in reserve for inventory	-	-	(6,234)
Fund balances (deficit) at end of year	\$ (1,258)	\$ (39,390)	\$ (287,655)

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Food Services				
Total Revenues and Other Sources	\$ 1,763,500	\$ 1,916,621	\$ 1,877,655	\$ (38,966)
Total Expenditures and Other Uses	<u>1,718,977</u>	<u>1,928,588</u>	<u>1,923,471</u>	<u>5,117</u>
Net Change in Fund Balance	44,523	(11,967)	(45,816)	(33,849)
Fund balance at beginning of year	1,087	1,087	1,087	-
Prior year encumbrances appropriated.	<u>10,881</u>	<u>10,881</u>	<u>10,881</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 56,491</u>	<u>\$ 1</u>	<u>\$ (33,848)</u>	<u>\$ (33,849)</u>
Other Grants				
Total Revenues and Other Sources	\$ 2,560	\$ 10,526	\$ 16,025	\$ 5,499
Total Expenditures and Other Uses	<u>11,489</u>	<u>16,006</u>	<u>15,535</u>	<u>471</u>
Net Change in Fund Balance	(8,929)	(5,480)	490	5,970
Fund balance at beginning of year	8,979	8,979	8,979	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 50</u>	<u>\$ 3,499</u>	<u>\$ 9,469</u>	<u>\$ 5,970</u>
District Managed Student Activity				
Total Revenues and Other Sources	\$ 515,372	\$ 515,665	\$ 461,477	\$ (54,188)
Total Expenditures and Other Uses	<u>575,973</u>	<u>579,448</u>	<u>463,451</u>	<u>115,997</u>
Net Change in Fund Balance	(60,601)	(63,783)	(1,974)	61,809
Fund balance at beginning of year	163,945	163,945	163,945	-
Prior year encumbrances appropriated.	<u>16,651</u>	<u>16,651</u>	<u>16,651</u>	<u>-</u>
Fund balance at end of year	<u>\$ 119,995</u>	<u>\$ 116,813</u>	<u>\$ 178,622</u>	<u>\$ 61,809</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Auxiliary Services				
Total Revenues and Other Sources	\$ 892,323	\$ 882,800	\$ 883,261	\$ 461
Total Expenditures and Other Uses	<u>833,601</u>	<u>1,028,779</u>	<u>990,473</u>	<u>38,306</u>
Net Change in Fund Balance	58,722	(145,979)	(107,212)	38,767
Fund balance at beginning of year	2,365	2,365	2,365	-
Prior year encumbrances appropriated.	<u>143,614</u>	<u>143,614</u>	<u>143,614</u>	<u>-</u>
Fund balance at end of year	<u>\$ 204,701</u>	<u>\$ -</u>	<u>\$ 38,767</u>	<u>\$ 38,767</u>
Data Communications for Schools				
Total Revenues and Other Sources	\$ -	\$ 21,600	\$ 21,600	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>21,600</u>	<u>21,600</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Vocational Educational Enhancements				
Total Revenues and Other Sources	\$ 16,043	\$ 15,885	\$ 15,885	\$ -
Total Expenditures and Other Uses	<u>20,910</u>	<u>20,752</u>	<u>20,745</u>	<u>7</u>
Net Change in Fund Balance	(4,867)	(4,867)	(4,860)	7
Fund balance at beginning of year	15	15	15	-
Prior year encumbrances appropriated.	<u>4,852</u>	<u>4,852</u>	<u>4,852</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous State Grants				
Total Revenues and Other Sources	\$ 26,998	\$ 26,998	\$ 19,608	\$ (7,390)
Total Expenditures and Other Uses	<u>26,998</u>	<u>26,998</u>	<u>19,608</u>	<u>7,390</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Adult Basic Education				
Total Revenues and Other Sources	\$ 91,561	\$ 80,056	\$ 80,056	\$ -
Total Expenditures and Other Uses	<u>91,601</u>	<u>80,096</u>	<u>80,096</u>	<u>-</u>
Net Change in Fund Balance	(40)	(40)	(40)	-
Fund balance at beginning of year	<u>40</u>	<u>40</u>	<u>40</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
IDEA Part B				
Total Revenues and Other Sources	\$ 1,761,645	\$ 1,341,425	\$ 1,341,425	\$ -
Total Expenditures and Other Uses	<u>1,805,958</u>	<u>1,398,837</u>	<u>1,387,084</u>	<u>11,753</u>
Net Change in Fund Balance	(44,313)	(57,412)	(45,659)	11,753
Fund balance at beginning of year	12,621	12,621	12,621	-
Prior year encumbrances appropriated.	<u>44,792</u>	<u>44,792</u>	<u>44,792</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 13,100</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 11,754</u></u>	<u><u>\$ 11,753</u></u>
Vocational Education				
Total Revenues and Other Sources	\$ 129,949	\$ 133,966	\$ 133,567	\$ (399)
Total Expenditures and Other Uses	<u>146,987</u>	<u>150,604</u>	<u>150,096</u>	<u>508</u>
Net Change in Fund Balance	(17,038)	(16,638)	(16,529)	109
Fund balance at beginning of year	400	400	400	-
Prior year encumbrances appropriated.	<u>16,638</u>	<u>16,638</u>	<u>16,638</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 400</u></u>	<u><u>\$ 509</u></u>	<u><u>\$ 109</u></u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Title III - Limited English Proficiency				
Total Revenues and Other Sources.	\$ 21,131	\$ 33,653	\$ 33,633	\$ (20)
Total Expenditures and Other Uses.	<u>21,151</u>	<u>33,653</u>	<u>33,653</u>	<u>-</u>
Net Change in Fund Balance	(20)	-	(20)	(20)
Fund balance at beginning of year	<u>20</u>	<u>20</u>	<u>20</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ (20)</u>
Title I				
Total Revenues and Other Sources.	\$ 954,555	\$ 848,311	\$ 848,311	\$ -
Total Expenditures and Other Uses.	<u>959,685</u>	<u>853,586</u>	<u>853,467</u>	<u>119</u>
Net Change in Fund Balance	(5,130)	(5,275)	(5,156)	119
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated. . .	<u>5,275</u>	<u>5,275</u>	<u>5,275</u>	<u>-</u>
Fund balance at end of year	<u>\$ 145</u>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ 119</u>
Pre-school for the Handicapped Grant				
Total Revenues and Other Sources.	\$ 34,298	\$ 34,298	\$ 34,298	\$ -
Total Expenditures and Other Uses.	<u>34,298</u>	<u>34,298</u>	<u>34,298</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Improving Teacher Quality				
Total Revenues and Other Sources	\$ 158,864	\$ 176,737	\$ 176,737	\$ -
Total Expenditures and Other Uses	<u>159,572</u>	<u>177,445</u>	<u>177,444</u>	<u>1</u>
Net Change in Fund Balance	(708)	(708)	(707)	1
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated.	<u>708</u>	<u>708</u>	<u>708</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
Uniform School Supplies				
Total Revenues and Other Sources	\$ 301,409	\$ 342,459	\$ 301,431	\$ (41,028)
Total Expenditures and Other Uses	<u>329,537</u>	<u>323,908</u>	<u>303,811</u>	<u>20,097</u>
Net Change in Fund Balance	(28,128)	18,551	(2,380)	(20,931)
Fund balance at beginning of year	28,329	28,329	28,329	-
Prior year encumbrances appropriated.	<u>446</u>	<u>446</u>	<u>446</u>	<u>-</u>
Fund balance at end of year	<u>\$ 647</u>	<u>\$ 47,326</u>	<u>\$ 26,395</u>	<u>\$ (20,931)</u>
Special Services Rotary Fund				
Total Revenues and Other Sources	\$ 30,500	\$ 30,500	\$ 25,352	\$ (5,148)
Total Expenditures and Other Uses	<u>48,900</u>	<u>48,900</u>	<u>26,351</u>	<u>22,549</u>
Net Change in Fund Balance	(18,400)	(18,400)	(999)	17,401
Fund balance at beginning of year	<u>19,322</u>	<u>19,322</u>	<u>19,322</u>	<u>-</u>
Fund balance at end of year	<u>\$ 922</u>	<u>\$ 922</u>	<u>\$ 18,323</u>	<u>\$ 17,401</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Natatorium				
Total Revenues and Other Sources	\$ 67,000	\$ 67,000	\$ 60,744	\$ (6,256)
Total Expenditures and Other Uses	<u>78,000</u>	<u>78,000</u>	<u>68,931</u>	<u>9,069</u>
Net Change in Fund Balance	(11,000)	(11,000)	(8,187)	2,813
Fund balance at beginning of year	<u>13,609</u>	<u>13,609</u>	<u>13,609</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,609</u>	<u>\$ 2,609</u>	<u>\$ 5,422</u>	<u>\$ 2,813</u>
Rotary Fund				
Total Revenues and Other Sources	\$ 50,000	\$ 50,000	\$ 49,830	\$ (170)
Total Expenditures and Other Uses	<u>185,823</u>	<u>185,823</u>	<u>73,404</u>	<u>112,419</u>
Net Change in Fund Balance	(135,823)	(135,823)	(23,574)	112,249
Fund balance at beginning of year	<u>146,211</u>	<u>146,211</u>	<u>146,211</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,388</u>	<u>\$ 10,388</u>	<u>\$ 122,637</u>	<u>\$ 112,249</u>
Public School Support				
Total Revenues and Other Sources	\$ 327,949	\$ 362,495	\$ 262,870	\$ (99,625)
Total Expenditures and Other Uses	<u>389,068</u>	<u>436,612</u>	<u>317,991</u>	<u>118,621</u>
Net Change in Fund Balance	(61,119)	(74,117)	(55,121)	18,996
Fund balance at beginning of year	174,381	174,381	174,381	-
Prior year encumbrances appropriated	<u>10,239</u>	<u>10,239</u>	<u>10,239</u>	<u>-</u>
Fund balance at end of year	<u>\$ 123,501</u>	<u>\$ 110,503</u>	<u>\$ 129,499</u>	<u>\$ 18,996</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	<u>Permanent Improvement</u>	<u>Total Nonmajor Capital Projects</u>
Assets:		
Equity in pooled cash and cash equivalents.	\$ 852,911	\$ 852,911
Receivables:		
Property taxes	344,161	344,161
Payment in lieu of taxes	<u>1,432</u>	<u>1,432</u>
Total assets.	<u><u>\$ 1,198,504</u></u>	<u><u>\$ 1,198,504</u></u>
Deferred inflows of resources:		
Property taxes levied for the next fiscal year. . .	\$ 319,175	\$ 319,175
Payment in lieu of taxes revenue levied for the next fiscal year	1,432	1,432
Delinquent property tax revenue not available. . .	<u>4,161</u>	<u>4,161</u>
Total deferred inflow of resources	<u>324,768</u>	<u>324,768</u>
Fund balances:		
Restricted:		
Capital improvements	<u>873,736</u>	<u>873,736</u>
Total fund balances (deficit).	<u>873,736</u>	<u>873,736</u>
Total liabilities, deferred inflows and fund balance . . .	<u><u>\$ 1,198,504</u></u>	<u><u>\$ 1,198,504</u></u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	Permanent Improvement	Building	Total Nonmajor Capital Projects
Revenues:			
From local sources:			
Property taxes	\$ 354,300	\$ -	\$ 354,300
Payment in lieu of taxes	2,150	-	2,150
Other local revenues	-	9,210	9,210
Intergovernmental - state	52,084	-	52,084
Total revenue	408,534	9,210	417,744
Expenditures:			
Current:			
Support services:			
Fiscal	5,555	-	5,555
Operations and maintenance	-	1,213	1,213
Facilities acquisition and construction	343,294	-	343,294
Total expenditures	348,849	1,213	350,062
Excess of revenues (under) expenditures	59,685	7,997	67,682
Other financing (uses):			
Transfers (out)	-	(3,572)	(3,572)
Total other financing sources (uses)	-	(3,572)	(3,572)
Net change in fund balances	59,685	4,425	64,110
Fund balances at beginning of year	814,051	(4,425)	809,626
Fund balances at end of year	\$ 873,736	\$ -	\$ 873,736

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total Revenues and Other Sources	\$ 404,500	\$ 404,500	\$ 401,241	\$ (3,259)
Total Expenditures and Other Uses	<u>1,859,662</u>	<u>1,859,662</u>	<u>1,254,965</u>	<u>604,697</u>
Net Change in Fund Balance	(1,455,162)	(1,455,162)	(853,724)	601,438
Fund balance at beginning of year	487,991	487,991	487,991	-
Prior year encumbrances appropriated.	<u>1,218,644</u>	<u>1,218,644</u>	<u>1,218,644</u>	<u>-</u>
Fund balance at end of year	<u>\$ 251,473</u>	<u>\$ 251,473</u>	<u>\$ 852,911</u>	<u>\$ 601,438</u>
Building				
Total Expenditures and Other Uses	<u>\$ 13,670</u>	<u>\$ 13,670</u>	<u>\$ 13,670</u>	<u>\$ -</u>
Net Change in Fund Balance	(13,670)	(13,670)	(13,670)	-
Fund balance at beginning of year	3,572	3,572	3,572	-
Prior year encumbrances appropriated.	<u>10,098</u>	<u>10,098</u>	<u>10,098</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY FUNDS

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

Private-Purpose Trust Fund

Scholarship Fund

Section 5705.09, Revised Code

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

Agency Funds

OHSAA Tournaments Fund

Section 5705.12, Revised Code

This fund reflects resources that are collected for various tournaments and remitted to the Ohio High School Athletic Association (OHSAA).

Student Managed Activity Fund

Section 3315.062, Revised Code

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Scholarship Fund				
Total Revenues and Other Sources	\$ -	\$ -	\$ 1,028	\$ 1,028
Total Expenditures and Other Uses	<u>8,725</u>	<u>8,725</u>	<u>1,500</u>	<u>7,225</u>
Net Change in Fund Balance	(8,725)	(8,725)	(472)	8,253
Fund balance at beginning of year	<u>9,871</u>	<u>9,871</u>	<u>9,871</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,146</u>	<u>\$ 1,146</u>	<u>\$ 9,399</u>	<u>\$ 8,253</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	Beginning Balance July 1, 2015	Additions	Deletions	Ending Balance June 30, 2016
OHSAA Tournaments Fund				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 49	\$ 21,429	\$ 20,356	\$ 1,122
Total assets	<u>\$ 49</u>	<u>\$ 21,429</u>	<u>\$ 20,356</u>	<u>\$ 1,122</u>
Liabilities:				
Accounts payable	\$ -	\$ 610	\$ -	\$ 610
Intergovernmental payable.	<u>49</u>	<u>20,819</u>	<u>20,356</u>	<u>512</u>
Total liabilities	<u>\$ 49</u>	<u>\$ 21,429</u>	<u>\$ 20,356</u>	<u>\$ 1,122</u>
Student Managed Activities Fund				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 107,346	\$ 135,658	\$ 151,843	\$ 91,161
Total assets	<u>\$ 107,346</u>	<u>\$ 135,658</u>	<u>\$ 151,843</u>	<u>\$ 91,161</u>
Liabilities:				
Accounts payable	\$ 12,170	\$ 5,781	\$ 12,170	\$ 5,781
Due to students	<u>95,176</u>	<u>129,877</u>	<u>139,673</u>	<u>85,380</u>
Total liabilities	<u>\$ 107,346</u>	<u>\$ 135,658</u>	<u>\$ 151,843</u>	<u>\$ 91,161</u>
Total - All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 107,395	\$ 157,087	\$ 172,199	\$ 92,283
Total assets	<u>\$ 107,395</u>	<u>\$ 157,087</u>	<u>\$ 172,199</u>	<u>\$ 92,283</u>
Liabilities:				
Accounts payable	\$ 12,170	\$ 6,391	\$ 12,170	\$ 6,391
Intergovernmental payable.	49	20,819	20,356	512
Due to students	<u>95,176</u>	<u>129,877</u>	<u>139,673</u>	<u>85,380</u>
Total liabilities	<u>\$ 107,395</u>	<u>\$ 157,087</u>	<u>\$ 172,199</u>	<u>\$ 92,283</u>

STATISTICAL SECTION

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	S2 - S11
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	S12 - S19
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	S20 - S23
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	S24 - S25
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	S26 - S34
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 15,548,098	\$ 13,948,002	\$ 13,968,477	\$ 14,760,435
Restricted	4,145,252	5,007,886	3,546,425	1,289,863
Unrestricted (deficit)	(124,221,153)	(126,197,699)	(127,708,471)	(8,345,758)
Total governmental activities net position	<u>\$ (104,527,803)</u>	<u>\$ (107,241,811)</u>	<u>\$ (110,193,569)</u>	<u>\$ 7,704,540</u>

Source: School District financial records

2012	2011	2010	2009	2008	2007
\$ 16,273,543	\$ 15,807,676	\$ 18,997,215	\$ 17,939,259	\$ 18,620,573	\$ 17,578,571
4,388,544	3,631,117	3,569,858	4,202,610	2,735,297	2,888,888
(12,095,096)	(12,940,736)	(10,741,455)	(4,397,614)	448,642	1,454,335
<u>\$ 8,566,991</u>	<u>\$ 6,498,057</u>	<u>\$ 11,825,618</u>	<u>\$ 17,744,255</u>	<u>\$ 21,804,512</u>	<u>\$ 21,921,794</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 35,316,565	\$ 35,427,259	\$ 35,625,734	\$ 36,103,261
Special	13,291,068	12,642,540	13,019,704	10,332,087
Vocational	1,814,688	2,020,980	2,063,861	1,804,791
Adult/Continuing	71,055	64,496	47,053	68,943
Other instructional	2,186,237	2,366,766	2,192,544	2,021,759
Support services:				
Pupil	5,521,918	4,980,915	5,045,935	5,601,668
Instructional staff	1,926,976	1,898,434	1,800,484	4,672,021
Board of education	32,820	32,869	37,034	24,426
Administration	7,358,021	7,102,339	6,311,703	4,874,391
Fiscal	1,800,082	1,807,046	1,780,334	1,807,481
Business	242,293	235,270	234,835	229,418
Operations and maintenance	9,336,202	9,130,167	9,484,736	9,122,893
Pupil transportation	4,477,720	4,690,537	5,180,802	4,894,939
Central	784,648	830,846	723,274	947,814
Operation of non-instructional services:				
Food service operations	2,215,835	2,045,249	1,998,400	1,974,761
Other non-instructional services	1,125,676	1,210,717	1,174,416	1,304,715
Extracurricular activities	2,666,350	2,806,529	2,756,821	2,724,876
Interest and fiscal charges	4,165,290	3,791,038	4,618,615	4,840,501
Total governmental activities expenses	<u>94,333,444</u>	<u>93,083,997</u>	<u>94,096,285</u>	<u>93,350,745</u>

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	33,248,216	\$ 35,895,798	\$ 35,544,660	\$ 36,243,051	\$ 33,977,991	\$ 32,455,978
	8,384,850	9,006,976	9,262,000	8,332,050	7,489,180	7,168,217
	1,791,409	2,250,516	2,300,740	2,503,138	2,384,615	2,151,936
	63,024	36,094	52,272	93,991	100,208	101,083
	1,723,810	1,717,014	1,682,695	1,688,636	1,394,321	1,200,270
	5,497,493	6,767,500	5,776,063	5,894,790	5,540,665	4,564,533
	3,982,751	4,133,007	5,046,879	4,806,033	4,550,914	4,102,494
	28,371	16,401	26,884	18,684	17,584	16,216
	8,391,763	9,461,636	8,895,047	7,475,022	7,507,598	6,698,861
	1,882,065	1,627,076	1,740,510	1,614,397	1,612,354	1,479,979
	209,741	220,908	192,197	111,813	126,794	213,447
	8,742,706	9,626,916	9,670,074	10,023,645	9,115,908	8,361,312
	4,964,367	5,130,207	5,310,349	5,302,161	5,036,343	4,507,497
	981,385	1,216,292	1,207,259	1,167,987	1,062,925	988,667
	1,797,621	2,182,491	2,158,276	1,996,133	1,823,741	1,921,482
	1,168,920	1,269,893	1,098,748	1,368,054	1,236,052	1,217,470
	2,536,129	2,540,167	2,540,507	2,583,209	2,484,266	2,346,609
	4,927,828	5,221,783	5,315,060	2,398,739	1,691,993	1,656,643
	<u>90,322,449</u>	<u>98,320,675</u>	<u>97,820,220</u>	<u>93,621,533</u>	<u>87,153,452</u>	<u>81,152,694</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Program Revenues	2016	2015	2014	2013
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 698,828	\$ 613,813	\$ 772,685	\$ 859,887
Special	329,996	588,192	541,882	450,174
Support services:				
Operations and maintenance	50,136	66,297	35,484	51,828
Pupil transportation	41,382	42,206	46,593	41,078
Operation of non-instructional services:				
Food service operations	1,008,406	803,036	723,307	761,741
Other non-instructional services	89,579	92,858	102,620	110,085
Extracurricular activities	682,246	685,329	714,648	804,211
Operating grants and contributions:				
Instruction:				
Regular	237,963	72,817	207,589	267,004
Special	5,588,930	5,243,752	4,845,548	1,826,419
Vocational	610,794	456,329	355,483	202,460
Adult/Continuing	54,455	84,000	46,334	67,392
Other instructional	-	-	-	-
Support services:				
Pupil	141,276	62,385	61,060	127,232
Instructional staff	27,381	39,995	61,801	1,549,121
Administration	-	-	-	1,924
Operations and maintenance	9,210	-	-	-
Pupil transportation	-	-	-	5,137
Central	21,600	21,600	21,600	21,600
Operation of non-instructional services:				
Food service operations	822,667	705,986	713,033	728,378
Other non-instructional services	1,023,043	1,065,230	1,078,237	1,087,534
Extracurricular activities	57,403	43,523	47,219	32,926
Capital grants and contributions:				
Instruction:				
Regular	-	-	-	-
Pupil transportation	-	-	-	-
Extracurricular activities	-	1,291,581	707,288	-
Total governmental program revenues	11,495,295	11,978,929	11,082,411	8,996,131
Net (Expense)/Revenue				
Governmental activities	\$ (82,838,149)	\$ (81,105,068)	\$ (83,013,874)	\$ (84,354,614)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 55,372,937	\$ 53,213,017	\$ 52,713,354	\$ 53,568,191
Debt service	7,213,104	7,082,651	7,058,597	7,075,823
Capital outlay	353,647	342,279	337,993	349,968
Payments in lieu of taxes	384,847	371,564	386,395	372,462
Grants and entitlements not restricted to specific programs	21,821,964	22,401,241	21,384,855	22,190,182
Investment earnings	41,732	16,758	18,533	23,857
Gain on disposal of capital assets	-	-	1,478,878	-
Miscellaneous	363,926	629,316	457,237	1,113,287
Special item	-	-	-	-
Total governmental activities	85,552,157	84,056,826	83,835,842	84,693,770
Change in Net Position				
Governmental activities	\$ 2,714,008	\$ 2,951,758	\$ 821,968	\$ 339,156

Source: School District financial records

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	816,979	\$ 745,254	\$ 630,020	\$ 628,892	\$ 927,900	\$ 1,103,877
	577,689	583,790	386,364	391,503	197,593	-
	36,751	42,930	25,739	59,104	57,181	26,580
	45,138	39,895	38,757	33,327	48,533	33,341
	894,810	1,120,849	1,128,880	1,137,131	1,168,772	1,280,519
	107,421	85,053	63,346	76,395	89,952	91,991
	806,730	686,944	739,515	692,951	640,950	658,055
	126,350	1,938,637	592,268	167,597	228,714	203,952
	1,430,140	1,679,330	1,069,864	1,419,441	1,101,269	1,431,435
	285,263	306,940	333,075	288,929	247,160	340,111
	63,869	36,070	-	91,099	102,311	85,145
	-	116,596	84,022	-	-	-
	134,789	107,694	17,762	28,231	34,597	29,691
	1,414,055	2,560,064	2,218,541	1,528,516	1,899,155	1,790,835
	1,193	50,330	87,801	7,174	1,550	843
	200	-	-	35,446	-	-
	895	-	-	261,628	199,864	215,516
	21,600	32,300	264,920	61,398	65,649	65,523
	709,741	677,473	572,922	407,951	388,060	305,537
	1,087,744	1,123,574	1,113,597	1,133,874	1,112,562	988,081
	36,251	38,383	47,713	20,011	46,301	86,352
	-	-	-	-	56,908	-
	-	-	-	79,049	-	-
	-	-	-	-	-	-
	<u>8,597,608</u>	<u>11,972,106</u>	<u>9,415,106</u>	<u>8,549,647</u>	<u>8,614,981</u>	<u>8,737,384</u>
\$	<u>(81,724,841)</u>	<u>(86,348,569)</u>	<u>(88,405,114)</u>	<u>(85,071,886)</u>	<u>(78,538,471)</u>	<u>(72,415,310)</u>
\$	51,929,769	\$ 48,100,515	\$ 48,890,899	\$ 49,851,399	\$ 50,531,356	\$ 52,639,181
	7,216,887	6,945,741	6,953,432	5,605,623	3,368,746	3,421,446
	365,998	359,711	362,513	361,561	420,296	367,930
	619,100	511,286	-	-	-	-
	23,302,354	24,526,349	25,119,293	24,162,588	22,605,304	20,834,647
	50,031	153,599	668,567	565,673	1,161,599	1,320,463
	75,727	-	-	25,674	-	-
	233,909	423,807	491,773	439,111	333,888	396,137
	-	-	-	-	-	-
	<u>83,793,775</u>	<u>81,021,008</u>	<u>82,486,477</u>	<u>81,011,629</u>	<u>78,421,189</u>	<u>78,979,804</u>
\$	<u>2,068,934</u>	<u>(5,327,561)</u>	<u>(5,918,637)</u>	<u>(4,060,257)</u>	<u>(117,282)</u>	<u>6,564,494</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:				
Nonspendable	\$ 73,013	\$ -	\$ -	\$ -
Assigned	-	-	-	-
Unassigned (deficit)	(2,259,970)	(3,494,715)	(2,890,645)	(1,060,384)
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
Total general fund	<u>(2,186,957)</u>	<u>(3,494,715)</u>	<u>(2,890,645)</u>	<u>(1,060,384)</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ 33,965	\$ 73,012
Restricted	5,294,525	5,866,756	5,154,451	3,457,211
Unassigned (deficit)	(498,405)	(201,520)	(343,549)	(477,621)
Reserved	-	-	-	-
Unreserved (deficit), reported in:				
Special revenue funds	-	-	-	-
Debt service fund fund	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>4,796,120</u>	<u>5,665,236</u>	<u>4,844,867</u>	<u>3,052,602</u>
Total governmental funds	<u>\$ 2,609,163</u>	<u>\$ 2,170,521</u>	<u>\$ 1,954,222</u>	<u>\$ 1,992,218</u>

Source: School District financial records

Note: The School District implemented GASB 54 in 2011.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,087,493	-	-	-	-
(982,632)	(4,482,477)	-	-	-	-
-	-	2,839,596	2,148,337	2,779,613	2,931,380
-	-	(3,723,495)	2,776,713	7,630,532	6,772,031
<u>(982,632)</u>	<u>(3,394,984)</u>	<u>(883,899)</u>	<u>4,925,050</u>	<u>10,410,145</u>	<u>9,703,411</u>
\$ 63,093	\$ 16,798	\$ -	\$ -	\$ -	\$ -
8,218,721	18,705,111	-	-	-	-
(208,808)	(507,025)	-	-	-	-
-	-	34,640,246	2,868,561	580,828	394,453
-	-	(625,521)	(235,385)	(49,013)	4,686
-	-	1,001,212	18,279,097	845,517	682,410
-	-	16,427,935	75,967,037	1,017,917	1,246,502
<u>8,073,006</u>	<u>18,214,884</u>	<u>51,443,872</u>	<u>96,879,310</u>	<u>2,395,249</u>	<u>2,328,051</u>
<u>\$ 7,090,374</u>	<u>\$ 14,819,900</u>	<u>\$ 50,559,973</u>	<u>\$ 101,804,360</u>	<u>\$ 12,805,394</u>	<u>\$ 12,031,462</u>

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues				
From local sources:				
Property taxes	\$ 63,057,138	\$ 61,267,404	\$ 60,176,130	\$ 61,110,516
Payment in lieu of taxes	384,847	371,564	386,395	372,462
Tuition	593,769	750,543	874,183	863,327
Transportation fees	41,382	42,206	46,593	41,078
Charges for services	1,008,406	803,036	723,307	761,741
Earnings on investments	42,430	16,891	18,579	25,992
Extracurricular	682,246	685,329	714,648	804,261
Classroom materials and fees	435,055	451,462	440,384	457,932
Rental income	50,136	66,297	35,484	51,828
Contract services	89,579	92,858	102,620	98,837
Contributions and donations	107,233	1,385,717	813,893	81,859
Other local revenues	395,910	637,316	509,383	1,195,912
Intergovernmental - Intermediate	-	-	51,754	24,021,850
Intergovernmental - State	26,447,971	26,568,775	25,073,435	24,021,850
Intergovernmental - Federal	3,092,155	3,621,882	3,591,280	3,759,704
Total revenues	<u>96,428,257</u>	<u>96,761,280</u>	<u>93,558,068</u>	<u>117,669,149</u>
Expenditures				
Current:				
Instruction:				
Regular	32,932,675	34,158,787	34,231,949	34,296,886
Special	13,251,685	12,807,784	12,914,876	9,528,072
Vocational	1,572,817	1,833,318	1,882,384	1,635,976
Adult/Continuing	72,470	66,915	47,053	68,943
Other	2,186,237	2,366,766	2,192,544	2,021,759
Current:				
Pupil	5,573,399	5,222,189	5,048,743	5,649,438
Instructional staff	1,805,898	1,808,666	1,647,915	4,473,310
Board of education	32,820	32,869	37,034	24,426
Administration	7,348,252	7,303,136	6,597,710	6,132,986
Fiscal	1,793,342	1,795,406	1,764,547	1,792,979
Business	243,842	233,984	233,933	229,131
Operations and maintenance	9,038,818	8,954,812	9,231,475	8,685,570
Pupil transportation	4,464,648	4,597,749	4,809,757	4,412,722
Central	789,630	839,158	724,807	941,378
Operation of non-instructional services:				
Food service operations	1,966,316	1,785,128	1,695,672	1,763,873
Other non-instructional services	1,122,837	1,206,768	1,169,622	1,299,921
Extracurricular activities	2,126,904	2,156,334	2,211,094	2,199,049
Facilities acquisitions and construction	399,891	2,588,527	7,807,339	5,781,148
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	5,670,000	9,432,780	3,367,729	3,648,486
Interest and fiscal charges	3,590,900	2,797,264	4,149,847	4,202,192
Bond and note issuance costs	-	731,730	18,842	-
Total expenditures	<u>95,983,381</u>	<u>102,720,070</u>	<u>101,784,872</u>	<u>98,788,245</u>
Excess of revenues over (under) expenditures	444,876	(5,958,790)	(8,226,804)	18,880,904
Other Financing Sources (Uses)				
Transfers in	123,902	312,996	259,598	184,934
Transfers (out)	(123,902)	(312,996)	(259,598)	(184,934)
Premium on notes sold	-	-	18,245	-
Sale of capital assets	-	-	2,779,610	32,871
Capital lease transaction	-	-	-	-
Premium on bonds sold	-	8,539,849	-	-
Payment to refunded bond escrow	-	(75,044,036)	-	-
Sale of bonds	-	72,705,000	-	-
Sale of notes	-	-	5,430,000	-
Total other financing sources (uses)	<u>-</u>	<u>6,200,813</u>	<u>8,227,855</u>	<u>32,871</u>
Special Item:				
Proceeds from sale of bus garage	-	-	-	-
Increase (decrease) in reserve for inventory	(6,234)	(25,724)	-	9,919
Net change in fund balances	<u>\$ 438,642</u>	<u>\$ 216,299</u>	<u>\$ 1,051</u>	<u>\$ 18,923,694</u>
Capital expenditures (included in expenditures above)	499,022	2,676,717	8,036,137	5,932,077
Debt service principal and interest as a percentage of noncapital expenditures	9.70%	12.22%	8.02%	8.45%

Source: School District financial records

(1) Rental income, contract services and contributions and donations were broken out of other local revenues beginning in FY09. In FY07 and FY08 these amounts are included in with other local revenues.

2012	2011	2010	2009	2008 (1)	2007 (1)
\$ 59,720,574	\$ 55,292,168	\$ 56,029,767	\$ 55,740,104	\$ 55,899,784	\$ 55,949,939
619,100	511,286	-	-	-	-
947,290	953,134	628,608	623,148	666,793	718,450
45,138	39,895	37,357	33,327	48,533	33,341
894,810	1,120,849	1,128,880	1,137,131	1,157,940	1,257,454
53,988	193,750	669,752	556,054	1,164,331	1,329,325
806,730	686,944	739,515	693,851	641,550	658,055
460,403	388,681	397,334	407,022	461,484	384,784
36,751	42,930	25,739	59,104	-	-
94,396	72,282	55,188	68,322	-	-
150,951	75,578	76,625	51,757	-	-
322,057	549,655	580,141	524,748	564,136	661,234
25,129,019	26,275,123	26,470,370	26,647,470	24,907,713	23,393,118
25,129,019	26,275,123	26,470,370	26,647,470	24,907,713	23,393,118
4,216,964	5,976,370	4,808,657	3,043,596	3,167,482	2,797,267
<u>118,627,190</u>	<u>118,453,768</u>	<u>118,118,303</u>	<u>116,233,104</u>	<u>113,587,459</u>	<u>110,576,085</u>
32,474,747	34,635,264	34,206,575	35,263,158	33,024,189	31,567,543
8,209,854	8,852,749	8,946,696	8,198,587	7,423,240	7,193,103
1,548,556	2,131,379	2,200,271	2,297,048	2,286,999	2,159,428
63,024	36,094	52,272	93,991	100,208	101,083
1,723,810	1,717,014	1,682,695	1,688,636	1,394,321	1,203,929
5,485,054	6,732,942	5,790,967	5,934,009	5,464,587	4,641,746
3,827,134	4,126,904	4,957,257	4,800,929	4,461,586	4,011,923
28,371	16,401	26,884	18,684	17,584	16,216
8,431,030	7,680,862	8,736,588	7,534,408	7,340,159	6,628,347
1,833,047	1,632,530	1,729,267	1,600,507	1,598,446	1,464,110
209,414	218,664	190,572	122,173	127,710	211,247
8,243,929	8,295,728	18,839,729	9,981,168	8,874,375	8,391,777
4,567,005	4,975,182	5,273,090	5,484,889	5,733,457	4,828,704
966,564	1,211,604	1,206,456	1,164,865	1,046,145	1,007,605
1,648,252	2,006,415	2,068,218	1,864,424	1,845,644	1,926,813
1,163,593	1,263,501	1,089,442	1,364,505	1,137,564	1,107,786
2,063,570	2,196,638	2,256,782	2,192,606	2,095,322	1,961,125
11,526,387	32,505,915	18,646,795	1,251,259	136,121	10,653
51,023	-	-	90,637	618,564	-
3,144,340	3,182,766	19,953,102	3,207,843	3,696,501	3,802,816
4,198,634	4,521,810	5,132,149	1,059,486	1,129,025	1,214,683
165,673	-	-	1,070,065	-	159,459
<u>101,573,011</u>	<u>127,940,362</u>	<u>142,985,807</u>	<u>96,283,877</u>	<u>89,551,747</u>	<u>83,610,096</u>
17,054,179	(9,486,594)	(24,867,504)	19,949,227	24,035,712	26,965,989
930	364,690	380,559	363,311	274,136	364,579
(930)	(364,690)	(380,559)	(363,311)	(274,136)	(364,579)
-	-	-	16,350	-	2,370
75,727	45,693	69,193	25,674	14,032	2,000
51,023	-	-	90,637	618,564	-
935,188	-	-	1,070,085	-	756,790
(9,792,919)	-	-	-	-	(9,422,320)
9,030,000	-	-	78,999,981	-	8,824,990
-	-	-	15,500,000	1,000,000	1,500,000
<u>299,019</u>	<u>45,693</u>	<u>69,193</u>	<u>95,702,727</u>	<u>1,632,596</u>	<u>1,663,830</u>
-	-	-	-	-	-
46,295	(24,049)	24,294	(5,518)	13,337	(2,625)
<u>\$ 17,399,493</u>	<u>\$ (9,464,950)</u>	<u>\$ (24,774,017)</u>	<u>\$ 115,646,436</u>	<u>\$ 25,681,645</u>	<u>\$ 28,627,194</u>
11,706,546	31,964,785	28,746,691	2,354,873	1,899,444	974,563
8.17%	8.03%	21.96%	4.54%	5.51%	6.07%

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2016	\$ 1,341,184,900	\$ 3,831,956,857	\$ -	\$ -	\$ 27,592,880	\$ 110,371,520
2015	1,300,991,340	3,717,118,114	-	-	22,940,560	91,762,240
2014	1,288,169,390	3,680,483,971	-	-	21,292,440	85,169,760
2013	1,292,525,480	3,692,929,943	-	-	19,641,350	78,565,400
2012	1,429,020,350	4,082,915,286	-	-	18,166,960	72,667,840
2011	1,434,631,250	4,098,946,429	-	-	17,370,810	69,483,240
2010	1,440,591,120	4,115,974,629	967,770	19,355,400	16,775,400	67,101,600
2009	1,600,669,850	4,573,342,429	1,985,195	19,851,950	15,167,840	60,671,360
2008	1,600,709,170	4,573,454,771	42,823,600	685,177,600	20,863,390	83,453,560
2007	1,582,101,860	4,520,291,028	57,916,764	463,334,112	20,390,170	81,560,680

Source: Lucas County Auditor's Office

Total			
Assessed Value	Estimated Actual Value	%	Total Direct Tax Rate
\$ 1,368,777,780	\$ 3,942,328,377	34.72%	\$ 83.30
1,323,931,900	3,808,880,354	34.76%	83.50
1,309,461,830	3,765,653,731	34.77%	83.60
1,312,166,830	3,771,495,343	34.79%	83.60
1,447,187,310	4,155,583,126	34.83%	83.00
1,452,002,060	4,168,429,669	34.83%	78.30
1,458,334,290	4,202,431,629	34.70%	77.70
1,617,822,885	4,653,865,739	34.76%	77.69
1,664,396,160	5,342,085,931	31.16%	74.90
1,660,408,794	5,065,185,820	32.78%	74.90

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Direct Rates

Tax Year/ Collection Year	Voted			Unvoted	Total
	General	Debt Service	Permanent Improvement		
2015/2016	\$ 72.10	\$ 5.90	\$ 0.30	\$ 5.00	\$ 83.30
2014/2015	72.10	6.10	0.30	5.00	83.50
2013/2014	72.10	6.20	0.30	5.00	83.60
2012/2013	72.10	6.20	0.30	5.00	83.60
2011/2012	72.10	5.60	0.30	5.00	83.00
2010/2011	67.20	5.80	0.30	5.00	78.30
2009/2010	67.20	5.20	0.30	5.00	77.70
2008/2009	67.20	5.19	0.30	5.00	77.69
2007/2008	67.20	2.40	0.30	5.00	74.90
2006/2007	67.20	2.40	0.30	5.00	74.90

Overlapping Rates

Tax Year/ Collection Year	Lucas County	City of Toledo	City of Sylvania	Sylvania Township	Toledo Area Regional Transit Authority	Sylvania Area Joint Recreation District	Olander Park District	Toledo Public	Total
2015/2016	\$ 19.77	\$ 4.40	\$ 5.10	\$ 22.97	\$ 2.50	\$ 2.10	\$ 0.70	\$ 2.90	\$ 60.44
2014/2015	19.77	4.40	5.10	22.97	2.50	2.10	0.70	2.90	60.44
2013/2014	19.62	4.40	5.10	21.47	2.50	2.10	0.70	2.90	58.79
2012/2013	17.77	4.40	5.10	21.47	2.50	2.10	0.70	2.90	56.94
2011/2012	16.17	4.40	5.10	20.72	2.50	1.65	0.70	2.00	53.24
2010/2011	16.17	4.40	3.60	19.97	2.50	1.65	0.70	2.00	50.99
2009/2010	16.17	4.40	3.60	19.97	2.50	1.62	0.70	2.00	50.96
2008/2009	16.17	4.40	5.92	19.97	2.50	1.62	0.70	2.00	53.28
2007/2008	16.88	4.40	5.50	20.22	2.50	1.20	0.70	2.00	53.40
2006/2007	16.00	4.40	6.00	20.22	2.50	1.20	0.70	2.00	53.02

Source: Lucas County Auditor's Office

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

PRINCIPAL TAXPAYERS
REAL PROPERTY
DECEMBER 31, 2015 AND DECEMBER 31, 2006

December 31, 2015			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Toledo Hospital	\$ 9,390,465	1	0.70%
Crestview of Ohio, Inc	5,842,165	2	0.44%
Sylvania Chelsea Place LLC	4,920,685	3	0.37%
Fitness & Sports Clubs LLC	4,190,830	4	0.31%
Wells Fargo	3,876,250	5	0.29%
Wal-Mart Real Estate	3,761,660	6	0.28%
Regency Hospital of Toledo	3,745,000	7	0.28%
Louisville Title Co	3,633,490	8	0.27%
Meijer Properties, Inc	3,519,075	9	0.26%
Sisters of St Francis	3,368,610	10	0.25%
Total	\$ 46,248,230		3.45%
Total Real Property Assessed Valuation	\$ 1,341,184,900		

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Kingston Residence of Sylvania	\$ 6,566,230	1	0.42%
Naiasher Ogdensburg Accoc.	6,385,430	2	0.40%
Reynolds Road Fitness Center	6,361,260	3	0.40%
HK New Plan Exchange Property Owner II	6,238,430	4	0.39%
National Amusements	5,837,630	5	0.37%
Barone Brothers	5,494,830	6	0.35%
Meijer Properties, Inc.	4,028,680	7	0.25%
Hartford Corporation	3,697,130	8	0.23%
Harvey Tolson	3,679,730	9	0.23%
Houck Properties	3,510,920	10	0.22%
Total	\$ 51,800,270		3.26%
Total Real Property Assessed Valuation	\$ 1,582,101,860		

Source: Lucas County Auditor's Office

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

PRINCIPAL TAXPAYERS
TANGIBLE AND PUBLIC UTILITY PERSONAL PROPERTY
DECEMBER 31, 2015 AND DECEMBER 31, 2006

December 31, 2015			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Toledo Edison	\$ 13,410,470	1	48.60%
American Transmission	9,042,080	2	32.77%
Columbia Gas of Ohio	4,754,560	3	17.23%
Ohio Gas Co	385,770	4	1.40%
Total	\$ 27,592,880		100.00%
Total Tangible and Public Utility Personal Property Assessed Valuation	\$ 27,592,880		

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Yark Automotive Group, Inc.	\$ 3,580,510	1	4.57%
Verizon North, Inc.	2,321,260	2	2.96%
Vin Devers Inc.	2,244,360	3	2.87%
Brown Motor Sales Company, Inc.	1,461,220	4	1.87%
Dave White Chevrolet	1,382,020	5	1.76%
Jim White Company	1,005,530	6	1.28%
Meijer Stores Limited Partnership	989,940	7	1.26%
Block Communications Inc.	853,570	8	1.09%
Wal-Mart Stores East LP	845,180	9	1.08%
Lowe's Home Center	832,170	10	1.06%
Total	\$ 15,515,760		19.80%
Total Tangible and Public Utility Personal Property Assessed Valuation	\$ 78,306,934		

Source: Lucas County Auditor's Office

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy (1)	Delinquent Levy (2)	Total Levy	Current Collection (1)	Percent of Current Levy Collected
2015/2016	\$ 70,627,019	\$ 2,409,298	\$ 73,036,317	\$ 69,099,930	97.84%
2014/2015	69,616,591	2,456,089	72,072,680	67,405,776	96.82%
2013/2014	69,079,188	2,714,553	71,793,741	66,751,405	96.63%
2012/2013	68,901,963	3,092,972	71,994,935	65,180,247	94.60%
2011/2012	71,080,864	3,942,499	75,023,363	68,179,989	95.92%
2010/2011	64,241,502	3,504,056	67,745,558	61,446,180	95.65%
2009/2010	63,289,576	2,703,343	65,992,919	59,719,127	94.36%
2008/2009	64,717,610	2,392,811	67,110,421	61,476,985	94.99%
2007/2008	59,939,015	1,264,851	61,203,866	57,360,129	95.70%
2006/2007	56,581,242	2,186,500	58,767,742	54,731,409	96.73%

Source: Lucas County Auditor's Office

(1) Includes state-mandated tax-reduction amounts, which are subsequently reimbursed to the District by the State, and reported as Intergovernmental revenue.

(2) This amount cannot be calculated from other data in this table because of retroactive additions and deletions.

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 1,399,897	\$ 70,499,827	96.53%
2,314,810	69,720,586	96.74%
2,256,836	69,008,241	96.12%
2,231,985	67,412,232	93.63%
2,593,370	70,773,359	94.34%
1,971,812	63,417,992	93.61%
2,319,387	62,038,514	94.01%
1,807,807	63,284,792	94.30%
1,373,989	58,734,118	95.96%
1,639,848	56,371,257	95.92%

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

Fiscal Year	Governmental Activities			(1) Total Primary Government	(2) Per Capita	(2) Percentage of Personal Income	(2) Per ADM
	General Obligation Bonds	General Obligation Notes	Capital Leases				
2016	\$ 97,004,075	\$ -	\$ -	\$ 97,004,075	\$ 1,540	1.73%	\$12,944
2015	99,343,363	-	-	99,343,363	1,577	1.86%	13,459
2014	93,299,499	5,430,000	12,780	98,742,279	1,567	1.80%	13,831
2013	96,244,183	-	25,509	96,269,692	1,528	1.93%	13,094
2012	99,305,052	-	48,995	99,354,047	1,577	2.10%	13,423
2011	101,184,414	-	162,312	101,346,726	1,609	2.20%	13,860
2010	103,604,778	-	310,078	103,914,856	1,649	2.12%	14,319
2009	107,336,058	15,500,000	454,219	123,290,277	1,957	2.35%	16,465
2008	28,818,284	1,000,000	508,890	30,327,174	481	0.61%	3,943
2007	30,404,357	1,500,000	76,196	31,980,553	508	0.66%	4,104

Sources:

(1) See notes to the financial statements regarding the District's outstanding debt information. Includes unamortized premiums and accreted interest on capital appreciation bonds.

(2) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Total General Obligation Bonded Debt (1)	Debt Service Available Balance (2)	Net General Obligation Bonded Debt	Percentage of Actual Taxable Value of Property (3)	Per Capita (4)
2016	\$ 97,004,075	\$ 4,210,039	\$ 92,794,036	2.35%	\$ 1,473
2015	99,343,363	4,887,379	94,455,984	2.48%	1,499
2014	93,299,499	3,255,221	90,044,278	2.39%	1,429
2013	96,244,183	2,729,486	93,514,697	2.48%	1,484
2012	99,305,052	2,611,096	96,693,956	2.33%	1,535
2011	101,184,414	1,587,159	99,597,255	2.39%	1,581
2010	103,604,778	1,310,824	102,293,954	2.43%	1,624
2009	107,336,058	18,527,665	88,808,393	1.91%	1,410
2008	28,818,284	935,976	27,882,308	0.52%	443
2007	30,404,357	794,110	29,610,247	0.58%	470

Source:

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements. Total includes unamortized premiums and accreted interest on capital appreciation bonds.

(2) Represents resources that have been legally restricted for the repayment of principal of debt.

(3) See schedule "Assessed Valuation and Estimated Actual Value of Taxable Property" for assessed valuation of property.

(4) See schedule "Demographic and Economic Statistic, Last Ten Years" for population information.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt:			
Sylvania City School District (1)	\$ 97,004,075	100.00%	\$ 97,004,075
Total direct debt	<u>97,004,075</u>		<u>97,004,075</u>
Overlapping debt:			
Lucas County	13,777,000	18.78%	2,587,321
City of Sylvania	18,290,000	100.00%	18,290,000
Sylvania Area Joint Recreation District	7,486,329	100.00%	7,486,329
Sylvania Township	7,305,000	99.58%	7,274,319
City of Toledo	124,859,992	3.14%	3,920,604
Total overlapping debt	<u>171,718,321</u>		<u>39,558,573</u>
Total direct and overlapping debt	<u>\$ 268,722,396</u>		<u>\$ 136,562,648</u>

Source: Ohio Municipal Advisory Council

Note: Percent applicable to Sylvania City School District calculated using assessed valuation of the District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

(1) Includes general obligation bonds, notes payable and capital lease obligations outstanding at fiscal year end.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit (2)	Total Debt Applicable to Limit (1)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2016	\$ 123,190,000	\$ 81,979,981	\$ 4,210,039	\$ 77,769,942	\$ 45,420,058	63.13%
2015	119,153,871	83,397,491	4,887,379	78,510,112	40,643,759	65.89%
2014	117,851,565	88,992,854	3,255,221	85,737,633	32,113,932	72.75%
2013	118,095,015	91,468,337	2,729,486	88,738,851	29,356,164	75.14%
2012	130,246,858	93,616,589	2,611,096	91,005,493	39,241,365	69.87%
2011	130,680,185	96,749,720	1,587,159	95,162,561	35,517,624	72.82%
2010	131,162,987	99,197,454	1,310,824	97,886,630	33,276,357	74.63%
2009	145,422,617	102,882,912	18,527,665	84,355,247	61,067,370	58.01%
2008	145,412,726	25,334,347	935,976	24,398,371	121,014,355	16.78%
2007	143,693,113	26,813,706	794,110	26,019,596	117,673,517	18.11%

Source: Lucas County Auditor and School District financial records

(1) Excludes unamortized premiums, accreted interest on capital appreciation bonds, and energy conservation bonds.

(2) Voted Debt Limit Calculation for Fiscal Year 2015

Assessed Value	\$ 1,368,777,780
Debt Limit (9% of assessed value)	<u>X 9%</u>
Voted Debt Limit	<u>\$ 123,190,000</u>

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

Note: Ohio Bond Law sets a limit of 9% for voted debt, 1/10 of 1% for unvoted debt and 9/10 of 1% for energy conservation debt.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Total Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rates (5)</u>		
					<u>Lucas County</u>	<u>Ohio</u>	<u>United States</u>
2016	63,000	\$ 89,230	\$ 5,621,490,000	7,494	5.0%	5.0%	4.9%
2015	63,000	84,663	5,333,769,000	7,381	5.0%	4.4%	5.0%
2014	63,000	87,273	5,498,199,000	7,139	5.8%	5.6%	5.8%
2013	63,000	78,979	4,975,677,000	7,352	8.5%	7.2%	7.3%
2012	63,000	74,999	4,724,937,000	7,402	8.3%	7.2%	8.2%
2011	63,000	73,113	4,606,119,000	7,312	10.0%	9.1%	9.1%
2010	63,000	77,766	4,899,258,000	7,257	12.0%	10.5%	9.5%
2009	63,000	83,295	5,247,585,000	7,488	8.3%	10.8%	10.2%
2008	63,000	78,623	4,953,249,000	7,692	8.1%	7.2%	6.5%
2007	63,000	76,367	4,811,121,000	7,793	6.3%	5.9%	4.7%

Sources:

- (1) District's Communication's Department
- (2) Ohio Department of Taxation (per household)
- (3) Equals "Population" times "Per Capita Personal Income"
- (4) School District records
- (5) Bureau of Labor Statistics

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**PRINCIPAL EMPLOYERS
CURRENT YEAR**

December 31, 2015		
Employer	Employees	Percentage of Total City Employment per Number of Employees
Flower Hospital/ProMedica	1,635	24.07%
Sylvania City School District	909	13.38%
Lourdes University	403	5.93%
Meijer	296	4.36%
Sylvania Township	165	2.43%
City of Sylvania	138	2.03%
Root Learning	125	1.84%
Total	3,671	54.05%
Total Number of Employees (1)	6,792	

Source: City of Sylvania Area Chamber of Commerce

(1) Estimated employee count located within the City of Sylvania.

Note: Information for previous years is not available.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE
LAST TEN FISCAL YEARS**

Type	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Professional Staff:										
Teaching Staff:										
Elementary	162.30	165.30	133.50	169.60	172.50	173.70	152.40	133.50	131.00	134.00
Junior HS	94.50	96.50	83.33	101.17	110.75	120.17	121.17	83.33	84.81	83.66
High School	135.01	130.68	116.67	136.85	158.11	168.79	174.63	116.67	120.79	121.62
Tutors (1)	23.00	22.50	27.00	19.00	19.00	-	-	14.00	2.00	3.00
Special Education Teaching (2)	-	-	71.00	38.00	40.67	-	-	71.00	94.84	85.57
Vocational Ed Teaching (3)	-	-	27.00	-	-	-	-	27.00	31.03	27.19
Others	71.85	69.07	33.46	20.16	21.33	53.52	56.33	32.46	35.22	29.41
Administration:										
District	48.32	44.16	41.00	43.75	53.32	52.16	54.16	40.00	42.50	45.10
Auxiliary Positions:										
Counselors	20.50	19.50	20.00	17.50	18.78	21.78	21.70	20.00	20.88	19.88
Speech	7.00	7.00	6.00	7.00	7.50	7.50	7.50	6.00	6.34	6.34
Occupational	8.00	6.00	1.00	3.00	6.11	3.00	3.00	1.00	-	-
Psychologist	6.00	6.00	5.00	7.00	6.60	6.60	6.60	5.00	6.60	6.60
Social Worker	-	-	1.00	-	-	-	-	-	-	-
Librarian/Media	4.00	5.00	5.00	4.00	7.12	14.28	14.28	13.90	14.90	14.90
Extracurricular	109.80	98.45	58.03	46.15	48.02	23.11	24.11	15.00	23.61	15.11
Support Staff:										
Secretarial/clerical	60.88	62.72	50.70	56.10	71.66	78.14	67.30	50.70	56.08	53.45
Aides	80.57	77.11	14.39	80.80	79.55	81.35	72.88	6.49	60.19	56.51
Hall monitor/Security	17.72	18.00	15.20	16.47	16.36	19.06	16.96	15.20	15.73	13.99
Cafeteria	29.02	29.92	30.36	28.47	28.95	31.43	31.38	30.35	30.78	31.06
Custodial	60.50	61.50	47.00	54.50	58.00	58.00	57.00	47.00	49.00	49.66
Maintenance	10.00	8.00	8.00	8.00	8.00	10.00	10.00	8.00	9.00	8.00
Bus Driver	46.32	45.76	49.65	45.53	51.04	48.59	51.94	49.65	53.63	53.46
Mechanics	5.00	5.50	5.50	5.50	6.50	6.50	6.50	5.50	5.50	5.50
Other	10.74	8.86	48.50	8.82	9.51	11.33	12.33	47.25	10.70	10.70
Extracurricular (4)	-	-	10.62	32.72	29.11	-	91.97	68.65	83.49	70.36
Total	1,011.03	987.53	908.91	950.09	1,028.49	989.01	1,054.14	907.65	988.62	945.07

Source: School District records

- (1) Information for 2011 and 2010 are not available to be broken out. The numbers for these positions and included in the Teaching Staff - Other number.
- (2) Information for 2016, 2015, 2011 and 2010 are not available to be broken out. The numbers for these positions and included in the Teaching Staff - Other number.
- (3) Information for 2016, 2015 and 2010-2013 are not available to be broken out. The numbers for these positions and included in Teaching Staff - High School number.
- (4) Information for 2016, 2015 and 2011 are not available to be broken out. The numbers for these positions and included in Auxillary Serices - Extracurricular number.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular and Special										
Enrollment (students)	7,494	7,381	7,139	7,352	7,402	7,312	7,257	7,488	7,692	7,793
Graduates	N/A	576	567	618	584	550	641	623	574	601
Support services:										
Board of education										
Regular meetings per year	12	12	12	12	12	12	12	12	12	12
Work sessions	10	11	11	10	10	13	13	12	13	12
Special meetings per year	8	4	7	7	7	11	14	10	2	3
Administration										
Student attendance rate	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.4%	96.0%	95.7%
Fiscal										
Nonpayroll checks issued	5,999	5,899	5,691	5,664	5,647	5,781	7,058	6,530	7,134	7,008
Pupil transportation										
Avg. students transported daily	3,755	3,567	3,635	4,717	4,580	4,558	4,723	5,412	5,494	8,739
Food service operations										
Meals served to students	476,694	359,132	386,433	406,610	422,412	419,762	393,586	362,766	225,162	223,470
Number of lunches served at free or reduced cost	231,652	160,180	189,553	188,816	176,256	176,207	146,498	123,056	92,017	85,643

Source: School District records

N/A - Information is not available.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Land	\$ 2,694,493	\$ 2,694,493	\$ 2,694,493	\$ 2,890,933	\$ 2,421,246	\$ 2,421,246
Construction in progress	1,096,909	2,806,094	9,043,723	1,497,493	12,664,855	29,225,947
Land improvements	4,330,392	4,707,106	3,481,812	3,598,322	3,633,189	3,936,624
Buildings and improvements	89,455,632	92,827,988	94,903,363	99,084,118	86,360,692	61,148,430
Furniture, fixtures and equipment	6,452,510	5,341,291	254,872	352,624	382,016	588,709
Vehicles	<u>273,904</u>	<u>245,945</u>	<u>451,239</u>	<u>873,597</u>	<u>1,317,639</u>	<u>1,636,739</u>
 Total Governmental Activities Capital Assets, net	 <u>\$ 104,303,840</u>	 <u>\$ 108,622,917</u>	 <u>\$ 110,829,502</u>	 <u>\$ 108,297,087</u>	 <u>\$ 106,779,637</u>	 <u>\$ 98,957,695</u>

Source: School District financial records

Note: Amounts above are presented net of accumulated depreciation.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,040,544	\$ 2,040,544	\$ 2,040,544	\$ 2,040,544
28,268,341	1,407,820	-	-
4,240,059	4,429,478	4,732,353	4,842,473
33,715,339	34,868,610	36,101,656	37,421,779
816,562	679,817	914,717	646,106
<u>1,878,392</u>	<u>1,954,470</u>	<u>1,674,550</u>	<u>1,017,582</u>
<u><u>\$ 70,959,237</u></u>	<u><u>\$ 45,380,739</u></u>	<u><u>\$ 45,463,820</u></u>	<u><u>\$ 45,968,484</u></u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011
Central Elementary (1929 original, 2013 new)						
Square feet	72,557	72,557	72,557	72,557	53,932	53,932
Capacity (students)	630	630	630	630	575	575
Enrollment	617	577	507	571	574	542
Highland Elementary (1965)						
Square feet	75,210	75,210	75,210	75,210	75,210	75,210
Capacity (students)	625	625	625	625	625	625
Enrollment	664	678	612	631	630	642
Hill View Elementary (1929)						
Square feet	54,783	54,783	54,783	54,783	54,783	54,783
Capacity (students)	500	500	500	500	500	500
Enrollment	419	437	388	406	412	415
Maplewood Elementary (1929)						
Square feet	64,230	64,230	64,230	64,230	64,230	64,230
Capacity (students)	384	384	384	384	550	550
Enrollment	414	425	398	386	384	362
Stranahan Elementary (1955)						
Square feet	67,282	67,282	67,282	67,282	67,282	67,282
Capacity (students)	650	650	650	650	650	650
Enrollment	524	429	488	481	462	473
Sylvan Elementary (1963)						
Square feet	47,469	47,469	47,469	47,469	47,469	47,469
Capacity (students)	475	475	475	475	475	475
Enrollment	347	354	326	350	337	334
Whiteford Elementary (1967)						
Square feet	50,624	50,624	50,624	50,624	50,624	50,624
Capacity (students)	525	525	525	525	525	525
Enrollment	435	434	423	398	407	382
Arbor Hills Jr. High School (1970)						
Square feet	80,995	80,995	80,995	80,995	80,995	80,995
Capacity (students)	700	700	700	700	700	700
Enrollment	512	497	501	521	542	554
McCord Jr. High School (1963)						
Square feet	76,534	76,534	76,534	76,534	76,534	76,534
Capacity (students)	800	800	800	800	800	800
Enrollment	688	655	638	629	642	608
Timberstone Jr. High School (1998)						
Square feet	105,105	105,105	105,105	105,105	105,105	105,105
Capacity (students)	700	700	700	700	700	700
Enrollment	547	551	523	524	553	549
Northview High School (1960)						
Square feet	213,730	213,730	213,730	213,730	213,730	213,730
Capacity (students)	1,340	1,340	1,340	1,340	1,340	1,340
Enrollment	1,241	1,214	1,139	1,215	1,215	1,213
Southview High School (1976)						
Square feet	209,478	209,478	209,478	209,478	209,478	209,478
Capacity (students)	134	1,340	1,340	1,340	1,340	1,340
Enrollment	1,086	1,130	1,196	1,240	1,244	1,213
Administrative Building (1929)						
Square feet	22,180	22,180	22,180	22,180	22,180	22,180
Support Services Facility (2004)						
Square feet	33,741	33,741	33,741	33,741	33,741	33,741
Total square feet	1,079,328	1,173,918	1,173,918	1,173,918	1,155,293	1,155,293
Total capacity (students)	7,463	8,669	8,669	8,669	8,780	8,780
Total enrollment	7,494	7,381	7,139	7,352	7,402	7,287

Source: District records

2010	2009	2008	2007
48,725	48,725	48,725	48,725
575	575	575	575
510	532	571	563
56,294	56,294	56,294	53,349
773	773	773	625
607	646	724	609
46,994	46,994	46,994	46,994
500	500	500	500
349	377	394	393
44,328	44,328	44,328	44,328
450	450	450	450
327	371	380	374
50,169	50,169	50,169	50,169
650	650	650	650
411	458	405	545
39,160	39,160	39,160	39,160
475	475	475	475
318	344	334	347
47,272	47,272	47,272	47,272
525	525	525	525
366	378	404	413
80,635	80,635	80,635	80,635
700	700	700	700
568	576	580	623
76,363	76,363	76,363	76,363
800	800	800	800
634	601	636	645
103,100	103,100	103,100	103,100
700	700	700	700
584	578	592	574
201,592	201,592	201,592	201,592
1,300	1,300	1,300	1,300
1,292	1,325	1,340	1,386
209,700	209,700	209,700	209,700
1,400	1,400	1,400	1,400
1,291	1,302	1,332	1,321
21,854	90,600	90,600	90,600
27,994	27,994	27,994	27,994
1,054,180	1,122,926	1,122,926	1,119,981
8,848	8,848	8,848	8,700
7,257	7,488	7,692	7,793

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	General Government		Governmental Activities		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2016	\$ 86,722,481	\$ 11,572	\$ 90,168,154	\$ 12,032	7,494	1.53%
2015	89,758,296	12,161	89,292,959	12,098	7,381	3.39%
2014	94,248,454	13,202	89,496,512	12,536	7,139	-2.90%
2013	90,937,567	12,369	88,510,244	12,039	7,352	-0.68%
2012	94,064,364	12,708	85,394,621	11,537	7,402	1.23%
2011	120,235,786	16,444	93,098,892	12,732	7,312	0.76%
2010	117,900,556	16,246	92,505,160	12,747	7,257	-3.08%
2009	90,946,483	12,146	91,222,794	12,183	7,488	-2.65%
2008	84,726,221	11,015	85,461,459	11,110	7,692	-1.30%
2007	78,433,138	10,065	79,496,051	10,201	7,793	2.77%

Source: School District records

(1) Debt Service totals have been excluded.

(2) Classroom teachers only.

N/A - Information is not available.

Teaching Staff (2)	Pupil/Teacher Ratio	Student Attendance Percentage
486	15.42	95.0%
484	15.25	95.0%
474	15.06	95.0%
508	14.47	95.0%
487	15.20	95.0%
493	14.83	95.0%
487	14.90	95.0%
491	15.26	95.4%
477	16.13	96.0%
471	16.56	95.7%

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

TEACHER STATISTICS
JUNE 30, 2016

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Pay Range</u>
Bachelor's Degree	163	30.64%	\$37,290 - \$75,699
Master's Degree	362	68.05%	\$40,646 - \$85,767
Educational Specialist	4	0.75%	\$41,429 - \$83,269
Ph.D.	<u>3</u>	<u>0.56%</u>	\$43,033 - \$85,767
	<u><u>532</u></u>	<u><u>100.00%</u></u>	

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	189	35.53%
6 - 10	111	20.86%
11 and over	<u>232</u>	<u>43.61%</u>
	<u><u>532</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

Note: The salary schedule contained in the current teachers' union collective bargaining agreement does not recognize degrees less than a bachelor's.

Note: The number of teachers reported above is actual head count and not full time equivalents (FTE).



Dave Yost • Auditor of State

SYLVANIA CITY SCHOOL DISTRICT

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 19, 2017