



Dave Yost • Auditor of State

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Colonel Crawford Local School District
Crawford County
2303 State Route 602
North Robinson, Ohio 44856

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Colonel Crawford Local School District, Crawford County, Ohio, (the District) as of and for the year ended June 30, 2017, 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 the Colonel Crawford Local School District, Crawford County, Ohio, as of June 30, 2017, and the respective changes in financial position thereof and the budgetary comparison for the General fund 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*, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

March 14, 2018

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

The discussion and analysis of the Colonel Crawford Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2017 are as follows:

- In total, net position of governmental activities decreased \$595,537 which represents a 312.76% decrease from June 30, 2016's net position. This decrease was due to the District recording a special item related to contributions not received from the Ohio Facilities Construction Commission (OFCC).
- General revenues accounted for \$10,094,751 in revenue or 75.47% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,281,477 or 24.53% of total revenues of \$13,376,228.
- The District had \$12,029,124 in expenses related to governmental activities; \$3,281,477 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$10,094,751 were adequate to provide for these programs. During fiscal year 2017 the District recorded a special item related to contributions not received from OFCC. This special item caused the District to show a deficit net position at June 30, 2017.
- The District's major governmental funds are the general fund and the bond retirement fund. The general fund had \$11,162,596 in revenues and \$9,742,806 in expenditures. During fiscal year 2017, the general fund's fund balance increased \$1,419,790 from \$3,304,232 to \$4,724,022.
- The bond retirement fund had \$10,216,790 in revenues and other financing sources and \$10,246,172 in expenditures and other financing uses. During fiscal year 2017, the bond retirement fund balance decreased \$29,382 from \$1,249,592 to \$1,220,210.

Using these Basic Financial Statements

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

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 2017?" 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.

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

The District's statement of net position and statement of activities can be found on pages 15-16 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 11. 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 the bond retirement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 17-22 of this report.

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 individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 23 and 24. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
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(Continued)**

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-60 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages 61 through 67 of this report.

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**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

The District as a Whole

Recall that 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 at June 30, 2017 and June 30, 2016.

	Net Position	
	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>
<u>Assets</u>		
Current and other assets	\$ 9,870,057	\$ 10,898,314
Capital assets, net	<u>18,095,383</u>	<u>17,680,706</u>
Total assets	<u>27,965,440</u>	<u>28,579,020</u>
<u>Deferred Outflows of Resources</u>		
Unamortized deferred charges on debt refunding	128,645	262,222
Pension	<u>2,903,426</u>	<u>1,173,987</u>
Total deferred outflows of resources	<u>3,032,071</u>	<u>1,436,209</u>
<u>Liabilities</u>		
Current liabilities	1,445,762	1,401,194
Long-term liabilities:		
Due within one year	722,958	701,387
Due in more than one year:		
Net pension liability	14,764,448	11,855,864
Other amounts	<u>12,028,870</u>	<u>12,780,893</u>
Total liabilities	<u>28,962,038</u>	<u>26,739,338</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for next year	2,121,136	1,905,407
Unamortized deferred gain on debt refunding	48,706	67,869
Pensions	<u>270,757</u>	<u>1,112,204</u>
Total deferred inflows of resources	<u>2,440,599</u>	<u>3,085,480</u>
<u>Net Position</u>		
Net investment in capital assets	6,137,565	5,067,685
Restricted	1,350,748	3,303,616
Unrestricted	<u>(7,893,439)</u>	<u>(8,180,890)</u>
Total net position (deficit)	<u>\$ (405,126)</u>	<u>\$ 190,411</u>

The District has adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," and GASB Statement 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the 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.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
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(Continued)

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2017, the District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$405,126. Of this total, \$1,350,748 is restricted in use.

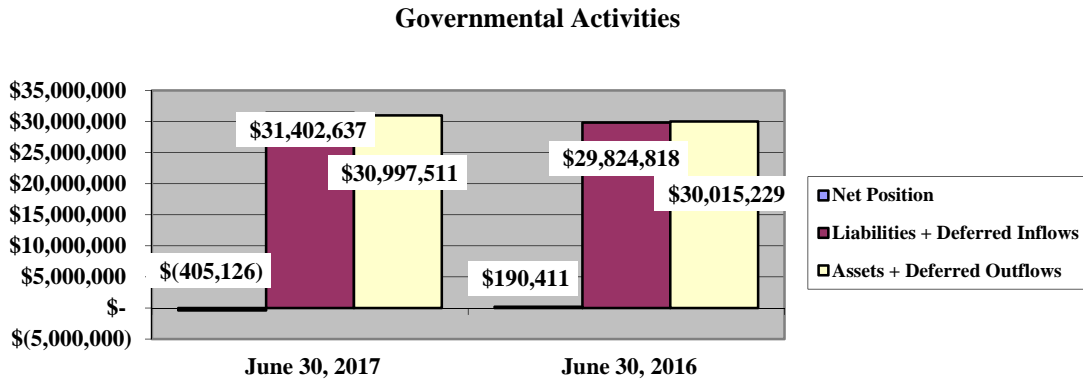
**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

At year-end, capital assets represented 64.71% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Net investment in capital assets at June 30, 2017, was \$6,137,565. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$1,350,748, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$7,893,439.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2017 and June 30, 2016.



The table below shows the change in net position for fiscal year 2017 and 2016.

	Change in Net Position	
	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 2,263,262	\$ 1,744,826
Operating grants and contributions	1,018,215	884,983
General revenues:		
Property taxes	3,799,137	3,542,754
Income taxes	1,503,742	1,493,849
Unrestricted grants and entitlements	4,747,103	4,634,030
Investment earnings	38,046	15,724
Other	6,723	29,856
Total revenues	<u>13,376,228</u>	<u>12,346,022</u>

(Continued)

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

<u>Expenses</u>	Change in Net Position (Continued)	
	Governmental Activities	Governmental Activities
	<u>2017</u>	<u>2016</u>
Program expenses:		
Instruction:		
Regular	\$ 4,942,507	\$ 4,367,442
Special	1,458,660	1,288,787
Vocational	48,259	49,897
Other	-	520
Support services:		
Pupil	814,322	727,165
Instructional staff	353,263	346,855
Board of education	24,551	24,773
Administration	770,206	696,130
Fiscal	379,312	358,173
Business	2,769	4,105
Operations and maintenance	1,092,243	842,146
Pupil transportation	703,996	673,854
Central	41,819	52,600
Operations of non-instructional services:		
Other non-instructional services	41,603	537,368
Food service operations	332,121	313,227
Extracurricular activities	381,809	462,837
Interest and fiscal charges	<u>641,684</u>	<u>497,293</u>
Total expenses	<u>12,029,124</u>	<u>11,243,172</u>
<u>Special Item</u>		
Special item - OFCC contributions not received	(1,942,641)	-
Change in net position	(595,537)	1,102,850
Net position (deficit) at beginning of year	<u>190,411</u>	<u>(912,439)</u>
Net position (deficit) at end of year	<u>\$ (405,126)</u>	<u>\$ 190,411</u>

Net position of the District's governmental activities decreased \$595,537. Total governmental expenses of \$12,029,124 were offset by program revenues of \$3,281,477 and general revenues of \$10,094,751. Program revenues supported 27.28% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes, and grants and entitlements. These revenue sources represent 75.13% of total governmental revenue.

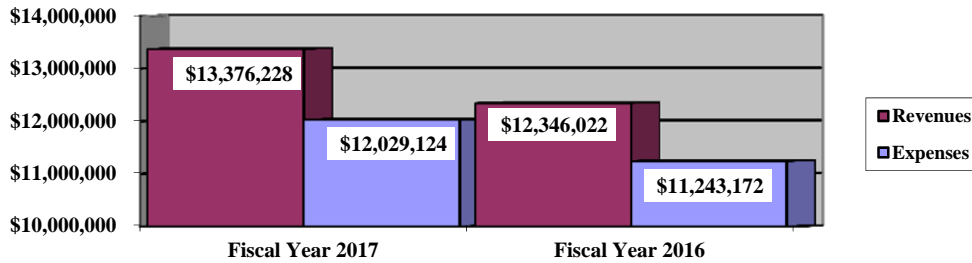
The largest expense of the District is for instructional programs. Instruction expenses totaled \$6,449,426 or 53.62% of total governmental expenses for fiscal year 2017.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2017 and 2016.

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. The following table shows, for governmental activities, the total cost of services and the net cost of services. The total cost of services represents the total cost the District incurred to provide the service and the net cost of services represents the cost of the service after applying specific program revenues attributable to that service.

Governmental Activities

	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
Program expenses				
Instruction:				
Regular	\$ 4,942,507	\$ 3,452,863	\$ 4,367,442	\$ 2,974,441
Special	1,458,660	422,568	1,288,787	628,304
Vocational	48,259	44,371	49,897	46,028
Other	-	-	520	520
Support services:				
Pupil	814,322	814,322	727,165	727,165
Instructional staff	353,263	318,927	346,855	317,733
Board of education	24,551	24,551	24,773	24,773
Administration	770,206	676,483	696,130	649,439
Fiscal	379,312	368,072	358,173	352,147
Business	2,769	2,769	4,105	4,105
Operations and maintenance	1,092,243	1,076,040	842,146	840,876
Pupil transportation	703,996	642,712	673,854	639,451
Central	41,819	41,819	52,600	52,600
Operations of non-instructional services:				
Other non-instructional services	41,603	3,415	537,368	498,012
Food service operations	332,121	27,715	313,227	28,214
Extracurricular activities	381,809	189,336	462,837	332,262
Interest and fiscal charges	641,684	641,684	497,293	497,293
Total expenses	<u>\$ 12,029,124</u>	<u>\$ 8,747,647</u>	<u>\$ 11,243,172</u>	<u>\$ 8,613,363</u>

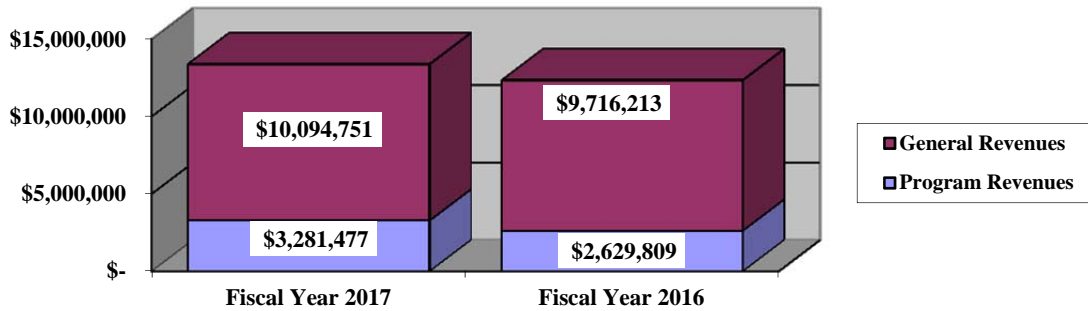
The dependence upon tax and other general revenues for governmental activities is apparent, as 60.78% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 72.72%. The District's taxpayers and unrestricted grants and entitlements are by far the primary support for District's students.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

The graph below presents the District's governmental activities revenues for fiscal year 2017 and 2016.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of \$6,093,222, which is more than last year's total of \$5,509,289. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2017 and June 30, 2016.

Fund Balance

	Fund Balance (Deficit) <u>June 30, 2017</u>	Fund Balance <u>June 30, 2016</u>	<u>Change</u>	Percentage <u>Change</u>
General	\$ 4,724,022	\$ 3,304,232	\$ 1,419,790	42.97 %
Bond Retirement	1,220,210	1,249,592	(29,382)	(2.35) %
Other Governmental	<u>148,990</u>	<u>955,465</u>	<u>(806,475)</u>	(84.41) %
Total	<u>\$ 6,093,222</u>	<u>\$ 5,509,289</u>	<u>\$ 583,933</u>	10.60 %

General Fund

The District's general fund balance increased \$1,419,790.

Revenues of the general fund increased 718,292 or 6.88%. The most significant increase was in the area of tuition revenues which increased \$455,703.

Expenditures of the general fund increased \$404,541 or 4.33%. The most significant increase was in the area of instruction which increased \$356,933. This increase was primarily the result of an increase in expenditures related to regular and special activities.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

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

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 4,293,054	\$ 4,197,291	\$ 95,763	2.28 %
Earnings on investments	37,992	14,319	23,673	165.33 %
Intergovernmental	4,770,761	4,670,911	99,850	2.14 %
Tuition	1,828,643	1,372,940	455,703	33.19 %
Other revenues	<u>232,146</u>	<u>188,843</u>	<u>43,303</u>	22.93 %
Total	<u>\$ 11,162,596</u>	<u>\$ 10,444,304</u>	<u>\$ 718,292</u>	6.88 %
<u>Expenditures</u>				
Instruction	\$ 5,463,791	\$ 5,106,858	\$ 356,933	6.99 %
Support services	3,684,262	3,705,560	(21,298)	(0.57) %
Non-instructional services	39,447	39,222	225	0.57 %
Extracurricular activities	383,215	366,696	16,519	4.50 %
Facilities acquisition and construction	71,602	18,136	53,466	294.81 %
Debt service	<u>100,489</u>	<u>101,793</u>	<u>(1,304)</u>	(1.28) %
Total	<u>\$ 9,742,806</u>	<u>\$ 9,338,265</u>	<u>\$ 404,541</u>	4.33 %

Bond Retirement Fund

The bond retirement fund had \$10,216,790 in revenues and other financing sources and \$10,246,172 in expenditures and other financing uses. During fiscal year 2017, the bond retirement fund balance decreased \$29,382 from \$1,249,592 to \$1,220,210.

General Fund Budgeting Highlights

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

During the course of fiscal year 2017, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$10,319,030 and final budgeted revenues and other financing sources were \$11,128,227. Actual revenues and other financing sources for fiscal year 2017 were \$11,112,232. This represents a \$15,995 decrease from final budgeted revenues.

General fund original appropriations (appropriated expenditures including other financing uses) totaled \$10,080,195, which were increased to \$10,240,732 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2017 totaled \$10,250,046, which was \$9,314 more than the final budget appropriations.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2017, the District had \$18,095,383 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities.

The following table shows June 30, 2017 balances compared to June 30, 2016:

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

	Governmental Activities	
	2017	2016
Land	\$ 376,562	\$ 254,762
Land improvements	92,206	107,924
Building and improvements	16,951,540	16,634,437
Furniture and equipment	324,652	259,332
Vehicles	350,423	424,251
Total	\$ 18,095,383	\$ 17,680,706

The overall increase in capital assets of \$414,677 is due to capital outlays of \$1,035,424 exceeding depreciation expense of \$620,747.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2017, the District had \$12,165,725 in general obligation bonds, energy conservation notes and water line project payable. Of this total, \$670,210 is due within one year and \$11,495,515 is due in more than one year.

The following table summarizes the bonds and water line project payable outstanding.

Outstanding Debt, at Year End

	Governmental Activities	Governmental Activities
	2017	2016
General obligation bonds	\$ 11,399,540	\$ 11,954,260
Energy conservation notes	735,000	780,000
Water line project payable	31,185	45,670
Capital lease obligations	-	15,936
Total	\$ 12,165,725	\$ 12,795,866

See Note 10 to the basic financial statements for additional information on the District's debt administration.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

Current Financial Related Activities

The District is proud that it has been able to maintain the advantages which come from living in a positive and caring rural environment. Those advantages include strong educational programming, reasonable class sizes and well qualified teachers. Our programs have traditionally placed at or near the top of county rankings on the district report cards. As a small district we are able to provide academic and extracurricular opportunities to our students on an individualized basis, and it is our absolute priority to see each child fulfill his or her potential.

The voters responded to the need for new facilities in fiscal year 2003, by approving the necessary millage to complete a new pre-kindergarten through eighth grade building to replace several school buildings that had been in use for more than eighty years. The new facility was completed entirely with local funds and opened in September 2006. Notes and bonds for the new building were issued during fiscal year 2004, refunded partially in fiscal year 2008 with the remaining refunded in 2014, which account for most of the outstanding debt referred to in this report. The District participates in the Ohio School Facilities Commission (OSFC) program and has begun the process for State matching funds available to add new high school facilities to the pre-kindergarten through eighth grade building.

Like many other Ohio school districts, Colonel Crawford was heavily dependent on business and inventory taxes, a revenue stream that will be phased out with current state budget. Our Tangible Personal Property (TPP) fixed rate payments have been extended to fiscal year 2018 with each year being reduced by \$139,791. Our Continuing 1.25% Income tax levy growth helps to offset the loss of TPP and the states hold harmless payment phase out.

The final state foundation revenue is subject to many factors all of which are open to deliberations and approval of the Ohio General Assembly. Due to economic conditions within the State, the level at which the State will fund schools is uncertain. State Foundation revenues are presented with figures from Amended HB59 which caps any increases to 6.25% in fiscal year 2014, 10.5% in fiscal year 2015 and 7.5% in fiscal years 2016 and 2017; meaning if the formula calculations produce a result that is higher than that amount, then the district will receive the capped amount.

Open enrollment numbers have grown over the last two years. During 2013-2014 school year, 216 students open enrolled into the district while 65 open enrolled out. In 2014-2015. 231 open enrolled into the District while 69 open enrolled out. Enrollment, PK-12, has also grown over the last three years. The total enrollment numbers are as follows: 2012-2013 were 923 students, 2013-2014 were 958 student, 2014-2015 were 922 students and 2015-2016 were 956 students. With open enrollment growing, this is helping the District generate revenue to help offset the uncertain levels of state funding.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ms. Vickey Stump, Treasurer, Colonel Crawford Local School District, 2303 St. Rt. 602, P.O. Box 7, North Robinson, Ohio 44856-0007.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 5,209,084
Receivables:	
Property taxes	3,889,032
Income taxes.	619,278
Accrued interest	1,615
Intergovernmental	115,489
Prepayments	11,114
Materials and supplies inventory.	16,048
Inventory held for resale.	8,397
Capital assets:	
Nondepreciable capital assets	376,562
Depreciable capital assets, net.	17,718,821
Capital assets, net	<u>18,095,383</u>
Total assets.	<u>27,965,440</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	128,645
Pension - STRS	2,252,340
Pension - SERS	651,086
Total deferred outflows of resources	<u>3,032,071</u>
Liabilities:	
Accounts payable.	11,800
Accrued wages and benefits payable	1,030,697
Intergovernmental payable	75,260
Pension and postemployment benefits payable .	142,692
Accrued interest payable.	185,313
Long-term liabilities:	
Due within one year.	722,958
Due in more than one year:	
Net pension liability	14,764,448
Other amounts due in more than one year .	12,028,870
Total liabilities	<u>28,962,038</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	2,121,136
Unamortized deferred gain on debt refunding	48,706
Pension - STRS	156,404
Pension - SERS.	114,353
Total deferred inflows of resources	<u>2,440,599</u>
Net position:	
Net investment in capital assets	6,137,565
Restricted for:	
Capital projects	24,046
Classroom facilities maintenance	192,517
Debt service.	741,116
Locally funded programs	3,294
State funded programs.	9,518
Federally funded programs	325,319
Student activities	54,938
Unrestricted (deficit)	(7,893,439)
Total net position (deficit).	<u>\$ (405,126)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 4,942,507	\$ 1,458,929	\$ 30,715	\$ (3,452,863)
Special	1,458,660	419,055	617,037	(422,568)
Vocational	48,259	-	3,888	(44,371)
Support services:				
Pupil.	814,322	-	-	(814,322)
Instructional staff	353,263	-	34,336	(318,927)
Board of education	24,551	-	-	(24,551)
Administration.	770,206	-	93,723	(676,483)
Fiscal.	379,312	-	11,240	(368,072)
Business.	2,769	-	-	(2,769)
Operations and maintenance	1,092,243	1,225	14,978	(1,076,040)
Pupil transportation.	703,996	47,004	14,280	(642,712)
Central	41,819	-	-	(41,819)
Operation of non-instructional services:				
Other non-instructional services	41,603	38,188	-	(3,415)
Food service operations	332,121	144,497	159,909	(27,715)
Extracurricular activities.	381,809	154,364	38,109	(189,336)
Interest and fiscal charges	641,684	-	-	(641,684)
Total governmental activities	\$ 12,029,124	\$ 2,263,262	\$ 1,018,215	(8,747,647)
		General revenues:		
		Property taxes levied for:		
		General purposes	2,811,754	
		Debt service.	925,985	
		Classroom facilities maintenance	61,398	
		Income taxes levied for:		
		General purposes	1,503,742	
		Grants and entitlements not restricted to specific programs	4,747,103	
		Investment earnings	38,046	
		Miscellaneous	6,723	
		Total general revenues	10,094,751	
		Special item - OFCC contribution not received	(1,942,641)	
		Total general revenues and special items	8,152,110	
		Change in net position	(595,537)	
		Net position at beginning of year.	190,411	
		Net position (deficit) at end of year.	\$ (405,126)	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 3,669,675	\$ 846,869	\$ 692,540	\$ 5,209,084
Receivables:				
Property taxes.	2,912,591	912,434	64,007	3,889,032
Income taxes	619,278	-	-	619,278
Accrued interest	1,615	-	-	1,615
Interfund loans	555,948	-	-	555,948
Intergovernmental.	28,662	-	86,827	115,489
Prepayments.	10,834	-	280	11,114
Materials and supplies inventory.	15,545	-	503	16,048
Inventory held for resale.	-	-	8,397	8,397
Advances to other funds.	-	-	31,014	31,014
Total assets	<u>\$ 7,814,148</u>	<u>\$ 1,759,303</u>	<u>\$ 883,568</u>	<u>\$ 10,457,019</u>
Liabilities:				
Accounts payable	\$ 11,800	\$ -	\$ -	\$ 11,800
Accrued wages and benefits payable	996,275	-	34,422	1,030,697
Intergovernmental payable	74,863	-	397	75,260
Pension obligation payable	134,000	-	8,692	142,692
Interfund loans payable.	-	-	555,948	555,948
Advance from other funds	-	-	31,014	31,014
Total liabilities.	<u>1,216,938</u>	<u>-</u>	<u>630,473</u>	<u>1,847,411</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	1,597,068	488,334	35,734	2,121,136
Delinquent property tax revenue not available.	159,226	50,759	3,384	213,369
Income tax revenue not available	104,197	-	-	104,197
Intergovernmental revenue not available.	9,089	-	64,987	74,076
Miscellaneous revenue not available.	3,608	-	-	3,608
Total deferred inflows of resources	<u>1,873,188</u>	<u>539,093</u>	<u>104,105</u>	<u>2,516,386</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory.	15,545	-	503	16,048
Prepays.	10,834	-	280	11,114
Restricted:				
Debt service	-	1,220,210	-	1,220,210
Classroom facilities maintenance	-	-	189,133	189,133
Special education	-	-	6,239	6,239
Other purposes.	-	-	293,177	293,177
Extracurricular activities	-	-	54,898	54,898
Committed:				
Capital improvements	-	-	187,195	187,195
Termination benefits.	104,634	-	-	104,634
Assigned:				
Student and staff support.	93,068	-	-	93,068
Other purposes.	266	-	-	266
Unassigned (deficit)	4,499,675	-	(582,435)	3,917,240
Total fund balances	<u>4,724,022</u>	<u>1,220,210</u>	<u>148,990</u>	<u>6,093,222</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,814,148</u>	<u>\$ 1,759,303</u>	<u>\$ 883,568</u>	<u>\$ 10,457,019</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Total governmental fund balances		\$	6,093,222
<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.			18,095,383
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	213,369	
Income taxes receivable		104,197	
Intergovernmental receivable		77,684	
Total		395,250	395,250
Unamortized premiums on bonds issued are not recognized in the funds.			(247,757)
Unamortized amounts on refundings are not recognized in the funds.			
Unamortized deferred charges		128,645	
Unamortized deferred gains		(48,706)	
Total		79,939	79,939
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(185,313)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred outflows of resources - pension		2,903,426	
Deferred inflows of resources - pension		(270,757)	
Net pension liability		(14,764,448)	
Total		(12,131,779)	(12,131,779)
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		(11,399,540)	
Energy conservation notes		(735,000)	
Waterline project payable		(31,185)	
Compensated absences		(338,346)	
Total		(12,504,071)	(12,504,071)
Net position of governmental activities		\$	(405,126)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 2,791,596	\$ 913,121	\$ 60,929	\$ 3,765,646
Income taxes	1,501,458	-	-	1,501,458
Tuition	1,828,643	-	-	1,828,643
Transportation fees	47,004	-	-	47,004
Earnings on investments	37,992	-	54	38,046
Charges for services	-	-	144,497	144,497
Extracurricular	53,149	-	104,171	157,320
Classroom materials and fees	79,850	-	1,225	81,075
Contributions and donations	37,155	-	11,720	48,875
Contract services	4,595	-	-	4,595
Other local revenues	10,393	-	16,407	26,800
Intergovernmental - intermediate	12,792	-	-	12,792
Intergovernmental - state	4,757,969	300,325	33,687	5,091,981
Intergovernmental - federal	-	-	582,364	582,364
Total revenues	<u>11,162,596</u>	<u>1,213,446</u>	<u>955,054</u>	<u>13,331,096</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,374,254	-	25,859	4,400,113
Special	1,068,790	-	311,413	1,380,203
Vocational	20,747	-	-	20,747
Support services:				
Pupil	776,780	-	423	777,203
Instructional staff	298,266	-	27,136	325,402
Board of education	22,688	-	-	22,688
Administration	715,168	-	12,507	727,675
Fiscal	337,574	28,022	3,245	368,841
Business	2,769	-	-	2,769
Operations and maintenance	882,159	-	-	882,159
Pupil transportation	610,577	-	-	610,577
Central	38,281	-	-	38,281
Operation of non-instructional services:				
Other non-instructional services	39,447	-	-	39,447
Food service operations	-	-	309,035	309,035
Extracurricular activities	383,215	-	97,735	480,950
Facilities acquisition and construction	71,602	-	974,176	1,045,778
Debt service:				
Principal retirement	75,421	580,000	-	655,421
Interest and fiscal charges	25,068	450,042	-	475,110
Bond issuance costs	-	183,960	-	183,960
Total expenditures	<u>9,742,806</u>	<u>1,242,024</u>	<u>1,761,529</u>	<u>12,746,359</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,419,790</u>	<u>(28,578)</u>	<u>(806,475)</u>	<u>584,737</u>
Other financing sources/(uses):				
Premium on bonds	-	198,344	-	198,344
Sale of bonds	-	8,805,000	-	8,805,000
Payment to refunded bond escrow agent	-	(9,004,148)	-	(9,004,148)
Total other financing sources/(uses)	<u>-</u>	<u>(804)</u>	<u>-</u>	<u>(804)</u>
Net change in fund balances	1,419,790	(29,382)	(806,475)	583,933
Fund balances at beginning of year	<u>3,304,232</u>	<u>1,249,592</u>	<u>955,465</u>	<u>5,509,289</u>
Fund balances at end of year	<u>\$ 4,724,022</u>	<u>\$ 1,220,210</u>	<u>\$ 148,990</u>	<u>\$ 6,093,222</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD 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, 2017

Net change in fund balances - total governmental funds	\$	583,933
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 1,035,424	
Current year depreciation	(620,747)	
Total		414,677
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	33,491	
Income taxes	2,284	
Intergovernmental	(1,938,774)	
Total		(1,902,999)
Repayment of bond, loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	580,000	
Waterline loan payable	14,485	
Energy conservation note	45,000	
Capital leases	15,936	
Total		655,421
Issuances of bonds are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
		(8,805,000)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	8,830,000	
Premiums refunded	306,015	
Deferred charges on refundings refunded	(262,222)	
Deferred gains on refundings	130,355	
Total		9,004,148
Premiums on bonds are amortized over the life of the issuance in the statement of activities.		
		(198,344)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	30,512	
Accreted interest on capital appreciation bonds	(50,280)	
Amortization of bond premiums	19,701	
Amortization of deferred charges and gains	17,453	
Total		17,386
		-Continued

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

(Continued)

FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(SEE ACCOUNTANT'S COMPILATION REPORT)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	743,211
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(1,080,909)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(27,061)</u>
Change in net position of governmental activities	<u><u>\$ (595,537)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	\$ 2,588,611	\$ 2,753,364	\$ 2,753,365	\$ 1
Income taxes	1,525,203	1,500,253	1,500,253	-
Tuition	1,375,295	1,828,643	1,828,643	-
Transportation fees	23,424	46,687	47,003	316
Earnings on investments	13,940	39,654	37,488	(2,166)
Classroom materials and fees	44,000	44,436	44,618	182
Contract services	1,530	4,595	4,595	-
Other local revenues	27,244	4,282	3,924	(358)
Intergovernmental - intermediate	6,142	12,694	12,792	98
Intergovernmental - state	4,617,961	4,780,460	4,780,460	-
Total revenues	<u>10,223,350</u>	<u>11,015,068</u>	<u>11,013,141</u>	<u>(1,927)</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,285,782	4,332,097	4,328,187	3,910
Special	1,149,611	1,067,389	1,063,289	4,100
Vocational	24,751	20,779	20,760	19
Support services:				
Pupil	784,841	768,833	753,902	14,931
Instructional staff	322,462	301,678	297,467	4,211
Board of education	25,611	25,330	22,733	2,597
Administration	781,412	750,798	741,399	9,399
Fiscal	368,995	341,473	339,476	1,997
Business	7,085	2,827	2,769	58
Operations and maintenance	987,402	946,980	902,232	44,748
Pupil transportation	648,302	616,458	608,344	8,114
Central	68,449	38,369	38,339	30
Other operation of non-instructional services	-	396	74	322
Extracurricular activities	336,325	321,628	320,521	1,107
Facilities acquisition and construction	81,154	92,571	88,371	4,200
Debt service:				
Principal	46,695	45,000	45,000	-
Interest and fiscal charges	24,149	21,968	21,968	-
Total expenditures	<u>9,943,026</u>	<u>9,694,574</u>	<u>9,594,831</u>	<u>99,743</u>
Excess of revenues over expenditures	<u>280,324</u>	<u>1,320,494</u>	<u>1,418,310</u>	<u>97,816</u>
Other financing sources (uses):				
Refund of prior year's expenditures	24,707	27,465	13,397	(14,068)
Transfers (out)	(63,650)	(61,340)	(99,267)	(37,927)
Advances in	70,973	82,943	82,943	-
Advances (out)	(73,519)	(484,818)	(555,948)	(71,130)
Sale of capital assets	-	2,751	2,751	-
Total other financing sources (uses)	<u>(41,489)</u>	<u>(432,999)</u>	<u>(556,124)</u>	<u>(123,125)</u>
Net change in fund balance	238,835	887,495	862,186	(25,309)
Fund balance at beginning of year	2,583,504	2,583,504	2,583,504	-
Prior year encumbrances appropriated	26,162	26,162	26,162	-
Fund balance at end of year	<u>\$ 2,848,501</u>	<u>\$ 3,497,161</u>	<u>\$ 3,471,852</u>	<u>\$ (25,309)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 3,067	\$ 81,698
Total assets.	3,067	\$ 81,698
Liabilities:		
Retainage payable	-	\$ 50,137
Due to students.	-	31,561
Total liabilities	-	\$ 81,698
Net position:		
Held in trust for scholarships	3,067	
Total net position.	\$ 3,067	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Private-Purpose Trust
	Scholarship
Additions:	
Gifts and contributions.	\$ 1,250
Total additions.	1,250
 Deductions:	
Scholarships awarded	1,500
Change in net position	(250)
Net position at beginning of year.	3,317
Net position at end of year	\$ 3,067

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Colonel Crawford Local School District (the "District") is located in Crawford County and encompasses all or parts of five towns and villages. The District serves an area of approximately 120 square miles.

The District was established in 1961 through the consolidation of existing land areas and school districts and is organized under Section 2 and 3, Articles 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 1 elementary school, 1 middle school, and 1 comprehensive high school. The District employs 48 non-certified and 70 certified employees to provide services to 933 students in grades Pre-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).

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

JOINT VENTURE WITHOUT EQUITY INTEREST

Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG")

The COG is a jointly governed organization among 16 school districts, 1 educational service center and a career center. The COG is an association of public school districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot counties. The COG was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. Each member school district supports the COG based on a per pupil charge dependent upon the software package utilized. The COG is governed by a Cooperative Assembly consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Cooperative Assembly. During fiscal year 2017, the District paid \$75,759 to the COG for various services. Financial information can be obtained from the treasurer for the Pioneer Career and Technology Center, who serves as fiscal agent, at 27 Ryan Road, Shelby, Ohio 44875-0309.

JOINTLY GOVERNED ORGANIZATION

The District participates in an insurance group purchasing pool, described in Note 11.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District does not have any proprietary funds.

GOVERNMENTAL FUNDS

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

The following are 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.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

Bond retirement fund - The bond retirement fund is used to account for the accumulation of restricted resources and payment of general obligation bond and note principal, interest and related costs.

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.

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 and a retainage account.

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.

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, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the District are included on the statement of net position.

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are 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, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the 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 and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 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. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. These deferred inflow of resources are only reported on the government-wide statement of net position.

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2017 is as follows:

1. 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 District was granted a waiver by the County budget commission in 2002 which waived the requirement for public hearings. Instead, the District completes an alternative tax budget in August or September. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Crawford County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, 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 a basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2017.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. 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. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2017; however, none of these amendments were significant. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. 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 2017, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2017 amounted to \$37,992, which includes \$14,350 assigned from other funds.

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

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

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented 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 used. Inventories are accounted for using the consumption method. On the fund financial statements, materials and supplies is equally offset by a nonspendable fund balance in 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.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

H. Prepaid Items

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

I. Capital Assets

All of the District's capital assets are general capital assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. 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. The District does not possess infrastructure.

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

Description	Governmental Activities Estimated Lives
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 15 years

I. Interfund Balances

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

J. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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 June 30, 2017, 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 fifty or greater with at least ten years of service 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, 2017, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable 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, claims and judgments, compensated absences, and contractually required pension contributions 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 loans are recognized as a liability on the fund financial statements when due.

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. It also includes the long-term amount of loans receivable.

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

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

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

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

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the 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. Bond Issuance Costs/Unamortized Bond Premium and Discount/Unamortized Accounting Gain or Loss

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, 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 or deferred inflow of resources.

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.A.

O. Estimates

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

P. Interfund Activity

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

Q. 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.

R. 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.

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. At June 30, 2017, the District had a special item for contributions not received from the Ohio Facilities Construction Commission (OFCC). This is due to the District having a balance owed to them from OFCC after they closed out their project. This money will not be received by the District as they did not need the full amounts initially agreed upon to complete their OFCC project.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2017, the District has implemented GASB Statement No. 77, “*Tax Abatement Disclosures*”, GASB Statement No. 78, “*Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*”, GASB Statement No. 80, “*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*” and GASB Statement No. 82, “*Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*”.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government’s tax revenues. The District did not have any material tax abatements to disclose.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to component units that are organized as not-for-profit corporations in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2017 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Food service	\$ 100,273
Title I	2,226
Building	393,678
Classroom facilities	85,515

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
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 Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Deposits with Financial Institutions

At June 30, 2017, the carrying amount of all District deposits was \$41,876. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2017, \$302,060 of the District's bank balance of \$552,060 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

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, 2017, the District had the following investment and maturity:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturity 6 months or less</u>
Amortized cost: STAR Ohio	<u>\$ 5,251,973</u>	<u>\$ 5,251,973</u>

The District's investments in STAR Ohio are valued at the daily redemption value as reported by the underlying fund (Level 1 inputs).

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

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.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
Amortized cost:		
STAR Ohio	\$ 5,251,973	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 on the statement of net position as of June 30, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 41,876
Investments	<u>5,251,973</u>
Total	<u>\$ 5,293,849</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 5,209,084
Private-purpose trust funds	3,067
Agency funds	<u>81,698</u>
Total	<u>\$ 5,293,849</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund loans receivable/payable consisted of the following at June 30, 2017, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 555,948</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 loans between governmental funds are eliminated for reporting in the statement of net position.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

- B.** Advance to/from other funds consisted of the following at June 30, 2017, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Nonmajor governmental fund	Classroom facilities fund	<u>\$ 31,014</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues are not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. This loan was to satisfy the District’s local share of their OSFC project.

NOTE 6 - TAXES

A. 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 2017 represent the collection of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed values as of January 1, 2016, 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 2017 represent the collection of calendar year 2016 taxes. Public utility real and personal property taxes received in calendar year 2017 became a lien on December 31, 2015, were levied after April 1, 2016, 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 Crawford 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, 2017, are available to finance fiscal year 2017 operations. The amount available as an advance at June 30, 2017 was \$1,156,297 in the general fund, \$373,341 in the bond retirement fund and \$24,889 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2016 was \$1,118,065 in the general fund, \$319,582 in the bond retirement fund and \$24,583 in the classroom facilities maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2017 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.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6 - TAXES - (Continued)

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 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 132,052,990	95.54	\$ 132,286,190	94.12
Public utility personal	<u>6,160,310</u>	<u>4.46</u>	<u>8,266,110</u>	<u>5.88</u>
Total	<u>\$ 138,213,300</u>	<u>100.00</u>	<u>\$ 140,552,300</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$52.50		\$45.50	
Debt service	6.50		7.50	
Classroom facilities maintenance	0.50		0.50	

B. School District Income Taxes

In February 2007, the District passed a 1.25% continuing earned income only tax for general operations of the District. Employers and residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax collection began in January 2008. Income tax is credited to the general fund. During fiscal year 2017, the District received \$1,501,458 in income tax revenue.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2017 consisted of property taxes, income taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. 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	\$ 3,889,032
Income taxes	619,278
Accrued interest	1,615
Intergovernmental	<u>115,489</u>
Total	<u>\$ 4,625,414</u>

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Balance			Balance
	<u>06/30/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/17</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 254,762	\$ 121,800	\$ -	\$ 376,562
Total capital assets, not being depreciated	<u>254,762</u>	<u>121,800</u>	<u>-</u>	<u>376,562</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	626,924	-	-	626,924
Buildings and improvements	20,618,980	793,130	-	21,412,110
Furniture and equipment	945,985	120,494	-	1,066,479
Vehicles	<u>1,012,502</u>	<u>-</u>	<u>-</u>	<u>1,012,502</u>
Total capital assets, being depreciated	<u>23,204,391</u>	<u>913,624</u>	<u>-</u>	<u>24,118,015</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(519,000)	(15,718)	-	(534,718)
Buildings and improvements	(3,984,543)	(476,027)	-	(4,460,570)
Furniture and equipment	(686,653)	(55,174)	-	(741,827)
Vehicles	<u>(588,251)</u>	<u>(73,828)</u>	<u>-</u>	<u>(662,079)</u>
Total accumulated depreciation	<u>(5,778,447)</u>	<u>(620,747)</u>	<u>-</u>	<u>(6,399,194)</u>
Governmental activities capital assets, net	<u>\$ 17,680,706</u>	<u>\$ 414,677</u>	<u>\$ -</u>	<u>\$ 18,095,383</u>

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 370,527
Special	23,510
Vocational	27,362
<u>Support services:</u>	
Pupil	7,642
Instructional staff	17,848
Board of education	1,440
Administration	10,432
Fiscal	1,440
Operations and maintenance	37,170
Pupil transportation	79,967
Central	3,538
Extracurricular activities	22,984
Food service operations	<u>16,887</u>
Total depreciation expense	<u>\$ 620,747</u>

NOTE 9 - CAPITALIZED LEASE

During a prior fiscal year, the District entered into capitalized leases for copiers. All leases meet the criteria of a capital lease which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$75,666, which represents the present value of the future minimum lease payments at the time of acquisition. As of June 30, 2017, the asset was fully depreciated.

Principal and interest payments in the 2017 fiscal year totaled \$15,936 and \$816, respectively. These amounts are reported as debt service payments of the general fund.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2017, the following changes occurred in governmental activities long-term obligations.

	Interest Rate	Balance Outstanding 06/30/16	Additions	Reductions	Balance Outstanding 06/30/17	Amounts Due in One Year
Governmental activities:						
<u>General obligation bonds:</u>						
Series 2007 Issue:						
School improvements bonds	4%-5%	\$ 8,940,000	\$ -	\$ (8,940,000)	\$ -	\$ -
Capital appreciation bonds	9.742%	210,000	-	-	210,000	-
Accreted interest		294,260	50,280	-	344,540	-
Series 2014 Issue:						
Refunding bonds	3.35%	2,510,000	-	(470,000)	2,040,000	485,000
Series 2017 Issue:						
Refunding bonds	2%-4%	-	8,805,000	-	8,805,000	125,000
Total general obligation bonds payable		<u>11,954,260</u>	<u>8,855,280</u>	<u>(9,410,000)</u>	<u>11,399,540</u>	<u>610,000</u>
Energy Conservation Notes - Series 2014	2.900%	780,000	-	(45,000)	735,000	45,000
<u>Other long-term obligations:</u>						
Water line project payable		45,670	-	(14,485)	31,185	15,210
Capital leases		15,936	-	(15,936)	-	-
Net pension liability		11,855,864	2,908,584	-	14,764,448	-
Compensated absences		311,285	102,826	(75,765)	338,346	52,748
Total other long-term obligations		<u>\$ 12,228,755</u>	<u>\$ 3,011,410</u>	<u>\$ (106,186)</u>	<u>\$ 15,133,979</u>	<u>\$ 67,958</u>
Total governmental activities		<u>24,963,015</u>	<u>\$ 11,866,690</u>	<u>\$ (9,561,186)</u>	<u>27,268,519</u>	<u>\$ 722,958</u>
Add: Unamortized premium on bond issue		<u>375,129</u>			<u>247,757</u>	
Total on statement of net position		<u>\$ 25,338,144</u>			<u>\$ 27,516,276</u>	

B. Waterline Project Payable - The District entered into an agreement with the Crawford County Commissioners on November 19, 1996 regarding costs for a water system improvement project in Sewer District No. 2. Under this agreement, the District will pay \$159,584 over a period of fifteen years in return for exemption from tap-in charges. Interest on this obligation will be calculated at a rate indexed to the rate of interest paid by the Crawford County Commissioners on its debt arising from this project. During fiscal year 2009, the District agreed to pay an additional \$100,327 until fiscal year 2019. During fiscal year 2017, the District made \$14,485 in principal payments and \$2,284 in interest payments on this obligation. Principal and interest payments are reported in the District's general fund. The remaining principal obligation at June 30, 2017 reported on the statement of net position is \$31,185. This amount is not included in the calculation for "net investment in capital assets" because the capital assets associated with this project belonging to the County are not included in the District's capital assets.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

- C. Capital Leases - Capital leases were paid from the general fund. See Note 9 for more details.
- D. Net Pension Liability - See Note 12 for details.
- E. Compensated Absences - Compensated absences will be paid from the fund from which the employee is paid which is primarily the general fund
- F. On November 1, 2007, the District issued general obligation bonds (Series 2007 General Obligation School Improvement and Refunding Bonds) to advance refund \$9,080,000 of the Series 2004 current interest general obligation bonds (See Note 10.F. for detail) and to current refund \$480,000 bond anticipation notes that matured on January 15, 2008. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The bond issue is comprised of both current interest bonds, par value \$9,305,000, and capital appreciation bonds, par value \$210,000. The interest rates on the current interest bonds range from 4.0% to 5.00%. The capital appreciation bonds mature on January 15, 2031 and January 15, 2032, (stated interest rate 9.742%) 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 is \$2,000,000. Total accreted interest of \$344,540 has been included in the statement of net position.

During fiscal year 2017, \$8,830,000 of the Series 2007 Refunding General Obligation Bonds were refunded by the Series 2015 Refunding Bonds, leaving only \$210,000 in capital appreciation bonds. There were no further obligations outstanding on the current interest portion of the bonds.

Interest payments of the current interest bonds are due on January 15 and July 15 of each year. The final maturity date stated on the issue is January 15, 2032.

The reacquisition price exceeded the net carrying amount of the old debt by \$413,309. 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.

The following is a summary of the future debt requirements to maturity for the Series 2007 general obligation bonds:

Fiscal Year Ending June 30,	<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ -	\$ -
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023 - 2027	-	-	-
2028 - 2032	210,000	1,790,000	2,000,000
Total	<u>\$ 210,000</u>	<u>\$ 1,790,000</u>	<u>\$ 2,000,000</u>

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

- G.** On September 23, 2014, the District issued general obligation bonds (Series 2014 General Obligation School Improvement Refunding Bonds) to advance refund \$2,540,000 of the Series 2004 current interest general obligation bonds (See Note 10.F. for detail). The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2017, is \$2,040,000.

The bond issue is comprised of current interest bonds, par value \$2,540,000. The interest rates on the current interest bonds are 3.35%. Interest payments of the current interest bonds are due on January 15 and July 15 of each year. The final maturity date stated on the issue is July 15, 2020.

The net carrying amount of the old debt exceeded the reacquisition price by \$101,404. 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.

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

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2018	\$ 485,000	\$ 60,216	\$ 545,216
2019	500,000	43,717	543,717
2020	520,000	26,633	546,633
2021	535,000	8,961	543,961
Total	<u>\$ 2,040,000</u>	<u>\$ 139,527</u>	<u>\$ 2,179,527</u>

- H.** On December 10, 2014, the District issued \$825,000 in Series 2014 Energy Conservation Notes to provide financing for energy conservation projects throughout the District. The interest rates on the notes are 2.90%. Interest payments of the notes are due on June 1 and December 1 of each year. The final maturity date stated on the issue is December 1, 2029.

The following is a summary of the future debt requirements to maturity for the Series 2014 Energy Conservation Notes:

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2018	\$ 45,000	\$ 20,663	\$ 65,663
2019	50,000	19,285	69,285
2020	50,000	17,835	67,835
2021	50,000	16,385	66,385
2022	55,000	14,862	69,862
2023 - 2027	290,000	49,735	339,735
2028 - 2030	195,000	8,483	203,483
Total	<u>\$ 735,000</u>	<u>\$ 147,248</u>	<u>\$ 882,248</u>

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

- I. On May 2, 2017, the District issued general obligation bonds (Series 2017 General Obligation Refunding Bonds) to advance refund \$8,830,000 of the Series 2007 current interest general obligation bonds (See Note 10.F. for detail). The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2017, is \$8,805,000.

The bond issue is comprised of current interest bonds, par value \$8,805,000. The interest rates on the current interest bonds are between 2% and 4%. Interest payments of the current interest bonds are due on January 15 and July 15 of each year. The final maturity date stated on the issue is January 15, 2030.

The net carrying amount of the old debt exceeded the reacquisition price by \$101,404. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined debt service payments over the next 13 years by \$1,113,896 and resulting in an economic gain of \$948,623.

The following is a summary of the future debt requirements to maturity for the Series 2017 general obligation refunding bonds:

Fiscal Year Ending June 30,	Current Interest Bonds		
	Principal	Interest	Total
2018	\$ 125,000	\$ 164,910	\$ 289,910
2019	180,000	232,155	412,155
2020	245,000	228,555	473,555
2021	725,000	223,655	948,655
2022	745,000	209,155	954,155
2023-2027	4,070,000	701,830	4,771,830
2028-2030	2,715,000	142,350	2,857,350
Total	<u>\$ 8,805,000</u>	<u>\$ 1,902,610</u>	<u>\$ 10,707,610</u>

J. 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 used 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, 2017, are a voted debt margin of \$13,869,917 (including available funds of \$1,220,210), an unvoted debt margin of \$140,552 and an energy conservation debt margin of \$529,971.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The District has been assigned as an “approved special needs school district” by the Ohio Superintendent of Public Instruction. As a result, the portion of the general obligation bonds issued in fiscal year 2004 in excess of the debt limitation is exempted from that limitation pursuant to Revised Code Section 133.06(D)(2).

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District contracts with Wright Specialty Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate. The Board’s legal liability holds a deductible of \$2,500. Buildings/content and boiler and machinery has a limit of \$34,400,327 with a deductible of \$1,000. Real property and contents are 100% coinsured.

The bus fleet and maintenance vehicles are also insured through Wright Specialty Insurance Company and hold a \$500 collision deductible and a \$500 comprehensive deductible and a \$1,000,000 limit on liability coverage, along with a \$1,000,000 umbrella on top of that and a \$1,000,000 limit on uninsured motorist coverage.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal year 2016.

B. Employee Health Insurance

In January 1995, the District joined together with two other school districts in the state to form the Wyandot Crawford Health Benefit Plan (WCHBP), a public entity risk pool currently operating as a common risk management and insurance program. The WCHBP now includes seven school districts. The District pays an annual premium to the pool for its general insurance coverage. The risk of loss transfers entirely from the District to WCHBP. The Agreement for formation of the WCHBP provides that the WCHBP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$175,000 for each insured event.

Postemployment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no funding provisions are required by the District.

C. Workers’ Compensation

The District pays the State Worker’s Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the entire 14 percent was allocated to pension, death benefits, and Medicare B and no portion of the employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$178,015 for fiscal year 2017. Of this amount, \$16,447 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$565,196 for fiscal year 2017. Of this amount, \$106,528 is reported as pension and postemployment benefits payable.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.04089250%	0.03445552%	
Proportion of the net pension liability current measurement date	<u>0.03971960%</u>	<u>0.03542358%</u>	
Change in proportionate share	<u>-0.00117290%</u>	<u>0.00096806%</u>	
Proportionate share of the net pension liability	\$ 2,907,108	\$ 11,857,340	\$ 14,764,448
Pension expense	\$ 238,565	\$ 842,344	\$ 1,080,909

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 39,211	\$ 479,093	\$ 518,304
Net difference between projected and actual earnings on pension plan investments	239,795	984,477	1,224,272
Changes of assumptions	194,065	-	194,065
Difference between School District contributions and proportionate share of contributions/ change in proportionate share	-	223,574	223,574
School District contributions subsequent to the measurement date	<u>178,015</u>	<u>565,196</u>	<u>743,211</u>
Total deferred outflows of resources	<u>\$ 651,086</u>	<u>\$ 2,252,340</u>	<u>\$ 2,903,426</u>
Deferred inflows of resources			
Difference between School District contributions and proportionate share of contributions/ change in proportionate share	<u>\$ 114,353</u>	<u>\$ 156,404</u>	<u>\$ 270,757</u>
Total deferred inflows of resources	<u>\$ 114,353</u>	<u>\$ 156,404</u>	<u>\$ 270,757</u>

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

\$743,211 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. 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:	SERS	STRS	Total
2018	\$ 69,726	\$ 235,487	\$ 305,213
2019	69,557	235,485	305,042
2020	150,504	613,256	763,760
2021	68,931	446,512	515,443
Total	\$ 358,718	\$ 1,530,740	\$ 1,889,458

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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (level percent of payroll)

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study that was completed June 30, 2015. As a result of the actuarial experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$ 3,848,830	\$ 2,907,108	\$ 2,118,848

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, 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, 2016, 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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return *
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	7.61 %

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50% and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 15,757,441	\$ 11,857,340	\$ 8,567,375

Changes Between Measurement Date and Report Date - In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's NPL is expected to be significant.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2017, 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 2017, this amount was \$23,500. 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 2017, the School District's surcharge obligation was \$19,717.

The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$19,717, \$19,547, and \$31,597, respectively. The fiscal year 2017 amount has been reported as pension and postemployment benefits payable. The full amount has been contributed for fiscal years 2016 and 2015.

B. State Teachers Retirement System

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

Funding Policy - Ohio law authorizes STRS Ohio 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 Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2017, STRS Ohio did not allocate any employer contributions to the Health Care Stabilization Fund. The School District's did not make any contributions for health care for the fiscal years ended June 30, 2017, 2016 and 2015.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 862,186
Net adjustment for revenue accruals	20,377
Net adjustment for expenditure accruals	(156,792)
Net adjustment for other sources/uses	556,124
Funds budgeted elsewhere	88,992
Adjustment for encumbrances	48,903
GAAP basis	<u>\$ 1,419,790</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund, other grants fund, the special enterprise fund and the termination benefits fund.

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 15 - 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 involved in no material litigation as either plaintiff or defendant.

C. Foundation Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for fiscal year 2017, traditional school 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 School District, which can extend past the fiscal year end. As a result of the fiscal year 2017 reviews, the District is due \$10,941 from ODE. This amount has not been included in the financial statements.

NOTE 16 - SET-ASIDES

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 16 - SET-ASIDES – (Continued)

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2016	\$ -
Current year set-aside requirement	161,107
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	-
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>(161,107)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2018	<u>\$ -</u>
Set-aside balance June 30, 2017	<u>\$ -</u>

The District has \$12,881,838 in debt proceeds that will be available in future fiscal years as a capital improvement offset.

NOTE 17 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 70,493
Other governmental	<u>7,145</u>
Total	<u>\$ 77,638</u>

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**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.03971960%	0.04089250%	0.04338000%	0.04338000%
School District's proportionate share of the net pension liability	\$ 2,907,108	\$ 2,333,366	\$ 2,195,437	\$ 2,579,669
School District's covered-employee payroll	\$ 1,236,907	\$ 1,231,077	\$ 1,260,527	\$ 1,272,146
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	235.03%	189.54%	174.17%	202.78%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	69.16%	71.70%	65.52%

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.03542358%	0.03445552%	0.03536731%	0.03536731%
School District's proportionate share of the net pension liability	\$ 11,857,340	\$ 9,522,498	\$ 8,602,554	\$ 10,247,306
School District's covered-employee payroll	\$ 3,762,100	\$ 3,594,857	\$ 3,613,562	\$ 3,812,792
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	315.18%	264.89%	238.06%	268.76%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	72.10%	74.70%	69.30%

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

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

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 178,015	\$ 173,167	\$ 162,256	\$ 174,709
Contributions in relation to the contractually required contribution	<u>(178,015)</u>	<u>(173,167)</u>	<u>(162,256)</u>	<u>(174,709)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	\$ 1,271,536	\$ 1,236,907	\$ 1,231,077	\$ 1,260,527
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.18%	13.86%

2013	2012	2011	2010	2009	2008
\$ 176,065	\$ 160,508	\$ 146,200	\$ 151,985	\$ 108,984	\$ 95,246
(176,065)	(160,508)	(146,200)	(151,985)	(108,984)	(95,246)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,272,146	\$ 1,193,368	\$ 1,163,087	\$ 1,122,489	\$ 1,107,561	\$ 969,919
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 565,196	\$ 526,694	\$ 503,280	\$ 469,763
Contributions in relation to the contractually required contribution	<u>(565,196)</u>	<u>(526,694)</u>	<u>(503,280)</u>	<u>(469,763)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	\$ 4,037,114	\$ 3,762,100	\$ 3,594,857	\$ 3,613,562
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	13.00%

2013	2012	2011	2010	2009	2008
\$ 495,663	\$ 501,072	\$ 498,467	\$ 479,480	\$ 471,978	\$ 450,954
(495,663)	(501,072)	(498,467)	(479,480)	(471,978)	(450,954)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,812,792	\$ 3,854,400	\$ 3,834,362	\$ 3,688,308	\$ 3,630,600	\$ 3,468,877
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**COLONEL CRAWFORD LOCAL SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.



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

Colonel Crawford Local School District
Crawford County
2303 State Route 602
North Robinson, Ohio 44856

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Colonel Crawford Local School District, Crawford County, Ohio, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 14, 2018.

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, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

March 14, 2018



Dave Yost • Auditor of State

CLEAR COLONEL CRAWFORD LOCAL SCHOOL DISTRICT

CRAWFORD 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
MARCH 29, 2018**