



Dave Yost • Auditor of State

OHIO AUDITOR OF STATE KEITH FABER



January 17, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

Ohio Auditor of State

A handwritten signature in cursive script that reads "Keith Faber".

This Page is Intentionally Left Blank.

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY
JUNE 30, 2018

TABLE OF CONTENTS

TITLE	PAGE
Prepared by Management:	
Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards.....	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	5
Schedule of Findings.....	9

This page intentionally left blank.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
<u>Child Nutrition Cluster:</u>		
School Breakfast Program	10.553	\$140,030
National School Lunch Program	10.555	
Cash Assistance		680,501
Non-Cash Assistance (Food Distribution)		187,213
Total National School Lunch Program		<u>867,714</u>
Total Child Nutrition Cluster		<u>1,007,744</u>
Total U.S. Department of Agriculture		<u>1,007,744</u>
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education</i>		
Adult Education - Basic Grants to States	84.002	88,856
Title I Grants to Local Educational Agencies	84.010	704,359
Career and Technical Education - Basic Grants to States	84.048	99,726
<u>Special Education Cluster:</u>		
Special Education Grants to States	84.027	1,572,609
Special Education Preschool Grants	84.173	<u>27,558</u>
Total Special Education Cluster		1,600,167
English Language Acquisition State Grants	84.365	47,348
Supporting Effective Instruction State Grants	84.367	<u>177,934</u>
Total U.S. Department of Education		<u>2,718,390</u>
Total Expenditures of Federal Awards		<u>\$3,726,134</u>

The accompanying notes are an integral part of this schedule.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 20, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Sylvania City School District, Lucas County, Ohio (the District) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2018 to 2019 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$43,510
Special Education Grants to States	84.027	7,367
English Language Acquisition State Grants	84.365	7,992
Student Support and Academic Enrichment Program	84.424	21,680



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District, Lucas County, Ohio (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2018, wherein we noted the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2018



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, Sylvania City School District, Lucas County, Ohio, complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Sylvania City School District, Lucas County, Ohio (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 21, 2018. Our opinion also explained that the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the year. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We

subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2018

This page intentionally left blank.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.



Comprehensive Annual Financial Report

Sylvania Schools

Preparing students to be life-long learners and engaged citizens

Innovation • Diversity • Achievement • Collaboration • Leadership • Integrity



www.sylvaniaschools.org

Sylvania, OH
Fiscal Year Ending June 30,
2018

THIS PAGE IS INTENTIONALLY LEFT BLANK

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

SYLVANIA CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2018

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

4747 N. HOLLAND SYLVANIA RD.
SYLVANIA, OHIO 43560

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

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

TABLE OF CONTENTS

TITLE PAGE

TABLE OF CONTENTS..... i - iv

I. INTRODUCTORY SECTION

Letter of Transmittal I 1 - 6
 List of Principal Officials I 7
 Management Team I 8
 Organizational Chart..... I 9
 Certificate of Achievement for Excellence in Financial Reporting I 10

II. FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT..... F 1 - 3
 MANAGEMENT’S DISCUSSION AND ANALYSIS..... F 5 - 18

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position F 19
 Statement of Activities F 20

Fund Financial Statements:

Balance Sheet - Governmental Funds..... F 21
 Reconciliation of Total Governmental Fund Balances to Net Position
 of Governmental Activities..... F 22
 Statement of Revenues, Expenditures and Changes in Fund
 Balances - Governmental Funds..... F 23
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities F 24
 Statement of Fiduciary Net Position - Fiduciary Funds..... F 25
 Statement of Changes in Fiduciary Net Position - Fiduciary Fund F 26

Notes to the Basic Financial Statements F 27 - 73

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund F 76 - 77

REQUIRED SUPPLEMENTARY INFORMATION (Continued):

Schedule of the District’s Proportionate Share of the Net Pension Liability:

School Employees Retirement System (SERS) of Ohio.....	F 78
State Teachers Retirement System (STRS) of Ohio	F 79

Schedule of District Pension Contributions:

School Employees Retirement System (SERS) of Ohio.....	F 80 - 81
State Teachers Retirement System (STRS) of Ohio	F 82 - 83

Schedule of the District’s Proportionate Share of the Net OPEB Liability:

School Employees Retirement System (SERS) of Ohio.....	F 84
State Teachers Retirement System (STRS) of Ohio	F 85

Schedule of District OPEB Contributions

School Employees Retirement System (SERS) of Ohio.....	F 86 - 87
State Teachers Retirement System (STRS) of Ohio	F 88 - 89

Notes to Required Supplementary Information	F 90 - 91
---------------------------------------------------	-----------

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements - Major Funds:

Fund Descriptions - Major Governmental Funds	F 94
----------------------------------------------------	------

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Major Funds:

General Fund	F 95 - 97
Debt Service Fund	F 98

Combining Statements - Nonmajor Funds:

Fund Descriptions - Nonmajor Governmental Funds.....	F 99 - 101
------------------------------------------------------	------------

Combining Balance Sheet - Nonmajor Governmental Funds	F 102
-------------------------------------------------------------	-------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	F 103
---------------------------------------------------------------------------------------------------------------	-------

Combining Balance Sheet - Nonmajor Special Revenue Funds.....	F 104 - 106
---------------------------------------------------------------	-------------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	F 108 - 110
------------------------------------------------------------------------------------------------------------------	-------------

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds:

Food Service.....	F 111
Other Grants	F 111
District Managed Student Activity	F 111
Auxiliary Services	F 112
Data Communications for Schools	F 112
Vocational Educational Enhancements	F 112
Miscellaneous State Grants	F 112
Adult Basic Education	F 113
IDEA Part B	F 113
Vocational Education	F 113
Title III - Limited English Proficiency	F 114

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued):

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds (continued):

Title I.....	F 114
Pre-school for the Handicapped Grant	F 114
Improving Teacher Quality	F 115

Nonmajor Special Revenue Funds included in the General Fund on GAAP basis:

Uniform School Supplies	F 115
Special Services Rotary Fund.....	F 115
Natatorium.....	F 116
Rotary Fund.....	F 116
Public School Support	F 116

Combining Balance Sheet - Nonmajor Capital Projects Funds.....	F 117
----------------------------------------------------------------	-------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	F 118
-----------------------------------------------------------------------------------------------------------------------	-------

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Projects Funds:

Permanent Improvement	F 119
Building.....	F 119

Combining Statements - Fiduciary Funds:

Fund Descriptions - Fiduciary Funds	F 120
-------------------------------------------	-------

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Private-Purpose Trust Fund:

Scholarship	F 121
-------------------	-------

Statement of Changes in Assets and Liabilities - Agency Funds	F 122
---------------------------------------------------------------------	-------

III. STATISTICAL SECTION

Table of Contents.....	S 1
Net Position by Component - Last Ten Fiscal Years	S 2 - 3
Changes in Net Position - Last Ten Fiscal Years	S 4 - 7
Fund Balances, Governmental Funds - Last Ten Fiscal Years	S 8 - 9
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	S 10 - 11
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	S 12 - 13
Direct and Overlapping Property Tax Rates - Last Ten Years	S 14
Principal Taxpayers, Real Property - December 31, 2017 and December 31, 2008	S 15
Principal Taxpayers, Tangible and Public Utility Personal Property - December 31, 2017 and December 31, 2008.....	S 16
Property Tax Levies and Collections - Last Ten Fiscal Years	S 18 - 19
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	S 20
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	S 21

STATISTICAL SECTION (Continued)

Direct and Overlapping Governmental Activities Debt as of June 30, 2018	S 22
Legal Debt Margin Information - Last Ten Fiscal Years	S 23
Demographic and Economic Statistics - Last Ten Fiscal Years.....	S 24
Principal Employers - Current Year.....	S 25
Staffing Statistics, Full Time Equivalents (FTE) by Type - Last Ten Fiscal Years	S 26
Operating Indicators by Function - Last Ten Fiscal Years	S 27
Capital Asset Statistics - Last Ten Fiscal Years	S 28 - 29
School Building Information - Last Ten Fiscal Years	S 30 - 31
Operating Statistics - Last Ten Fiscal Years	S 32 - 33
Teacher Statistics - June 30, 2018.....	S 34

Sylvania City Schools

Introductory Section



Increasing academic achievement for all students is a top priority for our district. Students pictured are working independently in an elementary classroom (upper left), receiving recognition from the Sylvania Area Chamber of Commerce (upper right), presenting research at the Elementary GATE fair (lower left), and collaborating in teams in a junior high science classroom (lower right.)

THIS PAGE IS INTENTIONALLY LEFT BLANK

Office of the Treasurer

Lisa Shanks, Treasurer/CFO



December 21, 2018

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

As the Superintendent and Treasurer/CFO of the Sylvania City School District (the “District”), we are pleased to submit to you the twenty-second Comprehensive Annual Financial Report (CAFR) issued by the District. This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2018. This CAFR, which includes an opinion from Dave Yost, Auditor of State, who performed the District’s audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District’s financial affairs. This report is available to the Chamber of Commerce, major taxpayers, the public library, financial rating services, and other interested parties.

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

The District provides a full range of educational programs and services. These include diverse learning opportunities at the elementary and secondary levels. Educational opportunities range from comprehensive career and technical programs to college preparatory classes with an emphasis on honors and Advanced Placement course work. A broad range of clubs, co-curricular and extracurricular activities are available to students so that they may have a well-rounded educational experience in Sylvania Schools. Special education services are in-depth and provide the support necessary for our students with disabilities to be successful. The district also provides support for adult and community learning. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a non-major governmental fund. The District currently serves approximately 7,700 students in grades pre-K through 12th Grade.

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

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

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

THE REPORTING ENTITY

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

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

QUALITY IN EDUCATION

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

Curriculum Development. The District is implementing Ohio's Learning Standards in the four core areas: English Language Arts, Mathematics, Science, and Social Studies and in all supporting discipline areas. Teachers are continuing to participate in intensive training that emphasizes ways to raise student achievement with a heavy emphasis on differentiation and closing the gap. The District is continuing to focus on and support innovative thought-provoking learning experiences. Teacher leadership teams at all levels have targeted areas to help train academic leaders in each building. Teachers are continuing to design rigorous lessons for their students and are creating hands-on, 21st century skills to help prepare them to be life-long learners and engaged citizens. As the new standards continue to take shape over the next year, resources will be chosen to best support the new curriculum. The District is now 1:1, assigning a digital device to each student 6-12 and providing access at all grades in the elementary. Through the daily use of technology students become better prepared for college and careers.

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

Testing. Our SAT and ACT scores continue to improve from year to year and are higher than the national and State average. 77.9% of the students participating in advance placement testing qualify for college credit. The District continues to grow the number of students qualifying as National Merit Scholars and now boasts over 15 perfect scores on the PSAT and ACT tests in the past four years. Over 92% of the graduates pursue post-secondary/military education, earning millions in scholarships each year.

Class Size. There is an average of 22-23 students per class in grades K through 5. The class size for grades 6 – 12 is dependent upon the class offered and ranges from 25-30 students. This range compares very favorably among our comparable districts across the State as well as other districts in the area.

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

Staff Development. Professional development is a top focus of the District to help teachers learn new ways to differentiate learning through digital instruction directly in the classroom. Teacher leaders have been developing the training framework and supporting teachers in every department and grade level in each of the District's 12 schools. As Ohio's Learning Standards are implemented, the professional development efforts are combining with technology to help teachers best create a 21st century learning environment for students.

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

ECONOMIC CONDITIONS AND OUTLOOK

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

In November of 2016, the District passed a combination operating-permanent improvement levy. The levy generates an additional \$6.4 million annually for operating expenditures and \$1.4 million for general permanent improvements. The District began collecting on this levy in February 2017 and realized full collection in fiscal year 2018. The need for additional revenue became unavoidable when real estate receipts declined as a result of the depreciation of property values that occurred in 2009 and 2012. Through calendar year 2018 collections, the District realized an accumulated shortfall of real estate receipts totaling \$14.7 million. Additional operating revenues will eliminate the immediate need for drastic reductions to the normal operations of the District. However, a conservative long-term spending plan is necessary to preserve tax dollars indefinitely.

The State of Ohio is in the second year of the biennial budget. The District is expecting to receive slightly more funding in fiscal year 2019 than it received in 2018. However, the funding cap limit prohibits the District from receiving in excess of 3.0% of what it received in the prior fiscal year. This places additional financial hardship on the District and moves the funding mechanism away from a true per pupil calculation. The funding cap limit further shifts the financial responsibility from the State of Ohio to Sylvania Schools and its taxpayers.

MAJOR INITIATIVES FOR THE FUTURE

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

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

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

LONG-TERM FINANCIAL PLANNING

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

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

FINANCIAL INFORMATION

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

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from the implementation.

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

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

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

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

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

FINANCIAL REPORTING

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

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

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

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

Management is responsible for preparing a Discussion and Analysis (MD&A) of the District. This discussion appears after the Report of Independent Auditors in the financial section of this report. The MD&A provides an assessment of the District's finances for 2018. The MD&A is intended to be read in conjunction with this letter of transmittal.

INDEPENDENT AUDIT

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Dave Yost, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2018. The opinion appears at the beginning of the financial section of this report.

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

AWARDS

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sylvania City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

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

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

ACKNOWLEDGMENTS

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

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

Respectfully,



Lisa Shanks
Treasurer/CFO



Adam Fineske
Superintendent

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

MEMBERS OF THE BOARD OF EDUCATION

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

<u>Board Member</u>	<u>Began Service as a Board member</u>	<u>Present Term Expires</u>
Julie Hoffman, President	January, 2010	December 31, 2021
Vicki Donovan Lyle, Vice President	January, 2004	December 31, 2019
Jim Nusbaum, Member	January, 2004	December 31, 2019
Stephen Rothschild, Member	January, 2014	December 31, 2021
Shannon Szyperski, Member	January, 2018	December 31, 2021

SUPERINTENDENT OF SCHOOLS

The superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. Scott Nelson was appointed on July 1, 2015 to serve in this capacity. Scott left the district July 31, 2017. Adam Fineske was appointed by the board to be Superintendent effective August 1, 2017. Adam has been with the district for seventeen years prior to this appointment.

TREASURER/CFO

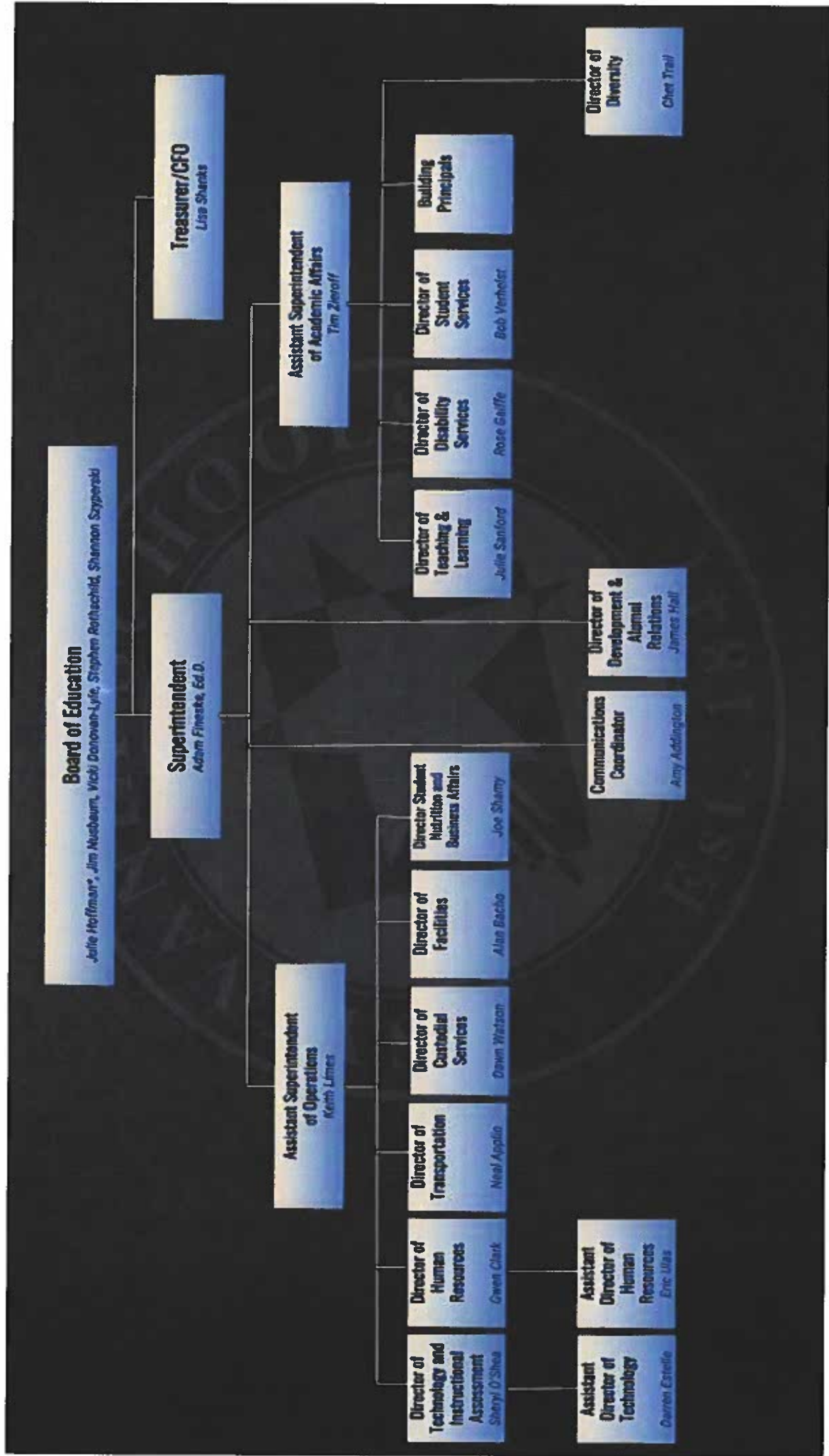
The treasurer serves as the chief financial officer of the District and, with the Board president, executes all conveyances made by the Board of Education. The Board appointed Lisa Shanks, Treasurer/CFO of the Sylvania City School District effective September 1, 2016.

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

MANAGEMENT TEAM

Adam Fineske	Superintendent of Schools
Lisa Shanks	Treasurer/CFO
Keith Limes	Asst Superintendent/Operations
Tim Zieroff	Asst Superintendent/Academic Affairs
Sheryl O'Shea	Dir Technology/Instructional Assessment
Alan Bacho	Director Facilities
Rose Gaiffe	Director Disability Services
Bob Verhelst	Director Student Services
Neal Applin	Director Transportation
Joe Shamy	Director Student Nutrition/Business Affairs
Gwen Clark	Director Human Resources
Julie Sanford	Director Teaching/Learning
Dawn Watson	Director Custodial Services
James Hall	Director Development/Alumni Relations
Chet Trail	Director Diversity
Darren Estelle	Assistant Director Technology
Eric Ulas	Assistant Director Human Resources
Amy Addington	Communications Coordinator
Steve Swaggerty	Northview High School Principal
Kasey Vens	Southview High School Principal
Mellisa McDonald	Arbor Hills Junior High School Principal
Josh Tyburski	McCord Junior High School Principal
Mike Bader	Timberstone Principal
Amanda Ogren	Central Elementary Principal
Mark Pugh	Highland Elementary Principal
Chad Kolebuck	Hill View Elementary Principal
John Duwve	Maplewood Elementary Principal
Jeremy Bauer	Stranahan Elementary Principal
Julie Gault	Sylvan Elementary Principal
Andrew Duncan	Whiteford Elementary Principal

**SYLVANIA CITY SCHOOL DISTRICT
2018/19 ADMINISTRATIVE ORGANIZATIONAL CHART**





Government Finance Officers Association

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

Presented to

**Sylvania City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Financial Section



2018 Educators of the Year: Students, parents, alumni, colleagues, and members of the community nominate deserving staff each spring for the Educator of the Year award. The awards are announced at the beginning of the school year.

Pictured: Cindy Reyna, Jill Barnes, Jeremy Davis, Sara Badiuk, Betty Strawcutter, Brittany Robbins, Terah Webster (parent volunteer) and Tim Zieroff.

THIS PAGE IS INTENTIONALLY LEFT BLANK



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District, Lucas County, Ohio, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during fiscal year 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2018

This page intentionally left blank.

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

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

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

- In total, the net position of governmental activities increased \$52,293,874 which represents a 38.94% increase from 2017's restated net position.
- General revenues accounted for \$96,215,238 in revenue or 88.39% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for \$12,642,289 or 11.61% of total revenues of \$108,857,527.
- The District had \$56,563,653 in expenses related to governmental activities; only \$12,642,289 of these expenses was offset by program specific charges for services, operating grants or contributions or capital grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$96,215,238 were adequate to provide for these programs.
- The general fund and debt service fund are the only major funds of the District. The general fund had \$93,102,519 in revenues and \$86,544,068 in expenditures and other financing uses. During fiscal year 2018, the general fund's fund balance increased \$6,558,451 from a balance of \$2,481,346 to \$9,039,797.
- The debt service fund had \$7,619,376 in revenues and \$7,759,778 in expenditures. During fiscal year 2018, the debt service fund's fund balance decreased \$140,402 from \$4,032,001 to \$3,891,599.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

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

Reporting the District as a Whole

Statement of net position and the statement of activities

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page F15. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and debt service fund. All other governmental funds are considered nonmajor.

Governmental Funds

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

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

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

Reporting the District's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F27 - F73 of this report.

Required Supplementary Information

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) for the general fund is provided on pages F76 and F77 of this report.

Required supplementary information concerning the District's net pension liability and net OPEB liability can be found on pages F78 - F91 of this report.

THIS SPACE INTENTIONALLY LEFT BLANK

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

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for the fiscal years ended June 30, 2018 and 2017. The net position at June 30, 2018 has been restated as described in Note 3.A.

	<u>Net Position - Governmental Activities</u>	
	<u>2018</u>	<u>Restated 2017</u>
<u>Assets</u>		
Current and other assets	\$ 94,527,919	\$ 85,606,376
Capital assets, net	<u>98,415,591</u>	<u>100,722,378</u>
Total assets	<u>192,943,510</u>	<u>186,328,754</u>
<u>Deferred outflows of resources</u>		
Unamortized deferred charges	5,930,000	6,281,628
Pension	31,409,596	26,791,854
OPEB	<u>1,054,693</u>	<u>200,787</u>
Total deferred outflows	<u>38,394,289</u>	<u>33,274,269</u>
<u>Liabilities</u>		
Current liabilities	9,629,945	8,852,917
Long-term liabilities:		
Due within one year	5,665,735	5,948,811
Due in more than one year:		
Net pension liability	105,393,296	145,579,330
Net OPEB liability	23,515,160	29,532,154
Other amounts	<u>92,739,800</u>	<u>97,068,320</u>
Total liabilities	<u>236,943,936</u>	<u>286,981,532</u>
<u>Deferred inflows of resources</u>		
Property taxes and PILOTS	68,998,603	66,294,753
Pensions	4,504,706	621,277
OPEB	<u>2,891,219</u>	<u>-</u>
Total deferred inflows	<u>76,394,528</u>	<u>66,916,030</u>
<u>Net Position</u>		
Net investment in capital assets	15,489,254	15,023,837
Restricted	4,346,761	4,579,852
Unrestricted (deficit)	<u>(101,836,680)</u>	<u>(153,898,228)</u>
Total net position (deficit)	<u>\$ (82,000,665)</u>	<u>\$ (134,294,539)</u>

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

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

Net Pension Liability

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

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

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

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

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

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

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

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

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

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

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from deficit of \$104,963,172 to a deficit of \$134,294,539.

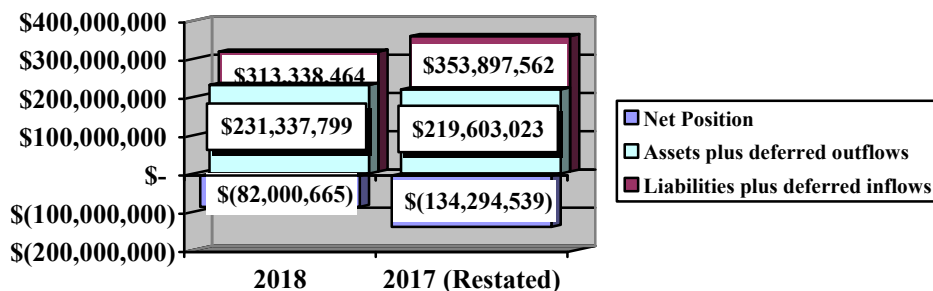
Analysis of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's liabilities plus deferred inflows exceeded assets plus deferred outflows by \$82,000,665. Of this total \$4,346,761 is restricted in use and \$15,489,254 is invested in capital assets (net of related debt), resulting in a deficit in unrestricted net position of \$101,836,680.

At year-end, capital assets represented 51.01% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. The net investment in capital assets at June 30, 2018, was \$15,489,254. 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.

Long-term liabilities decreased primarily due to a decrease in the net pension liability. This factor is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions to District employees, not the District.

Governmental Activities



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

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

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

	Change in Net Position - Governmental Activities	
	2018	Restated 2017
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 3,895,560	\$ 3,108,905
Operating grants and contributions	8,746,729	8,586,582
General revenues:		
Property taxes	71,533,396	67,170,754
Payments in lieu of taxes	398,566	336,593
Grants and entitlements	23,686,204	23,480,318
Investment earnings	378,977	137,152
Miscellaneous	218,095	357,984
Total revenues	<u>108,857,527</u>	<u>103,178,288</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	17,467,589	38,598,123
Special	7,063,906	14,555,048
Vocational	1,221,311	2,517,544
Adult/continuing	27,869	93,014
Other	2,032,109	2,286,573
Support services:		
Pupil	2,701,436	6,235,878
Instructional staff	1,043,280	2,257,483
Board of education	28,886	35,293
Administration	4,321,384	8,114,875
Fiscal	1,585,485	1,950,168
Business	107,107	209,399
Operations and maintenance	6,956,354	9,945,554
Pupil transportation	2,520,832	4,780,637
Central	835,751	1,328,922
Operation of non-instructional services:		
Food service operations	1,847,751	2,495,494
Other non-instructional services	1,053,190	1,136,233
Extracurricular activities	1,804,350	2,999,186
Interest and fiscal charges	3,945,063	4,074,233
Total expenses	<u>56,563,653</u>	<u>103,613,657</u>
Change in net position	52,293,874	(435,369)
Net position (deficit) at beginning of year (restated)	<u>(134,294,539)</u>	<u>N/A</u>
Net position (deficit) at end of year	<u>\$ (82,000,665)</u>	<u>\$ (134,294,539)</u>

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

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

Governmental Activities

Net position of the District's governmental activities increased \$52,293,874. Total governmental expenses of \$56,563,653 were offset by program revenues of \$12,642,289 and general revenues of \$96,215,238. Program revenues supported 22.35% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 87.47% of total governmental revenue. In the general revenues area, property taxes increased due to the passage of a combined operating-permanent improvements levy in November 2016. Collections on this levy began in February 2017. Full collection on the levy was realized in fiscal year 2018. Unrestricted grants and entitlements revenue increased as the District received more unrestricted State Foundation aid from the State of Ohio in fiscal year 2018. Investment earnings increased as the District had more monies to invest and earned higher interest rates. In the program revenues area, operating grants and contributions remained comparable to the prior year. Charges for services and sales revenue increased due to increased tuition revenue.

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$200,787 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$3,723,228. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$ 56,563,653
Negative OPEB expense under GASB 75	3,723,228
2018 contractually required contributions	<u>256,453</u>
Adjusted 2018 program expenses	60,543,334
Total 2017 program expenses under GASB 45	<u>103,613,657</u>
Decrease in program expenses not related to OPEB	<u>\$ (43,070,323)</u>

Overall, expenses of the governmental activities decreased \$47,050,004 or 45.41%. This decrease is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the District reported (\$33,597,194) in pension expense and (\$3,723,228) in OPEB expense mainly due to these benefit changes by the retirement systems. Fluctuations in the pension expense reported under GASB 68 makes it difficult to compare financial information between years. Pension expense is a component of program expenses reported on the statement of activities. To assess fluctuations in program expenses, the increase or decrease in pension expense should be factored into the analysis. Pension expense, by function, for 2018 and 2017 follows:

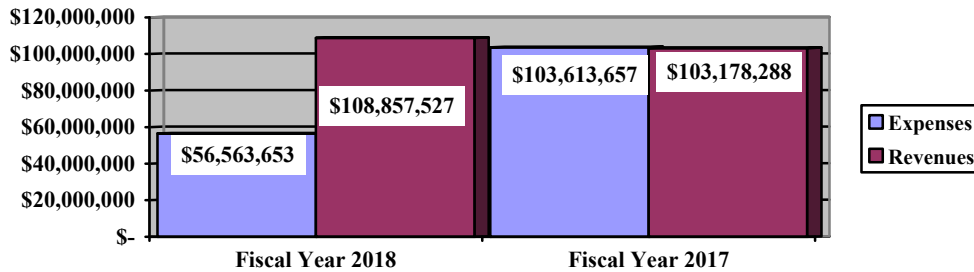
**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

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

	2018 Pension Expense	2017 Pension Expense	Increase (Decrease)
Program expenses:			
Instruction:			
Regular	\$ (16,084,131)	\$ 5,292,706	\$ (21,376,837)
Special	(5,295,713)	1,893,960	(7,189,673)
Vocational	(715,372)	240,873	(956,245)
Adult/continuing	(48,107)	15,992	(64,099)
Support services:			
Pupil	(2,587,203)	863,779	(3,450,982)
Instructional staff	(552,636)	233,001	(785,637)
Board of education	(8,124)	2,779	(10,903)
Administration	(2,882,648)	955,675	(3,838,323)
Fiscal	(298,233)	97,362	(395,595)
Business	(31,662)	18,720	(50,382)
Operations and maintenance	(2,106,087)	715,559	(2,821,646)
Pupil transportation	(1,581,042)	534,518	(2,115,560)
Central	(247,906)	86,270	(334,176)
Operation of non-instructional services:			
Other non-instructional services	(43,457)	-	(43,457)
Food service operations	(476,564)	170,851	(647,415)
Extracurricular activities	(638,309)	213,526	(851,835)
Total	<u>\$ (33,597,194)</u>	<u>\$ 11,335,571</u>	<u>\$ (44,932,765)</u>

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2018 and 2017.

Governmental Activities - Revenues and Expenses



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

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

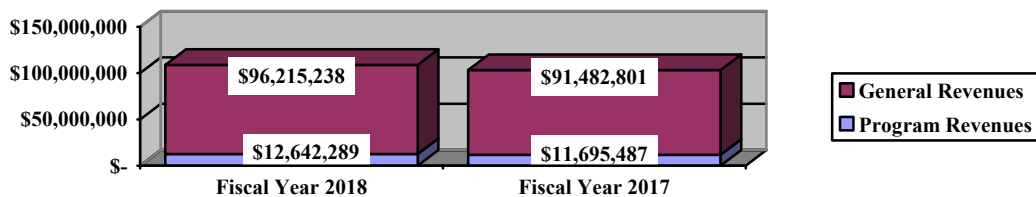
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

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

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>
Program expenses				
Instruction:				
Regular	\$ 17,467,589	\$ 15,747,896	\$ 38,598,123	\$ 37,781,901
Special	7,063,906	1,224,301	14,555,048	8,613,511
Vocational	1,221,311	538,728	2,517,544	1,826,129
Adult/continuing	27,869	(63,930)	93,014	5,413
Other	2,032,109	2,032,109	2,286,573	2,286,573
Support services:				
Pupil	2,701,436	2,618,241	6,235,878	6,035,215
Instructional staff	1,043,280	1,028,265	2,257,483	2,221,271
Board of education	28,886	28,886	35,293	35,293
Administration	4,321,384	4,321,384	8,114,875	8,114,875
Fiscal	1,585,485	1,585,485	1,950,168	1,950,168
Business	107,107	107,107	209,399	209,399
Operations and maintenance	6,956,354	6,896,607	9,945,554	9,869,933
Pupil transportation	2,520,832	2,473,937	4,780,637	4,734,459
Central	835,751	814,151	1,328,922	1,307,322
Operations of non-instructional services:				
Food service operations	1,847,751	(361,106)	2,495,494	524,340
Other non-instructional services	1,053,190	(37,646)	1,136,233	81,040
Extracurricular activities	1,804,350	1,021,886	2,999,186	2,247,095
Interest and fiscal charges	<u>3,945,063</u>	<u>3,945,063</u>	<u>4,074,233</u>	<u>4,074,233</u>
Total expenses	<u>\$ 56,563,653</u>	<u>\$ 43,921,364</u>	<u>\$ 103,613,657</u>	<u>\$ 91,918,170</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 70.04% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 77.65%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are by far the primary support for the District's students. The graph below presents the District's governmental activities revenue for fiscal years 2018 and 2017.

Governmental Activities - General and Program Revenues



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

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

The District's Funds

The District's governmental funds reported a combined fund balance of \$14,751,749, which is higher than last year's total of \$8,674,120. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	Fund Balance <u>June 30, 2018</u>	Fund Balance <u>June 30, 2017</u>	Increase <u>(Decrease)</u>
General	\$ 9,039,797	\$ 2,481,346	\$ 6,558,451
Debt service	3,891,599	4,032,001	(140,402)
Nonmajor Governmental	<u>1,820,353</u>	<u>2,160,773</u>	<u>(340,420)</u>
Total	<u>\$ 14,751,749</u>	<u>\$ 8,674,120</u>	<u>\$ 6,077,629</u>

General Fund

The District's general fund balance increased \$6,558,451. The table that follows assists in illustrating the financial activities of the general fund.

	<u>General Fund</u>			
	2018 <u>Amount</u>	2017 <u>Amount</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 63,223,548	\$ 59,084,836	\$ 4,138,712	7.00 %
Tuition	1,262,137	752,934	509,203	67.63 %
Earnings on investments	378,977	137,152	241,825	176.32 %
Intergovernmental	26,590,163	26,270,298	319,865	1.22 %
Other revenues	<u>1,647,694</u>	<u>1,612,910</u>	<u>34,784</u>	2.16 %
Total	<u>\$ 93,102,519</u>	<u>\$ 87,858,130</u>	<u>\$ 5,244,389</u>	5.97 %
<u>Expenditures</u>				
Instruction	\$ 51,608,158	\$ 48,368,195	\$ 3,239,963	6.70 %
Support services	32,476,803	32,490,631	(13,828)	(0.04) %
Operation of non-instructional services	161,221	105,177	56,044	53.29 %
Extracurricular activities	1,725,533	1,652,589	72,944	4.41 %
Facilities acquisition and construction	23,060	3,310	19,750	596.68 %
Debt service	<u>458,200</u>	<u>459,350</u>	<u>(1,150)</u>	(0.25) %
Total	<u>\$ 86,452,975</u>	<u>\$ 83,079,252</u>	<u>\$ 3,373,723</u>	4.06 %

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

Tax revenue increased due to the passage of a combined operating-permanent improvement levy in November 2016. Collections on the levy began in February 2017. Full collection on the levy was realized in fiscal year 2018. The remaining increase in tax revenue is due to an increase in tax advances available at June 30, 2018 versus June 30, 2017 which are recorded as revenue. The amount of tax advance available can vary depending upon when the tax bills are sent by the County Auditor. Earnings on investment revenues increased due to the District having more monies to invest and improved interest rates. Tuition revenues increased due to the District receiving more tuition from other districts from open enrollment. Instruction expenditures increased primarily in the area of regular programs. All other revenue and expenditures remained comparable to the prior year or were immaterial in amount.

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

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

Debt Service Fund

The debt service fund had \$7,619,376 in revenues and \$7,759,778 in expenditures. During fiscal year 2018, the debt service fund's fund balance decreased \$140,402 from \$4,032,001 to \$3,891,599.

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 2018, the District did amend its general fund budget. For the general fund, original and final budgeted revenues and other financing sources were \$89,773,376 and \$94,973,744 respectively. Actual revenues and other financing sources for fiscal 2018 was \$95,232,412. This represents a \$258,668 increase, or less than three percent, from final budgeted revenues. This increase is primarily due to intergovernmental revenues being more than estimated. General fund original and final appropriations (appropriated expenditures plus other financing uses) were \$89,256,710 and \$89,359,482 respectively. The actual budget basis expenditures and other financing uses for fiscal year 2018 totaled \$86,490,338, which was \$2,869,144 less than the final budget appropriations. Actual expenditures were less than budgeted expenditures as salary and fringe benefit costs proved to be lower than anticipated in the original and final budget.

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

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2018, the District had \$98,415,591 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2018 balances compared to 2017:

	Capital Assets at June 30	
	(Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 2,694,493	\$ 2,694,493
Land improvements	3,582,083	3,959,012
Buildings and improvements	85,578,456	86,087,682
Furniture and equipment	5,321,141	5,766,744
Vehicles	630,801	266,413
Construction in progress	<u>608,617</u>	<u>1,948,034</u>
Total	<u>\$ 98,415,591</u>	<u>\$ 100,722,378</u>

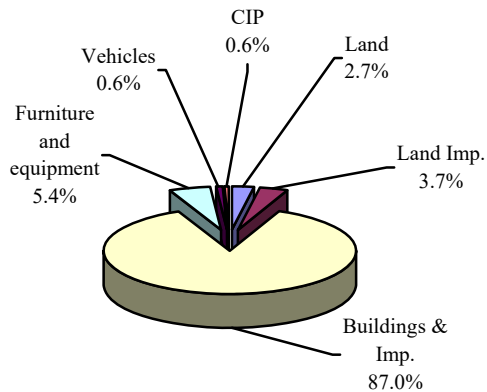
The overall decrease in capital assets of \$2,306,787 is primarily due to depreciation expense of \$4,621,173 being greater than the increase in to capital assets of \$2,314,386.

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

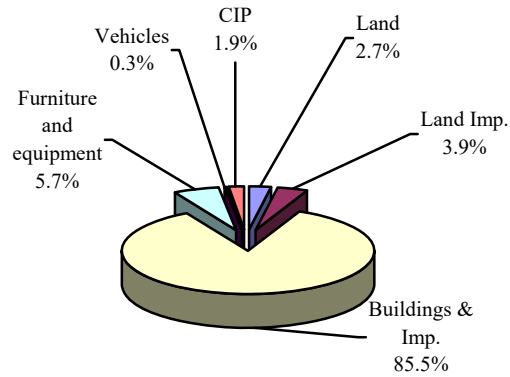
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

The graphs below present the District's capital assets for fiscal 2018 and fiscal 2017.

**Capital Assets - Governmental Activities
2018**



**Capital Assets - Governmental Activities
2017**



See Note 8 for further information on the District's capital assets.

Debt Administration

At June 30, 2018, the District had \$82,785,420 in general obligation bonds, energy conservation bonds and lease purchase obligations outstanding. Of this total, \$4,937,090 is due within one year and \$77,848,330 is due within greater than one year.

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

Outstanding Debt, at Year End

	Governmental Activities 2018	Governmental Activities 2017
General obligation bonds	\$ 76,062,946	\$ 79,780,922
Lease purchase obligation	2,597,474	2,850,000
Energy conservation bonds	4,125,000	4,435,000
Total	\$ 82,785,420	\$ 87,065,922

The District's lease purchase obligation was issued in fiscal year 2017 to provide financing for boilers, chillers and HVAC (see Note 16). The energy conservation notes were issued in fiscal year 2014 to provide financing for HVAC, electrical, and plumbing system upgrades to create energy savings by reducing energy consumption. The project will be funded from the savings created from reduced energy consumption. Prior to the issuance of the financial statements, these energy conservation notes were refinanced on a long-term basis through the issuance of energy conservation bonds (see Note 9).

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

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

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

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

Current Financial Related Activities

The District's largest revenue source is property taxes and state reimbursements associated with property taxes. Real estate receipts generate approximately 66% of annual revenues received by Sylvania Schools. Sylvania residents approved a combination Operating-Permanent Improvement Levy in November 2016. The proceeds from this levy will help alleviate the financial stress experienced by District over the past several years. The revenue will stabilize the District's financial position in the short-term. However, a conservative long-term spending plan is necessary to ensure a healthy financial environment in future years. Currently, the state is operating in the first year of a two year budget cycle. Revenue shortfall experienced at the state level led to a reduction of \$2.4 million in state funding under the current budget through a reduction to the funding cap limit. Since fiscal year 2013, the funding cap limit has restricted the amount the District would otherwise receive through the normal calculation process.

The District entered into a three-year agreement with the Sylvania Education Association and OAPSE, effective July 1, 2017. Base increases were awarded in each year of the contract in the amount of 3%, 1.25% and 1.25%, respectively. The District extended its contract with Paramount Insurance Company Inc. through December 31, 2019. Insurance premiums will increase 8% in calendar year 2018 and increases are capped at 10% in 2019.

Contacting the District's Financial Management

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

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

STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 21,677,996
Cash with escrow agent	45,622
Receivables:	
Property taxes	71,369,496
Payment in lieu of taxes	434,268
Accounts.	86,394
Intergovernmental	772,808
Prepayments	138,022
Inventory held for resale.	3,313
Capital assets:	
Nondepreciable capital assets	3,303,110
Depreciable capital assets, net.	95,112,481
Capital assets, net	98,415,591
Total assets.	192,943,510
 Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	5,930,000
Pension (Note 11).	31,409,596
OPEB (Note 12).	1,054,693
Total deferred outflows of resources	38,394,289
 Liabilities:	
Accounts payable.	333,861
Contracts payable.	404,095
Retainage payable	35,144
Accrued wages and benefits payable	7,003,312
Intergovernmental payable	160,116
Pension and postemployment benefits payable.	1,410,962
Accrued interest payable	282,455
Long-term liabilities:	
Due within one year.	5,665,735
Due in more than one year:	
Net pension liability (Note 11)	105,393,296
Net OPEB liability (Note 12)	23,515,160
Other amounts due in more than one year	92,739,800
Total liabilities	236,943,936
 Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	68,564,335
Payment in lieu of taxes levied for the next fiscal year	434,268
Pension (Note 11).	4,504,706
OPEB (Note 12).	2,891,219
Total deferred inflows of resources	76,394,528
 Net position:	
Net investment in capital assets	15,489,254
Restricted for:	
Capital projects	2,290,516
Debt service.	1,782,769
Locally funded programs	1,071
State funded programs.	43,063
Federally funded programs	288
Student activities	229,054
Unrestricted (deficit).	(101,836,680)
Total net position (deficit).	\$ (82,000,665)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular	\$ 17,467,589	\$ 1,551,071	\$ 168,622	\$ (15,747,896)
Special	7,063,906	235,872	5,603,733	(1,224,301)
Vocational	1,221,311	-	682,583	(538,728)
Adult/continuing.	27,869	-	91,799	63,930
Other	2,032,109	-	-	(2,032,109)
Support services:				
Pupil.	2,701,436	-	83,195	(2,618,241)
Instructional staff	1,043,280	-	15,015	(1,028,265)
Board of education	28,886	-	-	(28,886)
Administration.	4,321,384	-	-	(4,321,384)
Fiscal.	1,585,485	-	-	(1,585,485)
Business.	107,107	-	-	(107,107)
Operations and maintenance	6,956,354	59,747	-	(6,896,607)
Pupil transportation.	2,520,832	46,895	-	(2,473,937)
Central	835,751	-	21,600	(814,151)
Operation of non-instructional services:				
Food service operations	1,847,751	1,181,388	1,027,469	361,106
Other non-instructional services	1,053,190	102,080	988,756	37,646
Extracurricular activities.	1,804,350	718,507	63,957	(1,021,886)
Interest and fiscal charges	3,945,063	-	-	(3,945,063)
Total governmental activities	\$ 56,563,653	\$ 3,895,560	\$ 8,746,729	(43,921,364)
General revenues:				
Property taxes levied for:				
General purposes				63,111,469
Debt service.				6,698,458
Capital outlay.				1,723,469
Payments in lieu of taxes.				398,566
Grants and entitlements not restricted				
to specific programs				23,686,204
Investment earnings				378,977
Miscellaneous				218,095
Total general revenues				96,215,238
Change in net position				52,293,874
Net position (deficit) at beginning of year (restated).				(134,294,539)
Net position (deficit) at end of year.				\$ (82,000,665)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 15,420,926	\$ 3,700,172	\$ 2,556,898	\$ 21,677,996
Cash with escrow agent.	-	-	45,622	45,622
Receivables:				
Property taxes.	62,628,827	6,951,571	1,789,098	71,369,496
Payment in lieu of taxes	385,056	39,808	9,404	434,268
Accounts	69,406	-	16,988	86,394
Interfund loans	277,062	-	-	277,062
Intergovernmental.	268,547	-	504,261	772,808
Prepayments.	138,022	-	-	138,022
Inventory held for resale.	-	-	3,313	3,313
Total assets	<u>\$ 79,187,846</u>	<u>\$ 10,691,551</u>	<u>\$ 4,925,584</u>	<u>\$ 94,804,981</u>
Liabilities:				
Accounts payable	\$ 315,590	\$ -	\$ 18,271	\$ 333,861
Contracts payable.	-	-	404,095	404,095
Retainage payable.	-	-	35,144	35,144
Accrued wages and benefits payable	6,655,287	-	348,025	7,003,312
Compensated absences payable	457,817	-	-	457,817
Intergovernmental payable	151,708	-	8,408	160,116
Pension and postemployment benefits payable	1,324,138	-	86,824	1,410,962
Interfund loans payable.	-	-	277,062	277,062
Total liabilities.	<u>8,904,540</u>	<u>-</u>	<u>1,177,829</u>	<u>10,082,369</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	60,159,320	6,683,573	1,721,442	68,564,335
Payment in lieu of taxes levied for the next fiscal year.	385,056	39,808	9,404	434,268
Delinquent property tax revenue not available.	699,133	76,571	18,098	793,802
Intergovernmental revenue not available.	-	-	178,458	178,458
Total deferred inflows of resources	<u>61,243,509</u>	<u>6,799,952</u>	<u>1,927,402</u>	<u>69,970,863</u>
Fund balances:				
Nonspendable:				
Prepays.	138,022	-	-	138,022
Restricted:				
Debt service	-	3,891,599	-	3,891,599
Capital improvements	-	-	1,833,179	1,833,179
Non-public schools	-	-	39,720	39,720
Other purposes.	-	-	1,071	1,071
Extracurricular	-	-	229,054	229,054
Assigned:				
Student instruction	8,566	-	-	8,566
Student and staff support.	186,457	-	-	186,457
Other purposes.	100,865	-	-	100,865
Unassigned (deficit)	8,605,887	-	(282,671)	8,323,216
Total fund balances	<u>9,039,797</u>	<u>3,891,599</u>	<u>1,820,353</u>	<u>14,751,749</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 79,187,846</u>	<u>\$ 10,691,551</u>	<u>\$ 4,925,584</u>	<u>\$ 94,804,981</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total governmental fund balances		\$	14,751,749
<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.			98,415,591
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Delinquent property taxes receivable	\$	793,802	
Intergovernmental receivable		178,458	
Total		178,458	972,260
Unamortized premiums on bonds issued are not recognized in the funds.			(7,580,246)
Unamortized deferred charges on debt refundings are not recognized in the funds.			5,930,000
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(282,455)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			
Deferred outflows - Pension		31,409,596	
Deferred Inflows - Pension		(4,504,706)	
Net pension liability		(105,393,296)	
Total		(105,393,296)	(78,488,406)
The net OPEB liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			
Deferred outflows - OPEB		1,054,693	
Deferred Inflows - OPEB		(2,891,219)	
Net OPEB liability		(23,515,160)	
Total		(23,515,160)	(25,351,686)
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		(80,187,946)	
Lease-purchase obligation		(2,597,474)	
Compensated absences		(7,582,052)	
Total		(90,367,472)	(90,367,472)
Net position (deficit) of governmental activities		\$	(82,000,665)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 63,223,548	\$ 6,708,112	\$ 1,726,166	\$ 71,657,826
Payment in lieu of taxes	354,688	36,229	7,649	398,566
Tuition	1,262,137	-	-	1,262,137
Transportation fees	46,895	-	-	46,895
Earnings on investments	378,977	-	3,131	382,108
Charges for services	-	-	1,181,388	1,181,388
Extracurricular	228,763	-	491,452	720,215
Classroom materials and fees	524,806	-	-	524,806
Rental income	58,039	-	-	58,039
Contributions and donations	116,828	-	-	116,828
Contract services	102,080	-	-	102,080
Other local revenues	215,595	-	9,217	224,812
Intergovernmental - state	26,421,173	875,035	1,012,515	28,308,723
Intergovernmental - federal	168,990	-	4,289,716	4,458,706
Total revenues	<u>93,102,519</u>	<u>7,619,376</u>	<u>8,721,234</u>	<u>109,443,129</u>
Expenditures:				
Current:				
Instruction:				
Regular	36,018,606	-	161,230	36,179,836
Special	11,631,117	-	2,252,501	13,883,618
Vocational	1,926,326	-	94,255	2,020,581
Adult/continuing	-	-	92,160	92,160
Other	2,032,109	-	-	2,032,109
Support services:				
Pupil	6,040,250	-	79,210	6,119,460
Instructional staff	1,635,841	-	14,975	1,650,816
Board of education	39,743	-	-	39,743
Administration	7,981,231	-	-	7,981,231
Fiscal	1,829,928	103,180	24,584	1,957,692
Business	125,821	-	161,570	287,391
Operations and maintenance	9,132,043	-	371,542	9,503,585
Pupil transportation	4,581,315	-	433,776	5,015,091
Central	1,110,631	-	21,600	1,132,231
Operation of non-instructional services:				
Food service operations	-	-	2,222,223	2,222,223
Other non-instructional services	161,221	-	947,203	1,108,424
Extracurricular activities	1,725,533	-	448,843	2,174,376
Facilities acquisition and construction	23,060	-	1,497,391	1,520,451
Debt service:				
Principal retirement	310,000	3,369,981	252,526	3,932,507
Interest and fiscal charges	148,200	3,076,598	75,810	3,300,608
Accretion on capital appreciation bonds	-	1,210,019	-	1,210,019
Total expenditures	<u>86,452,975</u>	<u>7,759,778</u>	<u>9,151,399</u>	<u>103,364,152</u>
Excess of revenues over (under) expenditures	<u>6,649,544</u>	<u>(140,402)</u>	<u>(430,165)</u>	<u>6,078,977</u>
Other financing sources (uses):				
Transfers in	-	-	91,093	91,093
Transfers (out)	(91,093)	-	-	(91,093)
Total other financing sources (uses)	<u>(91,093)</u>	<u>-</u>	<u>91,093</u>	<u>-</u>
Net change in fund balances	6,558,451	(140,402)	(339,072)	6,078,977
Fund balances at beginning of year	2,481,346	4,032,001	2,160,773	8,674,120
(Decrease) in reserve for inventory	-	-	(1,348)	(1,348)
Fund balances at end of year	<u>\$ 9,039,797</u>	<u>\$ 3,891,599</u>	<u>\$ 1,820,353</u>	<u>\$ 14,751,749</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

Net change in fund balances - total governmental funds	\$	6,078,977
<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 costs of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 2,314,386	
Current year depreciation	<u>(4,621,173)</u>	
Total		(2,306,787)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		(1,348)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property tax revenue	(124,430)	
Intergovernmental	<u>(461,172)</u>	
Total		(585,602)
Repayment of bond and lease-purchase 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	2,900,000	
Capital appreciation bonds	779,981	
Accreted interest on capital appreciation bonds	1,210,019	
Lease-purchase	<u>252,526</u>	
Total		5,142,526
In the statement of activities, interest is accrued on outstanding bonds, whereas in the funds, an interest expenditure is reported when due. The following items contributed in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	82,289	
Accreted interest on capital appreciation bonds	(862,024)	
Amortization of bond premiums	486,908	
Amortization of deferred charges on debt refundings	<u>(351,628)</u>	
Total		(644,455)
Contractually required pension contributions are reported as expenditures in the funds; however, the statement of activities reports these amounts as deferred outflows.		
		7,323,153
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		33,597,194
Contractually required OPEB contributions are reported as expenditures in the funds; however, the statement of activities reports these amounts as deferred outflows.		
		256,453
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		
		3,723,228
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
		<u>(289,465)</u>
Change in net position of governmental activities	\$	<u>52,293,874</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 8,490	\$ 113,667
Total assets.	8,490	\$ 113,667
Liabilities:		
Accounts payable.	-	\$ 4,225
Intergovernmental payable	-	2,133
Due to students.	-	107,309
Total liabilities	-	\$ 113,667
Net position:		
Held in trust for scholarships	8,490	
Total net position.	\$ 8,490	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 124
Gifts and contributions	7,687
Total additions	7,811
 Deductions:	
Scholarships awarded	8,750
Change in net position	(939)
Net position at beginning of year	9,429
Net position at end of year	\$ 8,490

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

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

The District currently operates 7 elementary schools, 3 middle schools, and 2 comprehensive high schools. The District employs 278 non-certified, 45 administrative, and 510 certified employees (full time equivalents) to provide services to 7,707 students in grades K through 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Computer Association (NWOCA)

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

Sylvania Area Joint Recreation District (SAJRD)

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

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

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

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

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

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

D. Basis of Accounting

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

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

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

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see note 11 and 12 for deferred outflows of resources related to the District's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

For the District, see Note 11 and 12 for deferred inflows of resources related to the District's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

E. Budgets

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

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

Tax Budget:

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

Estimated Resources:

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

Appropriations:

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

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

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

Lapsing of Appropriations:

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

F. Cash and Investments

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

During fiscal year 2018, the District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but 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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2018 amounted to \$378,977, which includes \$132,190 assigned from other District funds.

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

G. Inventory

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

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

I. Interfund Balances

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

J. Compensated Absences

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2018, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

K. Accrued Liabilities and Long-Term Obligations

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

L. Fund Balance

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

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

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

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

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

M. Net Position

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

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

N. Estimates

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

O. Interfund Activity

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

P. Nonpublic Schools

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

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

R. Pensions/Other Postemployment Benefits (OPEB)

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither one of these transactions occurred during fiscal year 2018.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

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

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the District's postemployment benefit plan disclosures, as presented in Note 12 to the basic financial statements, and added required supplementary information which is presented on pages F74 - F89.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

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

	Governmental Activities
Net position as previously reported	\$(104,963,172)
Deferred outflows - payments subsequent to measurement date	200,787
Net OPEB liability	(29,532,154)
Restated net position at July 1, 2017	\$(134,294,539)

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

B. Deficit Fund Balances

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

<u>Nonmajor funds</u>	<u>Deficit</u>
Food service	\$ 41,080
Adult basic education	1,451
IDEA Part B	148,567
Vocational education	114
Title III - limited english proficiency	281
Title I	77,073
IDEA Part B - preschool stimulus	1,242
Improving teacher quality	12,863

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

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

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

A. Cash with Escrow Agent

At June 30, 2018, the District had \$45,622 in a separate escrow account related to unspent proceeds of a lease-purchase agreement (see Note 16) that is held separate from the District's internal investment pool. The balance of this escrow account is not included in "deposits with financial institutions" below.

B. Deposits with Financial Institutions

At June 30, 2018, the carrying amount of all District deposits was \$2,542,637. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2018, \$1,686,738 of the District's bank balance of \$4,012,254 was exposed to custodial risk as discussed below, while \$2,325,516 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

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

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturity 6 months or less</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 19,257,516	\$ 19,257,516

The District's weighted average length to maturity for investments in STAR Ohio is one day.

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

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

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

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

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 19,257,516	100.00

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,542,637
Cash with escrow agent	45,622
Investments	<u>19,257,516</u>
Total	<u>\$ 21,845,775</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 21,723,618
Private-purpose trust funds	8,490
Agency funds	<u>113,667</u>
Total	<u>\$ 21,845,775</u>

NOTE 5 - INTERFUND TRANSACTIONS

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

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 277,062</u>

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

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

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 91,093</u>

Interfund transfers represent the use of unrestricted revenues collected in the general fund that are used to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer above was made from the general fund to supported food service operations. Interfund transfers between governmental funds are eliminated for reporting on the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 6 - PROPERTY TAXES

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

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

The District receives property taxes from Lucas County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available as an advance at June 30, 2018 was \$1,770,374 in the general fund, \$191,427 in the debt service fund and \$49,558 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2017 was \$3,294,357 in the general fund, \$351,251 in the debt service fund and \$91,286 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

	2017 Second Half Collections		2018 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,361,791,310	97.58	\$ 1,373,628,590	97.33
Public utility personal	<u>33,742,650</u>	<u>2.42</u>	<u>37,748,060</u>	<u>2.67</u>
Total	<u>\$ 1,395,533,960</u>	<u>100.00</u>	<u>\$ 1,411,376,650</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 88.45		\$ 88.56	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2018 consisted of taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental Activities	
Property taxes	\$ 71,369,496
Payments in lieu of taxes	434,268
Accounts	86,394
Intergovernmental	<u>772,808</u>
Total	<u>\$ 72,662,966</u>

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

THIS SPACE IS INTENTIONALLY LEFT BLANK

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 8 - CAPITAL ASSETS

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

	Balance 06/30/17	Additions	Deductions	Balance 06/30/18
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,694,493	\$ -	\$ -	\$ 2,694,493
Construction in progress	1,948,034	1,464,961	(2,804,378)	608,617
Total capital assets, not being depreciated	<u>4,642,527</u>	<u>1,464,961</u>	<u>(2,804,378)</u>	<u>3,303,110</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	9,011,825	-	-	9,011,825
Building and improvements	128,112,639	2,871,853	-	130,984,492
Furniture and equipment	11,649,679	298,108	-	11,947,787
Vehicles	6,464,711	483,842	(340,666)	6,607,887
Total capital assets, being depreciated	<u>155,238,854</u>	<u>3,653,803</u>	<u>(340,666)</u>	<u>158,551,991</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(5,052,813)	(376,929)	-	(5,429,742)
Building and improvements	(42,024,957)	(3,381,079)	-	(45,406,036)
Furniture and equipment	(5,882,935)	(743,711)	-	(6,626,646)
Vehicles	(6,198,298)	(119,454)	340,666	(5,977,086)
Total accumulated depreciation	<u>(59,159,003)</u>	<u>(4,621,173)</u>	<u>340,666</u>	<u>(63,439,510)</u>
Governmental activities capital assets, net	<u>\$ 100,722,378</u>	<u>\$ 497,591</u>	<u>\$ (2,804,378)</u>	<u>\$ 98,415,591</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 2,560,138
Special	164,486
Vocational	250,863
<u>Support Services:</u>	
Pupil	12,010
Instructional staff	144,324
Administration	141,141
Fiscal	13,040
Business	23,081
Operations and maintenance	403,548
Pupil transportation	98,282
<u>Operation of non-instructional services:</u>	
Food service operations	254,869
Other non-instructional services	2,843
Extracurricular activities	<u>552,548</u>
Total depreciation expense	<u>\$ 4,621,173</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS

A. General Obligation Bonds

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

Series 2006 Refunding General Obligation Bonds

On December 27, 2006, the District issued general obligation bonds (Series 2006 Refunding Bonds) to advance refund the callable of the Series 2001 and Series 2002 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds at June 30, 2018 is \$5,940,000. The Series 2006 refunding general obligation bonds were advance refunded in fiscal year 2017 with the issuance of the Series 2017 refunding general obligation bonds described below.

The refunding issue is comprised of both current interest bonds, par value \$8,315,000, and capital appreciation bonds par value \$509,990. The interest rates on the current interest bonds range from 3.75% - 4.00%. The capital appreciation bonds matured on December 1, 2014 (effective interest rate 11.8708%) and December 1, 2015 (effective interest rate 16.0366%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond which matured December 1, 2014 was \$580,000. The accreted value at maturity for the capital appreciation bond which matured December 1, 2015 was \$1,100,000.

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

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

Series 2009 School Improvement General Obligation Bonds

During fiscal year 2009, the voters of the District authorized the issuance of \$78,999,981 in general obligation bonds, for the purpose of renovating and otherwise improving school facilities. These bonds will be retired from proceeds of an additional 2.89 (average) mil bonded debt tax levy. On April 9, 2015, the District advance refunded \$70,580,000 of these bonds with proceeds from the Series 2015 refunding bonds (see below). After the refunding, there were \$3,130,000 of Series 2009 School Improvement current interest bonds remaining. The Series 2009 School Improvement current interest bonds matured in fiscal year 2017.

The remaining portion of the Series 2009 School Improvement bonds are capital appreciation bonds. The capital appreciation bonds matured on December 1, 2017 (effective interest rate 11.517%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond matured December 1, 2017 at \$1,990,000.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Series 2011 Refunding General Obligation Bonds

On September 7, 2011, the District issued general obligation bonds (Series 2011 Refunding Bonds) to advance refund the callable of the Series 1998 refunding current interest bonds, the Series 2001 refunding current interest bonds and the Series 2002 school improvement current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded current interest bonds that is considered defeased at June 30, 2018, is \$4,770,000. At June 30, 2018 the balance of the Series 2011 refunding bonds is \$4,325,000.

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

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

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

Series 2014 Energy Conservation Bonds

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

Series 2015 Refunding General Obligation Bonds

On April 9, 2015, the District issued general obligation bonds (Series 2015 Refunding Bonds) to advance refund the callable of the Series 2009 refunding current interest bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2009 current interest bonds that is considered defeased at June 30, 2018, is \$67,450,000. At June 30, 2018 the balance of the Series 2015 refunding bonds is \$63,210,000.

The refunding issue is comprised of both current interest bonds serial bonds, par value \$55,855,000, current interest term bonds, par value \$9,750,000, and capital appreciation bonds par value \$1,845,000. The interest rates on the current interest bonds range from 2.00% - 5.00%. The capital appreciation bonds mature on December 1, 2018 (effective interest rate 24.173%) and December 1, 2019 (effective interest rate 24.259%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds maturing December 1, 2018 and December 1, 2019 are \$2,325,000 and \$2,345,000, respectively. Total accreted interest of \$1,902,946 has been included in the statement of net position at June 30, 2018.

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Series 2017 Refunding General Obligation Bonds

On April 11, 2017, the District issued general obligation bonds (Series 2017 Refunding General Obligation Bonds) to advance refund the callable portion of the Series 2006 Refunding General Obligation Bonds (principal \$5,940,000; interest rate of 3.75% to 4.00%). Issuance proceeds of \$6,046,260 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 bonds that is considered defeased at June 30, 2018, is \$4,770,000. At June 30, 2018 the balance of the Series 2017 refunding bonds is \$4,780,000.

The refunding issue is comprised of current interest bonds, par value \$5,940,000. The interest rate on the current interest bonds is 2.100%.

The reacquisition price exceeded the net carrying amount of the old debt (including unamortized deferred changes and unamortized premiums) by \$47,789. 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 refunding was undertaken to reduce future debt service payments by \$372,090.

Payments of principal and interest relating to the Series 2017 refunding general obligation bonds are recorded as expenditures in the bond retirement fund. Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2021.

B. Other Long-Term Obligations

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

Net OPEB liability: The District's net OPEB liability is described in Note 12. The District pays obligations related to employee compensation from the fund benefitting from their service.

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

Lease-Purchase Obligation: The District's lease-purchase obligation is described in Note 16.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

	Restated Balance <u>06/30/17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/18</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds</u>					
Series 2009, Improvement:					
Capital Appreciation Bonds (11.5170% average effective)					
12/01/17 maturity	\$ 779,981	\$ -	\$ (779,981)	\$ -	\$ -
Capital Appreciation Bonds - Accreted interest	1,104,462	105,557	(1,210,019)	-	-
Series 2011, Refunding:					
Current Interest Bonds (2.00% - 4.00%, 12/01/12 maturity)	5,325,000	-	(1,000,000)	4,325,000	1,035,000
Series 2014, Energy:					
Current Interest Bonds (1.00% - 4.00%, 12/01/28 maturity)	4,435,000	-	(310,000)	4,125,000	315,000
Series 2015, Refunding:					
Current Interest Bonds (2.00% - 5.00%, 12/01/36 maturity)	63,640,000	-	(430,000)	63,210,000	-
Capital Appreciation Bonds (24.22% average effective)					
12/01/18 and 12/01/19 maturity	1,845,000	-	-	1,845,000	1,025,000
Capital Appreciation Bonds - Accreted interest	1,146,479	756,467	-	1,902,946	1,052,847
Series 2017, Refundings					
Current Interest Bonds (2.100%, 12/01/21 maturity)	5,940,000	-	(1,160,000)	4,780,000	1,250,000
Total General Obligation Bonds	84,215,922	862,024	(4,890,000)	80,187,946	4,677,847
<u>Other Obligations:</u>					
Net Pension Liability	145,579,330	-	(40,186,034)	105,393,296	-
Net OPEB Liability	29,532,154	-	(6,016,994)	23,515,160	-
Compensated Absences	7,884,055	957,679	(801,865)	8,039,869	728,645
Lease-Purchase Obligation	2,850,000	-	(252,526)	2,597,474	259,243
Total Other Obligations	185,845,539	957,679	(47,257,419)	139,545,799	987,888
Total All Governmental Activities Long-Term Liabilities	270,061,461	\$ 1,819,703	\$ (52,147,419)	219,733,745	\$ 5,665,735
Add: Unamortized Bond Premiums	8,067,154			7,580,246	
Total on Statement on Net Position	\$ 278,128,615			\$ 227,313,991	

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

D. Principal and interest requirements to retire general obligation school improvement bonds and general obligation refunding bonds outstanding at June 30, 2018, are as follows:

Fiscal Year Ending June 30	Current Interest Refunding Bonds			Current Interest Energy Conservation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 2,285,000	\$ 3,004,143	\$ 5,289,143	\$ 315,000	\$ 141,950	\$ 456,950
2020	2,350,000	2,936,681	5,286,681	325,000	133,925	458,925
2021	4,775,000	2,809,515	7,584,515	335,000	124,025	459,025
2022	4,220,000	2,625,763	6,845,763	345,000	113,825	458,825
2023	3,235,000	2,495,569	5,730,569	355,000	103,325	458,325
2024 - 2028	16,345,000	10,383,100	26,728,100	2,000,000	296,000	2,296,000
2029 - 2033	20,100,000	6,597,500	26,697,500	450,000	9,000	459,000
2034 - 2037	19,005,000	1,903,200	20,908,200	-	-	-
Total	\$ 72,315,000	\$ 32,755,471	\$ 105,070,471	\$ 4,125,000	\$ 922,050	\$ 5,047,050

Fiscal Year Ending June 30	Capital Appreciation Refunding Bonds		
	Principal	Interest	Total
2019	\$ 1,025,000	\$ 1,300,000	\$ 2,325,000
2020	820,000	1,525,000	2,345,000
Total	\$ 1,845,000	\$ 2,825,000	\$ 4,670,000

E. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2018, are a voted debt margin of \$56,755,498 (including available funds of \$3,891,599), an unvoted debt margin of \$1,411,377, and an energy conservation debt margin of \$8,577,390.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 10 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2018, the District purchased commercial coverage through the Ohio School Plan for property and contents with a limit of \$248,263,721 and a \$1,000 deductible.

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

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

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

B. Group Health and Dental Insurance

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

The District provides employee medical/surgical benefits through a Paramount health insurance program. This plan provides employees a choice of four levels of HMO coverage. Paramount administers the health insurance program. The District pays \$1,940.51 (100% co-ins), \$1,865.17 (90/10 co-ins), \$1,795.62 (80/20 co-ins), \$1,628.77 (High Deductible) and \$1,865.17 (out of area 90/10 co-ins) for family coverage or \$760.97 (100% co-ins), \$731.42 (90/10 co-ins), \$704.14 (80/20 co-ins), \$638.71 (High Deductible) and \$731.42 (out of area 90/10 co-ins) for individual coverage per month for full-time employees. The premium is paid by the fund that pays the salary for the employee.

The District provides employee dental benefits through a managed-care dental program. This plan provides dental benefits with a \$50 family and \$25 single deductible. Delta Dental administers the dental program. The District pays \$97.45 family or \$32.28 single per employee per month, which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee.

C. Workers' Compensation

For fiscal year 2018, the District paid the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - 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 years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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

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

The District's contractually required contribution to SERS was \$1,597,213 for fiscal year 2018. Of this amount, \$104,994 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - 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. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

The District's contractually required contribution to STRS was \$5,725,940 for fiscal year 2018. Of this amount, \$1,030,832 is reported as pension and postemployment benefits payable.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Net Pension Liability

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.36520450%	0.35506133%	
Proportion of the net pension liability current measurement date	<u>0.35483890%</u>	<u>0.35441674%</u>	
Change in proportionate share	<u>-0.01036560%</u>	<u>-0.00064459%</u>	
Proportionate share of the net pension liability	\$ 21,200,840	\$ 84,192,456	\$ 105,393,296
Pension expense	\$ (1,189,725)	\$ (32,407,469)	\$ (33,597,194)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 912,409	\$ 3,251,117	\$ 4,163,526
Changes of assumptions	1,096,312	18,413,815	19,510,127
Difference between District contributions and proportionate share of contributions/ change in proportionate share	-	412,790	412,790
District contributions subsequent to the measurement date	<u>1,597,213</u>	<u>5,725,940</u>	<u>7,323,153</u>
Total deferred outflows of resources	<u>\$ 3,605,934</u>	<u>\$ 27,803,662</u>	<u>\$ 31,409,596</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 678,558	\$ 678,558
Net difference between projected and actual earnings on pension plan investments	100,639	2,778,451	2,879,090
Difference between District contributions and proportionate share of contributions/ change in proportionate share	838,794	108,264	947,058
Total deferred inflows of resources	<u>\$ 939,433</u>	<u>\$ 3,565,273</u>	<u>\$ 4,504,706</u>

\$7,323,153 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	\$ 423,636	\$ 3,890,130	\$ 4,313,766
2020	957,127	7,669,774	8,626,901
2021	182,762	5,499,151	5,681,913
2022	(494,235)	1,453,394	959,159
2020	(2)	-	(2)
Total	<u>\$ 1,069,288</u>	<u>\$ 18,512,449</u>	<u>\$ 19,581,737</u>

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

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

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

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 29,421,257	\$ 21,200,840	\$ 14,314,565

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS Ohio

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

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

	1% Decrease (6.45%)	Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 120,687,021	\$ 84,192,456	\$ 53,451,256

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$197,297.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$256,453 for fiscal year 2018. Of this amount, \$201,186 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Net OPEB Liability

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.36989523%	0.35506133%	
Proportion of the net OPEB liability current measurement date	<u>0.36095660%</u>	<u>0.35441674%</u>	
Change in proportionate share	<u>-0.00893863%</u>	<u>-0.00064459%</u>	
Proportionate share of the net OPEB liability	\$ 9,687,127	\$ 13,828,033	\$ 23,515,160
OPEB expense	\$ 501,267	\$ (4,224,495)	\$ (3,723,228)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 798,240	\$ 798,240
District contributions subsequent to the measurement date	<u>256,453</u>	<u>-</u>	<u>256,453</u>
Total deferred outflows of resources	<u>\$ 256,453</u>	<u>\$ 798,240</u>	<u>\$ 1,054,693</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 25,582	\$ 591,042	616,624
Changes of assumptions	919,258	1,113,894	2,033,152
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>211,895</u>	<u>29,548</u>	<u>241,443</u>
Total deferred inflows of resources	<u>\$ 1,156,735</u>	<u>\$ 1,734,484</u>	<u>\$ 2,891,219</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

\$256,453 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	\$ (416,234)	\$ (205,295)	\$ (621,529)
2020	(416,234)	(205,295)	(621,529)
2021	(317,870)	(205,295)	(523,165)
2022	(6,395)	(205,293)	(211,688)
2023	(2)	(57,534)	(57,536)
Thereafter	<u>-</u>	<u>(57,532)</u>	<u>(57,532)</u>
Total	<u>\$ (1,156,735)</u>	<u>\$ (936,244)</u>	<u>\$ (2,092,979)</u>

Actuarial Assumptions - SERS

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

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$ 11,698,439	\$ 9,687,127	\$ 8,093,654

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease (6.5 % decreasing to 4.0 %)	Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$ 7,860,377	\$ 9,687,127	\$ 12,104,861

Actuarial Assumptions - STRS

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

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

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

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 18,563,913	\$ 13,828,033	\$ 10,085,141
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 9,607,125	\$ 13,828,033	\$ 19,383,243

NOTE 13 - STATUTORY RESERVES

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

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.

	Capital Improvements
Set-aside balance June 30, 2017	\$ -
Current year set-aside requirement	1,339,375
Current year qualifying expenditures	(896,576)
Current year offsets	(442,799)
Total	\$ -
Balance carried forward to fiscal year 2019	\$ -
Set-aside balance June 30, 2018	\$ -

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 14 - CONTINGENCIES

A. Grants

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

B. Litigation

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

C. Foundation Funding

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

NOTE 15 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 58,605
Nonmajor governmental	<u>797,031</u>
Total	<u>\$ 855,636</u>

NOTE 16 - LEASE-PURCHASE AGREEMENT

On March 31, 2017, the District entered into a \$2,850,000 lease-purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. to finance the acquisition of boilers, chillers, and an HVAC unit. The source of revenue to fund the principal and interest payments will be derived from general operating revenues of the District.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 16 - LEASE-PURCHASE AGREEMENT - (Continued)

As of June 30, 2018, the District expended \$2,804,378 of the available \$2,850,000. The remaining \$45,622 is recorded as cash with escrow agent and will be used in fiscal year 2019 to complete the construction project.

Lease-purchase payments are reported as function expenditures on a budgetary basis. However, on a GAAP basis, these payments have been reclassified and are reported as debt service expenditures in the permanent improvement fund (a nonmajor governmental fund). During fiscal year 2018, the District made \$252,526 and \$75,810 in principal and interest payments, respectively, on the lease-purchase agreement.

A liability in the amount of the present value of minimum lease payments has been recorded on the statement of net position. Capital assets consisting of vehicles and equipment have been capitalized to the extent the capital assets acquired exceeded the District's capitalization threshold. At June 30, 2018, capital assets in the amount of \$2,804,378 have been capitalized under buildings and improvements.

The following is a schedule of the future minimum lease payments required under the lease-purchase agreement and the present value of the future minimum lease payments as of June 30, 2018:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 328,336
2020	328,335
2021	328,336
2022	328,335
2023	328,335
2024 - 2027	<u>1,313,342</u>
Total minimum lease payments	2,955,019
Less: amount representing interest	<u>(357,545)</u>
Total	<u>\$ 2,597,474</u>

NOTE 17 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments have entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area ("CRA") program within taxing districts of the District. The CRA program is a direct incentive tax exemption program benefiting property owners who renovate existing buildings or construct new buildings. Under this program, the other governments have designated areas to encourage revitalization of the existing structures and the development of new structures.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

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

NOTE 17 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS - (Continued)

The District has incurred a reduction in property tax receipts due to agreements entered into by other governments. During fiscal year 2018, the District's property tax receipts were reduced under agreements entered into by other governments as follows:

<u>Government Entering Into Agreement</u>	<u>Tax Abatement Program</u>
Sylvania Township	\$ 15,435
City of Sylvania	<u>43,718</u>
Total	<u>\$ 59,153</u>

The District is not receiving any amounts from these other governments in association with the forgone property tax receipts.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

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

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 61,182,804	\$ 64,747,531	\$ 64,747,531	\$ -
Payments in lieu of taxes.	354,688	354,688	354,688	-
Tuition.	1,193,841	1,262,997	1,261,447	(1,550)
Transportation fees.	42,536	45,000	39,385	(5,615)
Earnings on investments	321,682	340,316	378,977	38,661
Classroom materials and fees	514,163	543,947	503,627	(40,320)
Rental income	48,021	50,803	54,824	4,021
Contributions and donations	95	100	-	(100)
Other local revenues	375,408	397,155	400,562	3,407
Intergovernmental - state	24,955,958	26,401,600	26,676,832	275,232
Intergovernmental - federal	145,555	153,987	168,990	15,003
Total revenues	89,134,751	94,298,124	94,586,863	288,739
Expenditures:				
Current:				
Instruction:				
Regular	36,226,177	36,267,890	35,829,969	437,921
Special.	12,074,795	12,088,697	11,652,201	436,496
Vocational.	1,660,709	1,662,621	1,879,361	(216,740)
Other.	2,192,930	2,195,455	2,022,137	173,318
Support services:				
Pupil.	6,200,379	6,207,518	6,056,580	150,938
Instructional staff	2,167,529	2,170,026	1,749,916	420,110
Board of education	40,084	40,129	39,750	379
Administration.	8,385,918	8,395,574	7,930,939	464,635
Fiscal	1,923,499	1,925,713	1,841,516	84,197
Business	190,973	191,193	128,966	62,227
Operations and maintenance.	9,748,671	9,759,896	9,202,287	557,609
Pupil transportation	4,826,001	4,831,558	4,656,897	174,661
Central.	1,152,761	1,154,089	1,094,553	59,536
Operation of non-instructional services:				
Other non-instructional services	19,977	20,000	13,000	7,000
Extracurricular activities.	1,488,388	1,490,101	1,448,152	41,949
Facilities acquisition and construction	23,733	23,760	23,060	700
Debt service:				
Principal	309,643	310,000	310,000	-
Interest and fiscal charges.	148,030	148,200	148,200	-
Total expenditures	88,780,197	88,882,420	86,027,484	2,854,936
Excess of revenues over expenditures	354,554	5,415,704	8,559,379	3,143,675
Other financing sources (uses):				
Transfers in	4,726	5,000	45,488	40,488
Transfers (out).	(199,770)	(200,000)	(185,792)	14,208
Advances in.	522,153	552,400	552,400	-
Advances (out)	(276,743)	(277,062)	(277,062)	-
Refund of prior year's expenditures	94,524	100,000	20,467	(79,533)
Sale of capital assets	17,222	18,220	27,194	8,974
Total other financing sources (uses)	162,112	198,558	182,695	(15,863)
Net change in fund balance	516,666	5,614,262	8,742,074	3,127,812
Fund balance at beginning of year	6,064,425	6,064,425	6,064,425	-
Prior year encumbrances appropriated	222,224	222,224	222,224	-
Fund balance at end of year	\$ 6,803,315	\$ 11,900,911	\$ 15,028,723	\$ 3,127,812

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	General Fund
Budget basis	\$ 8,742,074
Net adjustment for revenue accruals	(1,932,015)
Net adjustment for expenditure accruals	(111,027)
Net adjustment for other sources/uses	(322,999)
Funds budgeted elsewhere	49,312
Adjustment for encumbrances	133,106
GAAP basis	\$ 6,558,451

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

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.35483890%	0.36520450%	0.37531480%	0.37966100%	0.37966100%
District's proportionate share of the net pension liability	\$ 21,200,840	\$ 26,729,600	\$ 21,415,826	\$ 19,214,427	\$ 22,577,221
District's covered payroll	\$ 11,585,579	\$ 11,137,893	\$ 11,298,938	\$ 11,032,186	\$ 10,474,176
District's proportionate share of the net pension liability as a percentage of its covered payroll	182.99%	239.99%	189.54%	174.17%	215.55%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.35441674%	0.35506133%	0.35296087%	0.35329868%	0.35329868%
District's proportionate share of the net pension liability	\$ 84,192,456	\$ 118,849,730	\$ 97,548,060	\$ 85,934,466	\$ 102,364,574
District's covered payroll	\$ 39,999,943	\$ 38,017,786	\$ 36,825,550	\$ 36,097,362	\$ 37,587,531
District's proportionate share of the net pension liability as a percentage of its covered payroll	210.48%	312.62%	264.89%	238.06%	272.34%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,597,213	\$ 1,621,981	\$ 1,559,305	\$ 1,489,200
Contributions in relation to the contractually required contribution	<u>(1,597,213)</u>	<u>(1,621,981)</u>	<u>(1,559,305)</u>	<u>(1,489,200)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,831,207	\$ 11,585,579	\$ 11,137,893	\$ 11,298,938
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,529,061	\$ 1,449,626	\$ 1,424,025	\$ 1,436,569	\$ 1,586,889	\$ 1,109,650
<u>(1,529,061)</u>	<u>(1,449,626)</u>	<u>(1,424,025)</u>	<u>(1,436,569)</u>	<u>(1,586,889)</u>	<u>(1,109,650)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,032,186	\$ 10,474,176	\$ 10,587,546	\$ 11,428,552	\$ 11,720,007	\$ 11,276,931
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,725,940	\$ 5,599,992	\$ 5,322,490	\$ 5,155,577
Contributions in relation to the contractually required contribution	<u>(5,725,940)</u>	<u>(5,599,992)</u>	<u>(5,322,490)</u>	<u>(5,155,577)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 40,899,571	\$ 39,999,943	\$ 38,017,786	\$ 36,825,550
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 4,692,657	\$ 4,886,379	\$ 4,828,217	\$ 5,247,089	\$ 5,275,129	\$ 5,135,368
<u>(4,692,657)</u>	<u>(4,886,379)</u>	<u>(4,828,217)</u>	<u>(5,247,089)</u>	<u>(5,275,129)</u>	<u>(5,135,368)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 36,097,362	\$ 37,587,531	\$ 37,140,131	\$ 40,362,223	\$ 40,577,915	\$ 39,502,831
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.36095660%	0.36989523%
District's proportionate share of the net OPEB liability	\$ 9,687,127	\$ 10,543,382
District's covered payroll	\$ 11,585,579	\$ 11,137,893
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	83.61%	94.66%
Plan fiduciary net position as a percentage of the total OPEB liability	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.35441674%	0.35506133%
District's proportionate share of the net OPEB liability	\$ 13,828,033	\$ 18,988,772
District's covered payroll	\$ 39,999,943	\$ 38,017,786
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	34.57%	49.95%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	37.33%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 256,453	\$ 200,787	\$ 186,313	\$ 238,348
Contributions in relation to the contractually required contribution	<u>(256,453)</u>	<u>(200,787)</u>	<u>(186,313)</u>	<u>(238,348)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 11,831,207	\$ 11,585,579	\$ 11,137,893	\$ 11,298,938
Contributions as a percentage of covered payroll	2.17%	1.73%	1.67%	2.11%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 203,950	\$ 180,282	\$ 235,069	\$ 412,737	\$ 295,163	\$ 696,108
<u>(203,950)</u>	<u>(180,282)</u>	<u>(235,069)</u>	<u>(412,737)</u>	<u>(295,163)</u>	<u>(696,108)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,032,186	\$ 10,474,176	\$ 10,587,546	\$ 11,428,552	\$ 11,720,007	\$ 11,276,931
1.85%	1.72%	2.22%	3.61%	2.52%	6.17%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 40,899,571	\$ 39,999,943	\$ 38,017,786	\$ 36,825,550
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 368,635	\$ 375,875	\$ 371,401	\$ 403,622	\$ 405,799	\$ 395,028
<u>(368,635)</u>	<u>(375,875)</u>	<u>(371,401)</u>	<u>(403,622)</u>	<u>(405,799)</u>	<u>(395,028)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 36,097,362	\$ 37,587,531	\$ 37,140,131	\$ 40,362,223	\$ 40,577,915	\$ 39,502,831
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

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

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

- - continued

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES

**SYLVANIA CITY SCHOOL DISTRICT
MAJOR FUNDS**

General Fund

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

Other Major Fund

Debt Service Fund

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

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

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

	<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	\$ 61,182,804	\$ 64,747,531	\$ 64,747,531	\$ -
Payments in lieu of taxes.	354,688	354,688	354,688	-
Tuition	1,193,841	1,262,997	1,261,447	(1,550)
Transportation fees.	42,536	45,000	39,385	(5,615)
Earnings on investments	321,682	340,316	378,977	38,661
Classroom materials and supplies	514,163	543,947	503,627	(40,320)
Rental income	48,021	50,803	54,824	4,021
Contributions and donations.	95	100	-	(100)
Other local revenue	375,408	397,155	400,562	3,407
Intergovernmental-state	24,955,958	26,401,600	26,676,832	275,232
Intergovernmental-federal.	145,555	153,987	168,990	15,003
Total revenues	<u>89,134,751</u>	<u>94,298,124</u>	<u>94,586,863</u>	<u>288,739</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	24,739,101	24,767,587	24,618,959	148,628
Fringe benefits	9,969,377	9,980,856	9,820,274	160,582
Purchased services	361,964	362,381	324,179	38,202
Supplies and materials	1,155,146	1,156,476	1,065,967	90,509
Other	589	590	590	-
Total instruction-regular.	<u>36,226,177</u>	<u>36,267,890</u>	<u>35,829,969</u>	<u>437,921</u>
Instruction-special				
Salaries and wages	7,083,322	7,091,478	6,815,311	276,167
Fringe benefits	3,252,051	3,255,795	3,255,794	1
Purchased services	1,689,636	1,691,581	1,538,663	152,918
Supplies and materials	49,786	49,843	42,433	7,410
Total instruction-special.	<u>12,074,795</u>	<u>12,088,697</u>	<u>11,652,201</u>	<u>436,496</u>
Instruction-vocational				
Salaries and wages	1,154,805	1,156,135	1,100,719	55,416
Fringe benefits	187,753	187,969	465,031	(277,062)
Purchased services	41,150	41,197	38,518	2,679
Supplies and materials	229,538	229,802	228,663	1,139
Capital outlay	13,793	13,809	13,809	-
Other	33,670	33,709	32,621	1,088
Total instruction-vocational	<u>1,660,709</u>	<u>1,662,621</u>	<u>1,879,361</u>	<u>(216,740)</u>
Instruction-other				
Purchased services	2,192,930	2,195,455	2,022,137	173,318
Total instruction-other.	<u>2,192,930</u>	<u>2,195,455</u>	<u>2,022,137</u>	<u>173,318</u>
Support services-pupil				
Salaries and wages	4,077,051	4,081,745	3,966,243	115,502
Fringe benefits	1,614,188	1,616,047	1,616,047	-
Purchased services	429,329	429,823	426,608	3,215
Supplies and materials	3,215	3,219	2,050	1,169
Other	76,596	76,684	45,632	31,052
Total support services-pupil	<u>6,200,379</u>	<u>6,207,518</u>	<u>6,056,580</u>	<u>150,938</u>

-- continued

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support services-instructional staff				
Salaries and wages	1,096,239	1,097,501	886,115	211,386
Fringe benefits	790,004	790,914	626,691	164,223
Purchased services	77,731	77,821	47,083	30,738
Supplies and materials	195,989	196,215	182,452	13,763
Other	7,566	7,575	7,575	-
Total support services-instructional staff	<u>2,167,529</u>	<u>2,170,026</u>	<u>1,749,916</u>	<u>420,110</u>
Support services-board of education				
Salaries and wages	12,486	12,500	12,500	-
Fringe benefits	2,512	2,515	2,403	112
Purchased services	7,182	7,190	7,188	2
Supplies and materials	9,886	9,897	9,897	-
Other	8,018	8,027	7,762	265
Total support services-board of education.	<u>40,084</u>	<u>40,129</u>	<u>39,750</u>	<u>379</u>
Support services-administration				
Salaries and wages	4,566,016	4,571,273	4,484,115	87,158
Fringe benefits	2,675,942	2,679,023	2,369,863	309,160
Purchased services	741,385	742,239	683,446	58,793
Supplies and materials	128,233	128,381	124,167	4,214
Other	274,342	274,658	269,348	5,310
Total support services-administration	<u>8,385,918</u>	<u>8,395,574</u>	<u>7,930,939</u>	<u>464,635</u>
Support services-fiscal				
Salaries and wages	459,550	460,079	458,881	1,198
Fringe benefits	229,579	229,843	229,843	-
Purchased services	166,964	167,156	94,829	72,327
Supplies and materials	30,139	30,174	24,040	6,134
Other	1,037,267	1,038,461	1,033,923	4,538
Total support services-fiscal.	<u>1,923,499</u>	<u>1,925,713</u>	<u>1,841,516</u>	<u>84,197</u>
Support services-business				
Salaries and wages	88,359	88,461	48,717	39,744
Fringe benefits	31,436	31,472	26,859	4,613
Purchased services	64,163	64,237	46,886	17,351
Supplies and materials	3,869	3,873	3,354	519
Other	3,146	3,150	3,150	-
Total support services-business	<u>190,973</u>	<u>191,193</u>	<u>128,966</u>	<u>62,227</u>
Support services-operations & maintenance				
Salaries and wages	3,374,471	3,378,356	3,239,191	139,165
Fringe benefits	1,933,926	1,936,153	1,883,752	52,401
Purchased services	3,405,278	3,409,199	3,148,721	260,478
Supplies and materials	934,852	935,928	842,330	93,598
Capital outlay	59,541	59,610	57,462	2,148
Other	40,603	40,650	30,831	9,819
Total support services-operations & maintenance	<u>9,748,671</u>	<u>9,759,896</u>	<u>9,202,287</u>	<u>557,609</u>

-- continued

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support services-pupil transportation				
Salaries and wages	2,522,932	2,525,837	2,432,695	93,142
Fringe benefits	1,424,140	1,425,780	1,390,482	35,298
Purchased services	254,356	254,649	251,613	3,036
Supplies and materials	624,573	625,292	582,107	43,185
Total support services-pupil transportation	<u>4,826,001</u>	<u>4,831,558</u>	<u>4,656,897</u>	<u>174,661</u>
Support services-central				
Salaries and wages	407,197	407,666	381,445	26,221
Fringe benefits	212,347	212,592	203,689	8,903
Purchased services	347,403	347,803	328,540	19,263
Supplies and materials	176,325	176,528	173,303	3,225
Capital outlay	999	1,000	-	1,000
Other	8,490	8,500	7,576	924
Total support services-central	<u>1,152,761</u>	<u>1,154,089</u>	<u>1,094,553</u>	<u>59,536</u>
Other non-instructional services				
Purchased services	19,977	20,000	13,000	7,000
Total other non-instructional services	<u>19,977</u>	<u>20,000</u>	<u>13,000</u>	<u>7,000</u>
Extracurricular activities				
Salaries and wages	991,314	992,455	964,538	27,917
Fringe benefits	209,393	209,634	199,280	10,354
Purchased services	223,460	223,717	222,155	1,562
Other	64,221	64,295	62,179	2,116
Total extracurricular activities.	<u>1,488,388</u>	<u>1,490,101</u>	<u>1,448,152</u>	<u>41,949</u>
Facilities acquisition and construction				
Supplies and materials	23,733	23,760	23,060	700
Total facilities acquisition and construction.	<u>23,733</u>	<u>23,760</u>	<u>23,060</u>	<u>700</u>
Debt service:				
Principal retirement	309,643	310,000	310,000	-
Interest and fiscal charges.	148,030	148,200	148,200	-
Total debt service.	<u>457,673</u>	<u>458,200</u>	<u>458,200</u>	<u>-</u>
Total expenditures	<u>88,780,197</u>	<u>88,882,420</u>	<u>86,027,484</u>	<u>2,854,936</u>
Excess of revenues over expenditures	<u>354,554</u>	<u>5,415,704</u>	<u>8,559,379</u>	<u>3,143,675</u>
Other financing sources (uses):				
Transfers in	4,726	5,000	45,488	40,488
Transfers out	(199,770)	(200,000)	(185,792)	14,208
Advances in.	522,153	552,400	552,400	-
Advances out	(276,743)	(277,062)	(277,062)	-
Refund of prior year expenditures	94,524	100,000	20,467	(79,533)
Sale of capital assets	17,222	18,220	27,194	8,974
Total other financing sources (uses)	<u>162,112</u>	<u>198,558</u>	<u>182,695</u>	<u>(15,863)</u>
Net change in fund balance	516,666	5,614,262	8,742,074	3,127,812
Fund balance at beginning of year	6,064,425	6,064,425	6,064,425	-
Prior year encumbrances appropriated.	222,224	222,224	222,224	-
Fund balance at end of year.	<u>\$ 6,803,315</u>	<u>\$ 11,900,911</u>	<u>\$ 15,028,723</u>	<u>\$ 3,127,812</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenues and Other Sources	\$ 7,810,000	\$ 7,810,000	\$ 7,779,200	\$ (30,800)
Total Expenditures and Other Uses	<u>7,767,300</u>	<u>7,767,300</u>	<u>7,759,778</u>	<u>7,522</u>
Net Change in Fund Balance	42,700	42,700	19,422	(23,278)
Fund balance at beginning of year	<u>3,680,750</u>	<u>3,680,750</u>	<u>3,680,750</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 3,723,450</u></u>	<u><u>\$ 3,723,450</u></u>	<u><u>\$ 3,700,172</u></u>	<u><u>\$ (23,278)</u></u>

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

Nonmajor Special Revenue Funds

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

Food Service Section 3313.81, Revised Code

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

Other Grants Sections 5705.09 and 5705.13, Revised Code

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

District Managed Student Activity Section 3313.062, Revised Code

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

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

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

Data Communications for Schools Section 5705.09, Revised Code

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

Vocational Educational Enhancements State Line Item Appropriation GRF 200-545

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

Miscellaneous State Grants Section 5705.12, Revised Code

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

Adult Basic Education PL 91-230, Title III

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

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

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

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

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

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

Nonmajor Special Revenue Funds (Continued)

Title III - Limited English Proficiency

Catalog of Federal Domestic Assistance #84.365

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

Title I

Catalog of Federal Domestic Assistance #84.010

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

Pre-school for the Handicapped Grant

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

Catalog of Federal Domestic Assistance #84-173

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

Improving Teacher Quality

Title VI ESEA

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

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

Uniform School Supplies

Section 3313.81, Revised Code

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

Special Services Rotary Fund

Section 5705.12, Revised Code

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

Natatorium

Section 755.14, Revised Code

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

Rotary Fund

Section 5705.12, Revised Code

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

Public School Support

Section 5705.12, Revised Code

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

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

Nonmajor Capital Projects Fund

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

Permanent Improvement

Section 5705.10, Revised Code

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

Building Fund

Section 5705.09, Revised Code

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 376,180	\$ 2,180,718	\$ 2,556,898
Cash with escrow agent	-	45,622	45,622
Receivables:			
Property taxes	-	1,789,098	1,789,098
Payment in lieu of taxes.	-	9,404	9,404
Accounts.	16,988	-	16,988
Intergovernmental	504,261	-	504,261
Inventory held for resale	3,313	-	3,313
Total assets.	\$ 900,742	\$ 4,024,842	\$ 4,925,584
Liabilities:			
Accounts payable.	\$ 14,791	\$ 3,480	\$ 18,271
Contracts payable.	-	404,095	404,095
Retainage payable	-	35,144	35,144
Accrued wages and benefits payable	348,025	-	348,025
Intergovernmental payable	8,408	-	8,408
Pension and postemployment benefits payable	86,824	-	86,824
Interfund loan payable	277,062	-	277,062
Total liabilities.	735,110	442,719	1,177,829
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	-	1,721,442	1,721,442
Payment in lieu of taxes levied for the next fiscal year	-	9,404	9,404
Delinquent property tax revenue not available.	-	18,098	18,098
Intergovernmental revenue not available	178,458	-	178,458
Total deferred inflows of resources	178,458	1,748,944	1,927,402
Fund balances:			
Restricted:			
Capital improvements	-	1,833,179	1,833,179
Non-public schools	39,720	-	39,720
Other purposes	1,071	-	1,071
Extracurricular	229,054	-	229,054
Unassigned (deficit)	(282,671)	-	(282,671)
Total fund balances (deficit).	(12,826)	1,833,179	1,820,353
Total liabilities and fund balances.	\$ 900,742	\$ 4,024,842	\$ 4,925,584

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

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ -	\$ 1,726,166	\$ 1,726,166
Payment in lieu of taxes	-	7,649	7,649
Earnings on investments	3,131	-	3,131
Charges for services	1,181,388	-	1,181,388
Extracurricular	491,452	-	491,452
Other local revenues	6,717	2,500	9,217
Intergovernmental - state	932,793	79,722	1,012,515
Intergovernmental - federal	4,289,716	-	4,289,716
Total revenue	<u>6,905,197</u>	<u>1,816,037</u>	<u>8,721,234</u>
Expenditures:			
Current:			
Instruction:			
Regular	161,230	-	161,230
Special	2,252,501	-	2,252,501
Vocational	94,255	-	94,255
Adult/continuing	92,160	-	92,160
Support services:			
Pupil	79,210	-	79,210
Instructional staff	14,975	-	14,975
Fiscal	-	24,584	24,584
Business	-	161,570	161,570
Operations and maintenance	1,565	369,977	371,542
Pupil transportation	-	433,776	433,776
Central	21,600	-	21,600
Operation of non-instructional services:			
Food service operations	2,222,223	-	2,222,223
Other non-instructional services	947,203	-	947,203
Extracurricular activities	448,843	-	448,843
Facilities acquisition and construction	-	1,497,391	1,497,391
Debt service:			
Principal retirement	-	252,526	252,526
Interest and fiscal charges	-	75,810	75,810
Total expenditures	<u>6,335,765</u>	<u>2,815,634</u>	<u>9,151,399</u>
Excess of revenues (under) expenditures	<u>569,432</u>	<u>(999,597)</u>	<u>(430,165)</u>
Other financing sources:			
Transfers in	91,093	-	91,093
Total other financing sources	<u>91,093</u>	<u>-</u>	<u>91,093</u>
Net change in fund balances	660,525	(999,597)	(339,072)
Fund balances (deficit) at beginning of year	(672,003)	2,832,776	2,160,773
(Decrease) in reserve for inventory	(1,348)	-	(1,348)
Fund balances (deficit) at end of year	<u>\$ (12,826)</u>	<u>\$ 1,833,179</u>	<u>\$ 1,820,353</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Food Service</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Vocational Educational Enhancements</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 64,291	\$ 1,071	\$ 258,125	\$ 40,192	\$ 811
Receivables:					
Accounts	14,511	-	2,477	-	-
Intergovernmental	-	-	-	-	2,221
Inventory held for resale	3,313	-	-	-	-
Total assets.	<u>\$ 82,115</u>	<u>\$ 1,071</u>	<u>\$ 260,602</u>	<u>\$ 40,192</u>	<u>\$ 3,032</u>
Liabilities:					
Accounts payable.	\$ 3,886	\$ -	\$ 8,321	\$ 472	\$ 739
Accrued wages and benefits payable	77,770	-	-	-	-
Intergovernmental payable	719	-	460	-	-
Pension and postemployment benefits payable	40,820	-	438	-	-
Interfund loan payable	-	-	22,329	-	2,293
Total liabilities.	<u>123,195</u>	<u>-</u>	<u>31,548</u>	<u>472</u>	<u>3,032</u>
Deferred inflows of resources:					
Intergovernmental revenue not available	-	-	-	-	-
Fund balances:					
Restricted:					
Non-public schools	-	-	-	39,720	-
Other purposes	-	1,071	-	-	-
Extracurricular	-	-	229,054	-	-
Unassigned (deficit)	(41,080)	-	-	-	-
Total fund balances (deficit)	<u>(41,080)</u>	<u>1,071</u>	<u>229,054</u>	<u>39,720</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 82,115</u>	<u>\$ 1,071</u>	<u>\$ 260,602</u>	<u>\$ 40,192</u>	<u>\$ 3,032</u>

<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA Part B</u>	<u>Vocational Education</u>	<u>Title III - Limited English Proficiency</u>	<u>Title I</u>	<u>Pre-school for the Handicapped Grant</u>	<u>Improving Teacher Quality</u>
\$ -	\$ -	\$ 5,717	\$ 623	\$ -	\$ 5,350	\$ -	\$ -
-	-	-	-	-	-	-	-
3,652	4,214	297,967	1,426	21,971	142,758	-	30,052
-	-	-	-	-	-	-	-
<u>\$ 3,652</u>	<u>\$ 4,214</u>	<u>\$ 303,684</u>	<u>\$ 2,049</u>	<u>\$ 21,971</u>	<u>\$ 148,108</u>	<u>\$ -</u>	<u>\$ 30,052</u>
\$ -	\$ -	\$ 1,195	\$ 178	\$ -	\$ -	\$ -	\$ -
-	2,549	161,598	114	-	91,546	-	14,448
-	35	5,908	-	-	1,107	-	179
-	1,810	25,958	-	282	13,833	1,242	2,441
309	1,271	167,744	1,469	21,970	45,781	-	13,896
309	5,665	362,403	1,761	22,252	152,267	1,242	30,964
3,343	-	89,848	402	-	72,914	-	11,951
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(1,451)	(148,567)	(114)	(281)	(77,073)	(1,242)	(12,863)
-	(1,451)	(148,567)	(114)	(281)	(77,073)	(1,242)	(12,863)
<u>\$ 3,652</u>	<u>\$ 4,214</u>	<u>\$ 303,684</u>	<u>\$ 2,049</u>	<u>\$ 21,971</u>	<u>\$ 148,108</u>	<u>\$ -</u>	<u>\$ 30,052</u>

- - continued

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2018

	Total Nonmajor Special Revenue
Assets:	
Equity in pooled cash and cash equivalents.	\$ 376,180
Receivables:	
Accounts	16,988
Intergovernmental	504,261
Inventory held for resale	3,313
Total assets.	\$ 900,742
Liabilities:	
Accounts payable.	\$ 14,791
Accrued wages and benefits payable	348,025
Intergovernmental payable	8,408
Pension and postemployment benefits payable	86,824
Interfund loan payable	277,062
Total liabilities.	735,110
Deferred inflows of resources:	
Intergovernmental revenue not available	178,458
Fund balances:	
Restricted:	
Non-public schools	39,720
Other purposes	1,071
Extracurricular	229,054
Unassigned (deficit)	(282,671)
Total fund balances (deficit)	(12,826)
Total liabilities and fund balances	\$ 900,742

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

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

	<u>Food Service</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Data Communications for Schools</u>
Revenues:					
From local sources:					
Earnings on investments	\$ 41	\$ -	\$ -	\$ 3,090	\$ -
Charges for services	1,181,388	-	-	-	-
Extracurricular	-	-	491,452	-	-
Other local revenues	4,700	2,017	-	-	-
Intergovernmental - state	14,984	-	-	852,284	21,600
Intergovernmental - federal	1,007,744	-	-	-	-
Total revenue	<u>2,208,857</u>	<u>2,017</u>	<u>491,452</u>	<u>855,374</u>	<u>21,600</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	2,416	-	-	-
Special	-	-	-	-	-
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	-	-
Support services:					
Pupil	-	-	-	-	-
Instructional staff	-	-	-	-	-
Operations and maintenance	-	-	1,565	-	-
Central	-	-	-	-	21,600
Operation of non-instructional services:					
Food service operations	2,222,223	-	-	-	-
Other non-instructional services	-	-	-	829,221	-
Extracurricular activities	-	-	448,843	-	-
Total expenditures	<u>2,222,223</u>	<u>2,416</u>	<u>450,408</u>	<u>829,221</u>	<u>21,600</u>
Excess of revenues over (under) expenditures	<u>(13,366)</u>	<u>(399)</u>	<u>41,044</u>	<u>26,153</u>	<u>-</u>
Other financing sources:					
Transfers in	91,093	-	-	-	-
Total other financing sources	<u>91,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	77,727	(399)	41,044	26,153	-
Fund balances (deficit)					
at beginning of year	(117,459)	1,470	188,010	13,567	-
(Decrease) in reserve for inventory	(1,348)	-	-	-	-
Fund balances (deficit) at end of year	<u>\$ (41,080)</u>	<u>\$ 1,071</u>	<u>\$ 229,054</u>	<u>\$ 39,720</u>	<u>\$ -</u>

Vocational Educational Enhancements	Miscellaneous State Grants	Adult Basic Education	IDEA Part B	Vocational Education	Title III - Limited English Proficiency	Title I
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,415	29,510	-	-	-	-	-
-	-	91,799	2,041,591	104,770	49,002	772,271
<u>14,415</u>	<u>29,510</u>	<u>91,799</u>	<u>2,041,591</u>	<u>104,770</u>	<u>49,002</u>	<u>772,271</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,228	-	-	1,506,251	-	39,334	681,304
-	-	92,160	-	86,027	-	-
-	-	-	-	-	-	-
-	29,510	-	48,350	-	-	1,350
1,276	-	-	-	13,699	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	74,718	-	2,887	29,807
-	-	-	-	-	-	-
<u>9,504</u>	<u>29,510</u>	<u>92,160</u>	<u>1,629,319</u>	<u>99,726</u>	<u>42,221</u>	<u>712,461</u>
<u>4,911</u>	<u>-</u>	<u>(361)</u>	<u>412,272</u>	<u>5,044</u>	<u>6,781</u>	<u>59,810</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,911	-	(361)	412,272	5,044	6,781	59,810
(4,911)	-	(1,090)	(560,839)	(5,158)	(7,062)	(136,883)
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,451)</u>	<u>\$ (148,567)</u>	<u>\$ (114)</u>	<u>\$ (281)</u>	<u>\$ (77,073)</u>

-- continued

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

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

	Pre-school for the Handicapped Grant	Improving Teacher Quality	Total Nonmajor Special Revenue
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ -	\$ 3,131
Charges for services	-	-	1,181,388
Extracurricular	-	-	491,452
Other local revenues	-	-	6,717
Intergovernmental - state	-	-	932,793
Intergovernmental - federal	27,558	194,981	4,289,716
Total revenue.	27,558	194,981	6,905,197
Expenditures:			
Current:			
Instruction:			
Regular.	-	158,814	161,230
Special	25,612	-	2,252,501
Vocational	-	-	94,255
Adult/continuing	-	-	92,160
Support services:			
Pupil	-	-	79,210
Instructional staff.	-	-	14,975
Operations and maintenance	-	-	1,565
Central	-	-	21,600
Operation of non-instructional services:			
Food service operations	-	-	2,222,223
Other non-instructional services	-	10,570	947,203
Extracurricular activities	-	-	448,843
Total expenditures	25,612	169,384	6,335,765
Excess of revenues over (under) expenditures	1,946	25,597	569,432
Other financing sources:			
Transfers in.	-	-	91,093
Total other financing sources.	-	-	91,093
Net change in fund balances	1,946	25,597	660,525
Fund balances (deficit)			
at beginning of year	(3,188)	(38,460)	(672,003)
(Decrease) in reserve for inventory	-	-	(1,348)
Fund balances (deficit) at end of year	\$ (1,242)	\$ (12,863)	\$ (12,826)

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Food Services				
Total Revenues and Other Sources.	\$ 2,044,442	\$ 2,107,987	\$ 2,109,943	\$ 1,956
Total Expenditures and Other Uses.	<u>2,045,443</u>	<u>2,108,317</u>	<u>2,050,208</u>	<u>58,109</u>
Net Change in Fund Balance	(1,001)	(330)	59,735	60,065
Fund balance (deficit) at beginning of year	(4,569)	(4,569)	(4,569)	-
Prior year encumbrances appropriated.	<u>5,570</u>	<u>5,570</u>	<u>5,570</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 671</u>	<u>\$ 60,736</u>	<u>\$ 60,065</u>
Other Grants				
Total Revenues and Other Sources.	\$ 1,000	\$ 2,017	\$ 2,017	\$ -
Total Expenditures and Other Uses.	<u>-</u>	<u>2,417</u>	<u>2,416</u>	<u>1</u>
Net Change in Fund Balance	1,000	(400)	(399)	1
Fund balance at beginning of year	<u>1,470</u>	<u>1,470</u>	<u>1,470</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,470</u>	<u>\$ 1,070</u>	<u>\$ 1,071</u>	<u>\$ 1</u>
District Managed Student Activity				
Total Revenues and Other Sources.	\$ 513,170	\$ 528,070	\$ 516,804	\$ (11,266)
Total Expenditures and Other Uses.	<u>642,516</u>	<u>660,950</u>	<u>550,572</u>	<u>110,378</u>
Net Change in Fund Balance	(129,346)	(132,880)	(33,768)	99,112
Fund balance at beginning of year	213,532	213,532	213,532	-
Prior year encumbrances appropriated.	<u>24,831</u>	<u>24,831</u>	<u>24,831</u>	<u>-</u>
Fund balance at end of year	<u>\$ 109,017</u>	<u>\$ 105,483</u>	<u>\$ 204,595</u>	<u>\$ 99,112</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Auxiliary Services				
Total Revenues and Other Sources.	\$ 689,530	\$ 855,434	\$ 855,374	\$ (60)
Total Expenditures and Other Uses.	<u>720,148</u>	<u>884,271</u>	<u>857,900</u>	<u>26,371</u>
Net Change in Fund Balance	(30,618)	(28,837)	(2,526)	26,311
Fund balance at beginning of year	1,845	1,845	1,845	-
Prior year encumbrances appropriated.	<u>28,773</u>	<u>28,773</u>	<u>28,773</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,781</u>	<u>\$ 28,092</u>	<u>\$ 26,311</u>
Data Communications for Schools				
Total Revenues and Other Sources.	\$ -	\$ 21,600	\$ 21,600	\$ -
Total Expenditures and Other Uses.	<u>-</u>	<u>21,600</u>	<u>21,600</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Vocational Educational Enhancements				
Total Revenues and Other Sources.	\$ 14,911	\$ 14,486	\$ 14,486	\$ -
Total Expenditures and Other Uses.	<u>14,911</u>	<u>14,486</u>	<u>14,486</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Miscellaneous State Grants				
Total Revenues and Other Sources.	\$ 27,288	\$ 29,509	\$ 29,509	\$ -
Total Expenditures and Other Uses.	<u>27,288</u>	<u>29,509</u>	<u>32,852</u>	<u>(3,343)</u>
Net Change in Fund Balance	-	-	(3,343)	(3,343)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,343)</u>	<u>\$ (3,343)</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Adult Basic Education				
Total Revenues and Other Sources.	\$ 101,138	\$ 98,155	\$ 98,155	\$ -
Total Expenditures and Other Uses.	<u>101,138</u>	<u>98,155</u>	<u>98,155</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
IDEA Part B				
Total Revenues and Other Sources.	\$ 2,137,762	\$ 2,002,373	\$ 2,001,216	\$ (1,157)
Total Expenditures and Other Uses.	<u>2,140,971</u>	<u>2,005,582</u>	<u>2,004,335</u>	<u>1,247</u>
Net Change in Fund Balance	(3,209)	(3,209)	(3,119)	90
Fund balance at beginning of year	254	254	254	-
Prior year encumbrances appropriated.	<u>2,955</u>	<u>2,955</u>	<u>2,955</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 90</u></u>	<u><u>\$ 90</u></u>
Vocational Education				
Total Revenues and Other Sources.	\$ 103,194	\$ 105,215	\$ 105,215	\$ -
Total Expenditures and Other Uses.	<u>103,653</u>	<u>105,674</u>	<u>105,674</u>	<u>-</u>
Net Change in Fund Balance	(459)	(459)	(459)	-
Fund balance at beginning of year	167	167	167	-
Prior year encumbrances appropriated.	<u>292</u>	<u>292</u>	<u>292</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Title III - Limited English Proficiency				
Total Revenues and Other Sources.	\$ 38,322	\$ 49,001	\$ 49,001	\$ -
Total Expenditures and Other Uses.	<u>38,322</u>	<u>49,001</u>	<u>49,001</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Title I				
Total Revenues and Other Sources.	\$ 871,521	\$ 748,208	\$ 748,208	\$ -
Total Expenditures and Other Uses.	<u>857,207</u>	<u>748,208</u>	<u>748,208</u>	<u>-</u>
Net Change in Fund Balance	14,314	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 14,314</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Pre-school for the Handicapped Grant				
Total Revenues and Other Sources.	\$ -	\$ 27,558	\$ 27,558	\$ -
Total Expenditures and Other Uses.	<u>-</u>	<u>27,558</u>	<u>27,558</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Improving Teacher Quality				
Total Revenues and Other Sources	\$ 212,125	\$ 190,776	\$ 190,776	\$ -
Total Expenditures and Other Uses	<u>213,725</u>	<u>192,376</u>	<u>192,376</u>	<u>-</u>
Net Change in Fund Balance	(1,600)	(1,600)	(1,600)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated.	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Uniform School Supplies				
Total Revenues and Other Sources	\$ 1,058	\$ 1,058	\$ 1,058	\$ -
Total Expenditures and Other Uses	<u>1,072</u>	<u>1,058</u>	<u>1,058</u>	<u>-</u>
Net Change in Fund Balance	(14)	-	-	-
Fund balance (deficit) at beginning of year	(1,072)	(1,072)	(1,072)	-
Prior year encumbrances appropriated.	<u>1,072</u>	<u>1,072</u>	<u>1,072</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (14)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Special Services Rotary Fund				
Total Revenues and Other Sources	\$ 28,500	\$ 28,500	\$ 32,070	\$ 3,570
Total Expenditures and Other Uses	<u>25,500</u>	<u>39,065</u>	<u>32,288</u>	<u>6,777</u>
Net Change in Fund Balance	3,000	(10,565)	(218)	10,347
Fund balance at beginning of year	<u>18,542</u>	<u>18,542</u>	<u>18,542</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 21,542</u></u>	<u><u>\$ 7,977</u></u>	<u><u>\$ 18,324</u></u>	<u><u>\$ 10,347</u></u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Natatorium				
Total Revenues and Other Sources.	\$ 190,535	\$ 125,825	\$ 110,910	\$ (14,915)
Total Expenditures and Other Uses.	<u>198,106</u>	<u>133,382</u>	<u>118,481</u>	<u>14,901</u>
Net Change in Fund Balance	(7,571)	(7,557)	(7,571)	(14)
Fund balance at beginning of year	7,171	7,171	7,171	-
Prior year encumbrances appropriated.	<u>400</u>	<u>400</u>	<u>400</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 14</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (14)</u></u>
Rotary Fund				
Total Revenues and Other Sources.	\$ 50,000	\$ 50,000	\$ 52,871	\$ 2,871
Total Expenditures and Other Uses.	<u>98,800</u>	<u>100,800</u>	<u>66,599</u>	<u>34,201</u>
Net Change in Fund Balance	(48,800)	(50,800)	(13,728)	37,072
Fund balance at beginning of year	<u>100,174</u>	<u>100,174</u>	<u>100,174</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 51,374</u></u>	<u><u>\$ 49,374</u></u>	<u><u>\$ 86,446</u></u>	<u><u>\$ 37,072</u></u>
Public School Support				
Total Revenues and Other Sources.	\$ 423,769	\$ 480,354	\$ 292,830	\$ (187,524)
Total Expenditures and Other Uses.	<u>412,575</u>	<u>477,690</u>	<u>296,397</u>	<u>181,293</u>
Net Change in Fund Balance	11,194	2,664	(3,567)	(6,231)
Fund balance at beginning of year	148,638	148,638	148,638	-
Prior year encumbrances appropriated.	<u>796</u>	<u>796</u>	<u>796</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 160,628</u></u>	<u><u>\$ 152,098</u></u>	<u><u>\$ 145,867</u></u>	<u><u>\$ (6,231)</u></u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	Permanent Improvement	Building	Total Nonmajor Capital Projects
Assets:			
Equity in pooled cash and cash equivalents.	\$ 2,180,718	\$ -	\$ 2,180,718
Cash with escrow agent	-	45,622	45,622
Receivables:			
Property taxes	1,789,098	-	1,789,098
Payment in lieu of taxes	9,404	-	9,404
Total assets.	\$ 3,979,220	\$ 45,622	\$ 4,024,842
 LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	\$ 3,480	\$ -	\$ 3,480
Contracts payable.	404,095	-	404,095
Retainage payable	35,144	-	35,144
Total liabilities.	442,719	-	442,719
 Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . .	1,721,442	-	1,721,442
Payment in lieu of taxes levied for the next fiscal year	9,404	-	9,404
Delinquent property tax revenue not available. . .	18,098	-	18,098
Total deferred inflow of resources	1,748,944	-	1,748,944
 Fund balances:			
Restricted:			
Capital improvements	1,787,557	45,622	1,833,179
Total fund balances.	1,787,557	45,622	1,833,179
Total liabilities, deferred inflows and fund balance	\$ 3,979,220	\$ 45,622	\$ 4,024,842

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

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

	Permanent Improvement	Building	Total Nonmajor Capital Projects
Revenues:			
From local sources:			
Property taxes	\$ 1,726,166	\$ -	\$ 1,726,166
Payment in lieu of taxes	7,649	-	7,649
Other local revenues	2,500	-	2,500
Intergovernmental - state	79,722	-	79,722
Total revenue	1,816,037	-	1,816,037
Expenditures:			
Current:			
Support services:			
Fiscal	24,584	-	24,584
Business	161,570	-	161,570
Operations and maintenance	369,977	-	369,977
Pupil transportation	433,776	-	433,776
Facilities acquisition and construction	641,047	856,344	1,497,391
Debt service:			
Principal retirement	252,526	-	252,526
Interest and fiscal charges	75,810	-	75,810
Total expenditures	1,959,290	856,344	2,815,634
Net change in fund balances	(143,253)	(856,344)	(999,597)
Fund balances at beginning of year	1,930,810	901,966	2,832,776
Fund balances at end of year	\$ 1,787,557	\$ 45,622	\$ 1,833,179

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total Revenues and Other Sources.	\$ 1,754,000	\$ 1,754,000	\$ 1,857,765	\$ 103,765
Total Expenditures and Other Uses.	<u>2,114,194</u>	<u>2,289,467</u>	<u>2,247,171</u>	<u>42,296</u>
Net Change in Fund Balance	(360,194)	(535,467)	(389,406)	146,061
Fund balance at beginning of year	1,742,892	1,742,892	1,742,892	-
Prior year encumbrances appropriated. . .	<u>96,632</u>	<u>96,632</u>	<u>96,632</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,479,330</u>	<u>\$ 1,304,057</u>	<u>\$ 1,450,118</u>	<u>\$ 146,061</u>
Building				
Total Revenues and Other Sources.	\$ 901,966	\$ 901,966	\$ 856,344	\$ (45,622)
Total Expenditures and Other Uses.	<u>901,966</u>	<u>901,966</u>	<u>856,344</u>	<u>45,622</u>
Net Change in Fund Balance	-	-	-	-
Fund balance (deficit) at beginning of year .	(901,966)	(901,966)	(901,966)	-
Prior year encumbrances appropriated. . .	<u>901,966</u>	<u>901,966</u>	<u>901,966</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY FUNDS

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

Private-Purpose Trust Fund

Scholarship Fund

Section 5705.09, Revised Code

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

Agency Funds

OHSAA Tournaments Fund

Section 5705.12, Revised Code

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

Student Managed Activity Fund

Section 3315.062, Revised Code

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

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Revenues and Other Sources.	\$ 1,700	\$ 7,200	\$ 7,811	\$ 611
Total Expenditures and Other Uses.	<u>8,200</u>	<u>15,420</u>	<u>8,750</u>	<u>6,670</u>
Net Change in Fund Balance	(6,500)	(8,220)	(939)	7,281
Fund balance at beginning of year	<u>9,429</u>	<u>9,429</u>	<u>9,429</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 2,929</u></u>	<u><u>\$ 1,209</u></u>	<u><u>\$ 8,490</u></u>	<u><u>\$ 7,281</u></u>

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

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

	Beginning Balance July 1, 2017	Additions	Deletions	Ending Balance June 30, 2018
OHSAA Tournaments Fund				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 518	\$ 14,788	\$ 13,173	\$ 2,133
Total assets	<u>\$ 518</u>	<u>\$ 14,788</u>	<u>\$ 13,173</u>	<u>\$ 2,133</u>
Liabilities:				
Loans payable	\$ 201	\$ -	\$ 201	\$ -
Intergovernmental payable.	<u>317</u>	<u>14,788</u>	<u>12,972</u>	<u>2,133</u>
Total liabilities	<u>\$ 518</u>	<u>\$ 14,788</u>	<u>\$ 13,173</u>	<u>\$ 2,133</u>
Student Managed Activities Fund				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 99,079	\$ 208,962	\$ 196,507	\$ 111,534
Total assets	<u>\$ 99,079</u>	<u>\$ 208,962</u>	<u>\$ 196,507</u>	<u>\$ 111,534</u>
Liabilities:				
Accounts payable	\$ 3,486	\$ 4,225	\$ 3,486	\$ 4,225
Due to students	<u>95,593</u>	<u>204,737</u>	<u>193,021</u>	<u>107,309</u>
Total liabilities	<u>\$ 99,079</u>	<u>\$ 208,962</u>	<u>\$ 196,507</u>	<u>\$ 111,534</u>
Total - All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 99,597	\$ 223,750	\$ 209,680	\$ 113,667
Total assets	<u>\$ 99,597</u>	<u>\$ 223,750</u>	<u>\$ 209,680</u>	<u>\$ 113,667</u>
Liabilities:				
Accounts payable	\$ 3,486	\$ 4,225	\$ 3,486	\$ 4,225
Loans payable	201	-	201	-
Intergovernmental payable.	317	14,788	12,972	2,133
Due to students	<u>95,593</u>	<u>204,737</u>	<u>193,021</u>	<u>107,309</u>
Total liabilities	<u>\$ 99,597</u>	<u>\$ 223,750</u>	<u>\$ 209,680</u>	<u>\$ 113,667</u>

Statistical Section



In the classrooms across our district, educators are fulfilling our mission by preparing students to be life-long learners and engaged citizens. Students pictured are in classrooms in Central Trail (upper left), Arbor Hills (upper right), and Hill View (lower left, lower right.)

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

STATISTICAL SECTION

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

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

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

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

	<u>2018</u>	<u>2017 (3)</u>	<u>2016</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 15,489,254	\$ 15,023,837	\$ 15,548,098	\$ 13,948,002
Restricted	4,346,761	4,579,852	4,145,252	5,007,886
Unrestricted (deficit)	(101,836,680)	(153,898,228)	(124,221,153)	(126,197,699)
Total governmental activities net position (deficit)	<u>\$ (82,000,665)</u>	<u>\$ (134,294,539)</u>	<u>\$ (104,527,803)</u>	<u>\$ (107,241,811)</u>

- (1) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.
Amounts for 2012 and 2011 have been restated to reflect the implementation of GASB Statement No. 65.
- (2) The District implemented GASB Statement No. 68 and 71 in 2015.
Amounts for 2014 have been restated to reflect the implementation of these statements.
- (3) The District implemented GASB Statement No. 75 in 2018.
Amounts for 2017 have been restated to reflect the implementation of this statement.

Source: School District financial records

<u>2014 (2)</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
\$ 13,968,477	\$ 14,760,435	\$ 16,273,543	\$ 15,807,676	\$ 18,997,215	\$ 17,939,259
3,546,425	1,289,863	4,388,544	3,631,117	3,569,858	4,202,610
(127,708,471)	(8,345,758)	(12,095,096)	(12,940,736)	(10,741,455)	(4,397,614)
<u>\$ (110,193,569)</u>	<u>\$ 7,704,540</u>	<u>\$ 8,566,991</u>	<u>\$ 6,498,057</u>	<u>\$ 11,825,618</u>	<u>\$ 17,744,255</u>

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 17,467,589	\$ 38,598,123	\$ 35,316,565	\$ 35,427,259
Special	7,063,906	14,555,048	13,291,068	12,642,540
Vocational	1,221,311	2,517,544	1,814,688	2,020,980
Adult/Continuing	27,869	93,014	71,055	64,496
Other instructional	2,032,109	2,286,573	2,186,237	2,366,766
Support services:				
Pupil	2,701,436	6,235,878	5,521,918	4,980,915
Instructional staff	1,043,280	2,257,483	1,926,976	1,898,434
Board of education	28,886	35,293	32,820	32,869
Administration	4,321,384	8,114,875	7,358,021	7,102,339
Fiscal	1,585,485	1,950,168	1,800,082	1,807,046
Business	107,107	209,399	242,293	235,270
Operations and maintenance	6,956,354	9,945,554	9,336,202	9,130,167
Pupil transportation	2,520,832	4,780,637	4,477,720	4,690,537
Central	835,751	1,328,922	784,648	830,846
Operation of non-instructional services:				
Food service operations	1,847,751	2,495,494	2,215,835	2,045,249
Other non-instructional services	1,053,190	1,136,233	1,125,676	1,210,717
Extracurricular activities	1,804,350	2,999,186	2,666,350	2,806,529
Interest and fiscal charges	3,945,063	4,074,233	4,165,290	3,791,038
Total governmental activities expenses	<u>56,563,653</u>	<u>103,613,657</u>	<u>94,333,444</u>	<u>93,083,997</u>

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	35,625,734	\$ 36,103,261	\$ 33,248,216	\$ 35,895,798	\$ 35,544,660	\$ 36,243,051
	13,019,704	10,332,087	8,384,850	9,006,976	9,262,000	8,332,050
	2,063,861	1,804,791	1,791,409	2,250,516	2,300,740	2,503,138
	47,053	68,943	63,024	36,094	52,272	93,991
	2,192,544	2,021,759	1,723,810	1,717,014	1,682,695	1,688,636
	5,045,935	5,601,668	5,497,493	6,767,500	5,776,063	5,894,790
	1,800,484	4,672,021	3,982,751	4,133,007	5,046,879	4,806,033
	37,034	24,426	28,371	16,401	26,884	18,684
	6,311,703	4,874,391	8,391,763	9,461,636	8,895,047	7,475,022
	1,780,334	1,807,481	1,882,065	1,627,076	1,740,510	1,614,397
	234,835	229,418	209,741	220,908	192,197	111,813
	9,484,736	9,122,893	8,742,706	9,626,916	9,670,074	10,023,645
	5,180,802	4,894,939	4,964,367	5,130,207	5,310,349	5,302,161
	723,274	947,814	981,385	1,216,292	1,207,259	1,167,987
	1,998,400	1,974,761	1,797,621	2,182,491	2,158,276	1,996,133
	1,174,416	1,304,715	1,168,920	1,269,893	1,098,748	1,368,054
	2,756,821	2,724,876	2,536,129	2,540,167	2,540,507	2,583,209
	4,618,615	4,840,501	4,927,828	5,221,783	5,315,060	2,398,739
	<u>94,096,285</u>	<u>93,350,745</u>	<u>90,322,449</u>	<u>98,320,675</u>	<u>97,820,220</u>	<u>93,621,533</u>

-- continued

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

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

Program Revenues	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 1,551,071	\$ 678,788	\$ 698,828	\$ 613,813
Special	235,872	501,889	329,996	588,192
Support services:				
Operations and maintenance	59,747	75,621	50,136	66,297
Pupil transportation	46,895	46,178	41,382	42,206
Operation of non-instructional services:				
Food service operations	1,181,388	1,082,254	1,008,406	803,036
Other non-instructional services	102,080	72,992	89,579	92,858
Extracurricular activities	718,507	651,183	682,246	685,329
Operating grants and contributions:				
Instruction:				
Regular	168,622	137,434	237,963	72,817
Special	5,603,733	5,439,648	5,588,930	5,243,752
Vocational	682,583	691,415	610,794	456,329
Adult/Continuing	91,799	87,601	54,455	84,000
Other instructional	-	-	-	-
Support services:				
Pupil	83,195	200,663	141,276	62,385
Instructional staff	15,015	36,212	27,381	39,995
Administration	-	-	-	-
Operations and maintenance	-	-	9,210	-
Pupil transportation	-	-	-	-
Central	21,600	21,600	21,600	21,600
Operation of non-instructional services:				
Food service operations	1,027,469	888,900	822,667	705,986
Other non-instructional services	988,756	982,201	1,023,043	1,065,230
Extracurricular activities	63,957	100,908	57,403	43,523
Capital grants and contributions:				
Instruction:				
Pupil transportation	-	-	-	-
Extracurricular activities	-	-	-	1,291,581
Total governmental program revenues	<u>12,642,289</u>	<u>11,695,487</u>	<u>11,495,295</u>	<u>11,978,929</u>
Net (Expense)				
Governmental activities	<u>\$ (43,921,364)</u>	<u>\$ (91,918,170)</u>	<u>\$ (82,838,149)</u>	<u>\$ (81,105,068)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 63,111,469	\$ 59,250,144	\$ 55,372,937	\$ 53,213,017
Debt service	6,698,458	6,793,908	7,213,104	7,082,651
Capital outlay	1,723,469	1,126,702	353,647	342,279
Payments in lieu of taxes	398,566	336,593	384,847	371,564
Grants and entitlements not restricted				
to specific programs	23,686,204	23,480,318	21,821,964	22,401,241
Investment earnings	378,977	137,152	41,732	16,758
Gain on disposal of capital assets	-	-	-	-
Miscellaneous	218,095	357,984	363,926	629,316
Total governmental activities	<u>96,215,238</u>	<u>91,482,801</u>	<u>85,552,157</u>	<u>84,056,826</u>
Change in Net Position				
Governmental activities	<u>\$ 52,293,874</u>	<u>\$ (435,369)</u>	<u>\$ 2,714,008</u>	<u>\$ 2,951,758</u>

Source: School District financial records

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	772,685	\$ 859,887	\$ 816,979	\$ 745,254	\$ 630,020	\$ 628,892
	541,882	450,174	577,689	583,790	386,364	391,503
	35,484	51,828	36,751	42,930	25,739	59,104
	46,593	41,078	45,138	39,895	38,757	33,327
	723,307	761,741	894,810	1,120,849	1,128,880	1,137,131
	102,620	110,085	107,421	85,053	63,346	76,395
	714,648	804,211	806,730	686,944	739,515	692,951
	207,589	267,004	126,350	1,938,637	592,268	167,597
	4,845,548	1,826,419	1,430,140	1,679,330	1,069,864	1,419,441
	355,483	202,460	285,263	306,940	333,075	288,929
	46,334	67,392	63,869	36,070	-	91,099
	-	-	-	116,596	84,022	-
	61,060	127,232	134,789	107,694	17,762	28,231
	61,801	1,549,121	1,414,055	2,560,064	2,218,541	1,528,516
	-	1,924	1,193	50,330	87,801	7,174
	-	-	200	-	-	35,446
	-	5,137	895	-	-	261,628
	21,600	21,600	21,600	32,300	264,920	61,398
	713,033	728,378	709,741	677,473	572,922	407,951
	1,078,237	1,087,534	1,087,744	1,123,574	1,113,597	1,133,874
	47,219	32,926	36,251	38,383	47,713	20,011
	-	-	-	-	-	79,049
	707,288	-	-	-	-	-
	<u>11,082,411</u>	<u>8,996,131</u>	<u>8,597,608</u>	<u>11,972,106</u>	<u>9,415,106</u>	<u>8,549,647</u>
\$	<u>(83,013,874)</u>	<u>(84,354,614)</u>	<u>(81,724,841)</u>	<u>(86,348,569)</u>	<u>(88,405,114)</u>	<u>(85,071,886)</u>
\$	52,713,354	\$ 53,568,191	\$ 51,929,769	\$ 48,100,515	\$ 48,890,899	\$ 49,851,399
	7,058,597	7,075,823	7,216,887	6,945,741	6,953,432	5,605,623
	337,993	349,968	365,998	359,711	362,513	361,561
	386,395	372,462	619,100	511,286	-	-
	21,384,855	22,190,182	23,302,354	24,526,349	25,119,293	24,162,588
	18,533	23,857	50,031	153,599	668,567	565,673
	1,478,878	-	75,727	-	-	25,674
	457,237	1,113,287	233,909	423,807	491,773	439,111
	<u>83,835,842</u>	<u>84,693,770</u>	<u>83,793,775</u>	<u>81,021,008</u>	<u>82,486,477</u>	<u>81,011,629</u>
\$	<u>821,968</u>	<u>339,156</u>	<u>2,068,934</u>	<u>(5,327,561)</u>	<u>(5,918,637)</u>	<u>(4,060,257)</u>

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:				
Nonspendable	\$ 138,022	\$ 134,559	\$ 73,013	\$ -
Assigned	295,888	353,699	-	-
Unassigned (deficit)	8,605,887	1,993,088	(2,259,970)	(3,494,715)
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
Total general fund	<u>9,039,797</u>	<u>2,481,346</u>	<u>(2,186,957)</u>	<u>(3,494,715)</u>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	5,994,623	7,067,824	5,294,525	5,866,756
Unassigned (deficit)	(282,671)	(875,050)	(498,405)	(201,520)
Reserved	-	-	-	-
Unreserved (deficit), reported in:				
Special revenue funds	-	-	-	-
Debt service fund fund	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>5,711,952</u>	<u>6,192,774</u>	<u>4,796,120</u>	<u>5,665,236</u>
Total governmental funds	<u>\$ 14,751,749</u>	<u>\$ 8,674,120</u>	<u>\$ 2,609,163</u>	<u>\$ 2,170,521</u>

Source: School District financial records

(1) The School District implemented GASB 54 in 2011, which reclassified fund balances and some fund types into the general fund.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,087,493	-	-
(2,890,645)	(1,060,384)	(982,632)	(4,482,477)	-	-
-	-	-	-	2,839,596	2,148,337
-	-	-	-	(3,723,495)	2,776,713
<u>(2,890,645)</u>	<u>(1,060,384)</u>	<u>(982,632)</u>	<u>(3,394,984)</u>	<u>(883,899)</u>	<u>4,925,050</u>
\$ 33,965	\$ 73,012	\$ 63,093	\$ 16,798	\$ -	\$ -
5,154,451	3,457,211	8,218,721	18,705,111	-	-
(343,549)	(477,621)	(208,808)	(507,025)	-	-
-	-	-	-	34,640,246	2,868,561
-	-	-	-	(625,521)	(235,385)
-	-	-	-	1,001,212	18,279,097
-	-	-	-	16,427,935	75,967,037
<u>4,844,867</u>	<u>3,052,602</u>	<u>8,073,006</u>	<u>18,214,884</u>	<u>51,443,872</u>	<u>96,879,310</u>
<u>\$ 1,954,222</u>	<u>\$ 1,992,218</u>	<u>\$ 7,090,374</u>	<u>\$ 14,819,900</u>	<u>\$ 50,559,973</u>	<u>\$ 101,804,360</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues				
From local sources:				
Property taxes	\$ 71,657,826	\$ 66,987,022	\$ 63,057,138	\$ 61,267,404
Payment in lieu of taxes	398,566	336,593	384,847	371,564
Tuition	1,262,137	752,934	593,769	750,543
Transportation fees	46,895	46,178	41,382	42,206
Charges for services	1,181,388	1,082,254	1,008,406	803,036
Earnings on investments	382,108	139,115	42,430	16,891
Extracurricular	720,215	655,773	682,246	685,329
Classroom materials and fees	524,806	427,743	435,055	451,462
Rental income	58,039	71,031	50,136	66,297
Contributions and donations	116,828	152,317	107,233	1,385,717
Contract services	102,080	72,992	89,579	92,858
Other local revenues	224,812	360,959	395,910	637,316
Intergovernmental - Intermediate	-	-	-	-
Intergovernmental - State	28,308,723	28,007,776	26,447,971	26,568,775
Intergovernmental - Federal	4,458,706	4,117,332	3,092,155	3,621,882
Total revenues	<u>109,443,129</u>	<u>103,210,019</u>	<u>96,428,257</u>	<u>96,761,280</u>
Expenditures				
Current:				
Instruction:				
Regular	36,179,836	33,419,171	32,932,675	34,158,787
Special	13,883,618	13,658,240	13,251,685	12,807,784
Vocational	2,020,581	1,976,820	1,572,817	1,833,318
Adult/Continuing	92,160	87,211	72,470	66,915
Other	2,032,109	2,286,573	2,186,237	2,366,766
Current:				
Pupil	6,119,460	5,957,758	5,573,399	5,222,189
Instructional staff	1,650,816	2,027,511	1,805,898	1,808,666
Board of education	39,743	34,285	32,820	32,869
Administration	7,981,231	7,668,128	7,348,252	7,303,136
Fiscal	1,957,692	1,896,449	1,793,342	1,795,406
Business	287,391	211,435	243,842	233,984
Operations and maintenance	9,503,585	9,263,748	9,038,818	8,954,812
Pupil transportation	5,015,091	4,634,774	4,464,648	4,597,749
Central	1,132,231	1,308,997	789,630	839,158
Operation of non-instructional services:				
Food service operations	2,222,223	2,108,408	1,966,316	1,785,128
Other non-instructional services	1,108,424	1,133,390	1,122,837	1,206,768
Extracurricular activities	2,174,376	2,085,442	2,126,904	2,156,334
Facilities acquisitions and construction	1,520,451	1,971,835	399,891	2,588,527
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	3,932,507	4,755,000	5,670,000	9,432,780
Interest and fiscal charges	3,300,608	3,354,006	3,590,900	2,797,264
Accretion on capital appreciation bonds	1,210,019	-	-	-
Bond and note issuance costs	-	52,275	-	731,730
Total expenditures	<u>103,364,152</u>	<u>99,891,456</u>	<u>95,983,381</u>	<u>102,720,070</u>
Excess of revenues over (under) expenditures	<u>6,078,977</u>	<u>3,318,563</u>	<u>444,876</u>	<u>(5,958,790)</u>
Other Financing Sources (Uses)				
Transfers in	91,093	110,575	123,902	312,996
Transfers (out)	(91,093)	(110,575)	(123,902)	(312,996)
Premium on notes sold	-	-	-	-
Sale of capital assets	-	-	-	-
Capital lease transaction	-	-	-	-
Premium on bonds sold	-	-	-	8,539,849
Payment to refunded bond escrow	-	(6,046,260)	-	(75,044,036)
Inception of lease-purchase obligation	-	2,850,000	-	-
Sale of bonds	-	5,940,000	-	72,705,000
Sale of notes	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,743,740</u>	<u>-</u>	<u>6,200,813</u>
Increase (decrease) in reserve for inventory	<u>(1,348)</u>	<u>2,654</u>	<u>(6,234)</u>	<u>(25,724)</u>
Net change in fund balances	<u>\$ 6,077,629</u>	<u>\$ 6,064,957</u>	<u>\$ 438,642</u>	<u>\$ 216,299</u>
Capital expenditures (included in expenditures above)	2,314,386	2,100,991	499,022	2,676,717
Debt service principal and interest as a percentage of noncapital expenditures	7.16%	8.29%	9.70%	12.22%

Source: School District financial records

2014	2013	2012	2011	2010	2009
\$ 60,176,130	\$ 61,110,516	\$ 59,720,574	\$ 55,292,168	\$ 56,029,767	\$ 55,740,104
386,395	372,462	619,100	511,286	-	-
874,183	863,327	947,290	953,134	628,608	623,148
46,593	41,078	45,138	39,895	37,357	33,327
723,307	761,741	894,810	1,120,849	1,128,880	1,137,131
18,579	25,992	53,988	193,750	669,752	556,054
714,648	804,261	806,730	686,944	739,515	693,851
440,384	457,932	460,403	388,681	397,334	407,022
35,484	51,828	36,751	42,930	25,739	59,104
813,893	81,859	150,951	75,578	76,625	51,757
102,620	98,837	94,396	72,282	55,188	68,322
509,383	1,195,912	322,057	549,655	580,141	524,748
51,754	24,021,850	25,129,019	26,275,123	26,470,370	26,647,470
25,073,435	24,021,850	25,129,019	26,275,123	26,470,370	26,647,470
3,591,280	3,759,704	4,216,964	5,976,370	4,808,657	3,043,596
93,558,068	117,669,149	118,627,190	118,453,768	118,118,303	116,233,104
34,231,949	34,296,886	32,474,747	34,635,264	34,206,575	35,263,158
12,914,876	9,528,072	8,209,854	8,852,749	8,946,696	8,198,587
1,882,384	1,635,976	1,548,556	2,131,379	2,200,271	2,297,048
47,053	68,943	63,024	36,094	52,272	93,991
2,192,544	2,021,759	1,723,810	1,717,014	1,682,695	1,688,636
5,048,743	5,649,438	5,485,054	6,732,942	5,790,967	5,934,009
1,647,915	4,473,310	3,827,134	4,126,904	4,957,257	4,800,929
37,034	24,426	28,371	16,401	26,884	18,684
6,597,710	6,132,986	8,431,030	7,680,862	8,736,588	7,534,408
1,764,547	1,792,979	1,833,047	1,632,530	1,729,267	1,600,507
233,933	229,131	209,414	218,664	190,572	122,173
9,231,475	8,685,570	8,243,929	8,295,728	18,839,729	9,981,168
4,809,757	4,412,722	4,567,005	4,975,182	5,273,090	5,484,889
724,807	941,378	966,564	1,211,604	1,206,456	1,164,865
1,695,672	1,763,873	1,648,252	2,006,415	2,068,218	1,864,424
1,169,622	1,299,921	1,163,593	1,263,501	1,089,442	1,364,505
2,211,094	2,199,049	2,063,570	2,196,638	2,256,782	2,192,606
7,807,339	5,781,148	11,526,387	32,505,915	18,646,795	1,251,259
-	-	51,023	-	-	90,637
3,367,729	3,648,486	3,144,340	3,182,766	19,953,102	3,207,843
4,149,847	4,202,192	4,198,634	4,521,810	5,132,149	1,059,486
-	-	-	-	-	-
18,842	-	165,673	-	-	1,070,065
101,784,872	98,788,245	101,573,011	127,940,362	142,985,807	96,283,877
(8,226,804)	18,880,904	17,054,179	(9,486,594)	(24,867,504)	19,949,227
259,598	184,934	930	364,690	380,559	363,311
(259,598)	(184,934)	(930)	(364,690)	(380,559)	(363,311)
18,245	-	-	-	-	16,350
2,779,610	32,871	75,727	45,693	69,193	25,674
-	-	51,023	-	-	90,637
-	-	935,188	-	-	1,070,085
-	-	(9,792,919)	-	-	-
-	-	-	-	-	-
-	-	9,030,000	-	-	78,999,981
5,430,000	-	-	-	-	15,500,000
8,227,855	32,871	299,019	45,693	69,193	95,702,727
-	9,919	46,295	(24,049)	24,294	(5,518)
\$ 1,051	\$ 18,923,694	\$ 17,399,493	\$ (9,464,950)	\$ (24,774,017)	\$ 115,646,436
8,036,137	5,932,077	11,706,546	31,964,785	28,746,691	2,354,873
8.02%	8.45%	8.17%	8.03%	21.96%	4.54%

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

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

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2018	\$ 1,373,628,590	\$ 3,924,653,114	\$ -	\$ -	\$ 37,748,060	\$ 150,992,240
2017	1,361,791,310	3,890,832,314	-	-	33,742,650	134,970,600
2016	1,341,184,900	3,831,956,857	-	-	27,592,880	110,371,520
2015	1,300,991,340	3,717,118,114	-	-	22,940,560	91,762,240
2014	1,288,169,390	3,680,483,971	-	-	21,292,440	85,169,760
2013	1,292,525,480	3,692,929,943	-	-	19,641,350	78,565,400
2012	1,429,020,350	4,082,915,286	-	-	18,166,960	72,667,840
2011	1,434,631,250	4,098,946,429	-	-	17,370,810	69,483,240
2010	1,440,591,120	4,115,974,629	967,770	19,355,400	16,775,400	67,101,600
2009	1,600,669,850	4,573,342,429	1,985,195	19,851,950	15,167,840	60,671,360

Source: Lucas County Auditor's Office

Total			
Assessed Value	Estimated Actual Value	%	Total Direct Tax Rate
\$ 1,411,376,650	\$ 4,075,645,354	34.63%	\$ 88.56
1,395,533,960	4,025,802,914	34.66%	88.45
1,368,777,780	3,942,328,377	34.72%	83.30
1,323,931,900	3,808,880,354	34.76%	83.50
1,309,461,830	3,765,653,731	34.77%	83.60
1,312,166,830	3,771,495,343	34.79%	83.60
1,447,187,310	4,155,583,126	34.83%	83.00
1,452,002,060	4,168,429,669	34.83%	78.30
1,458,334,290	4,202,431,629	34.70%	77.70
1,617,822,885	4,653,865,739	34.76%	77.69

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

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

Direct Rates

Tax Year/ Collection Year	Voted			Unvoted	Total
	General	Debt Service	Permanent Improvement		
2017/2018	\$ 76.80	\$ 5.46	\$ 1.30	\$ 5.00	\$ 88.56
2016/2017	76.80	5.35	1.30	5.00	88.45
2015/2016	72.10	5.90	0.30	5.00	83.30
2014/2015	72.10	6.10	0.30	5.00	83.50
2013/2014	72.10	6.20	0.30	5.00	83.60
2012/2013	72.10	6.20	0.30	5.00	83.60
2011/2012	72.10	5.60	0.30	5.00	83.00
2010/2011	67.20	5.80	0.30	5.00	78.30
2009/2010	67.20	5.20	0.30	5.00	77.70
2008/2009	67.20	5.19	0.30	5.00	77.69

Overlapping Rates

Tax Year/ Collection Year	Lucas County	City of Toledo	City of Sylvania	Sylvania Township	Toledo Area Regional Transit Authority	Sylvania Area Joint Recreation District	Olander Park District	Toledo Public	Total
2017/2018	\$ 17.37	\$ 4.40	\$ 5.10	\$ 23.07	\$ 2.50	\$ 2.11	\$ 1.00	\$ 3.70	\$ 59.25
2016/2017	17.37	4.40	5.10	23.07	2.50	2.11	0.20	2.90	57.65
2015/2016	19.77	4.40	5.10	22.97	2.50	2.10	0.70	2.90	60.44
2014/2015	19.77	4.40	5.10	22.97	2.50	2.10	0.70	2.90	60.44
2013/2014	19.62	4.40	5.10	21.47	2.50	2.10	0.70	2.90	58.79
2012/2013	17.77	4.40	5.10	21.47	2.50	2.10	0.70	2.90	56.94
2011/2012	16.17	4.40	5.10	20.72	2.50	1.65	0.70	2.00	53.24
2010/2011	16.17	4.40	3.60	19.97	2.50	1.65	0.70	2.00	50.99
2009/2010	16.17	4.40	3.60	19.97	2.50	1.62	0.70	2.00	50.96
2008/2009	16.17	4.40	5.92	19.97	2.50	1.62	0.70	2.00	53.28

Source: Lucas County Auditor's Office

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

PRINCIPAL TAXPAYERS
REAL PROPERTY
DECEMBER 31, 2017 AND DECEMBER 31, 2008

December 31, 2017			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Toledo Hospital	\$ 19,760,820	1	1.44%
Louisville Title Agency	11,120,700	2	0.81%
DFG - Monroe LLC	7,656,260	3	0.56%
Crestview of Ohio, Inc	5,430,830	4	0.40%
DFG-Franklin Place Shops LLC	5,301,220	5	0.39%
Chelsea Garden Apartments LLC	4,920,690	6	0.36%
Realty Income Properties 25 LLC	3,857,060	7	0.28%
Wal-Mart Real Estate	3,761,670	8	0.27%
Regency Hospital of Toledo	3,745,000	9	0.27%
Meijer Properties, Inc	3,473,860	10	0.25%
Total	\$ 69,028,110		5.03%
Total Real Property Assessed Valuation	\$ 1,373,628,590		

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Reynolds Road Fitness Center	\$ 7,851,020	1	0.49%
Naiasher Ogdensburg Accoc.	6,385,430	2	0.40%
National Amusements	5,955,230	3	0.37%
Regency Hospital of Toledo	4,639,880	4	0.29%
Barone Brothers	4,542,870	5	0.28%
Meijer Properties, Inc.	4,197,270	6	0.26%
Wal-Mart Real Estate	4,007,610	7	0.25%
Centro NP Residual Pool 1	3,850,020	8	0.24%
DJ James Yark/Yark Olds	3,684,000	9	0.23%
Harvey Tolson	3,404,190	10	0.21%
Total	\$ 48,517,520		3.02%
Total Real Property Assessed Valuation	\$ 1,600,669,850		

Source: Lucas County Auditor's Office

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

**PRINCIPAL TAXPAYERS
TANGIBLE AND PUBLIC UTILITY PERSONAL PROPERTY
DECEMBER 31, 2017 AND DECEMBER 31, 2008**

December 31, 2017			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
American Transmission Systems, Inc.	\$ 17,541,430	1	46.47%
Toledo Edison	14,105,370	2	37.37%
Columbia Gas of Ohio	5,657,550	3	14.99%
Ohio Gas Co	443,710	4	1.18%
Total	\$ 37,748,060		100.00%
Total Tangible and Public Utility Personal Property Assessed Valuation			
	\$ 37,748,060		

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Verizon North, Inc.	\$ 1,669,250	1	9.73%
Yark Automotive Group, Inc.	1,630,550	2	9.51%
Vin Devers Inc.	828,470	3	4.83%
Block Communications Inc.	776,780	4	4.53%
Dave White Chevrolet Inc.	741,330	5	4.32%
Brown Motor Sales Company, Inc.	731,470	6	4.26%
Jim White Company	585,870	7	3.42%
Meijer Stores Limited Partnership	442,030	8	2.58%
Anderson's Inc.	441,730	9	2.58%
Wal-Mart Stores East LP	378,220	10	2.20%
Total	\$ 8,225,700		47.96%
Total Tangible and Public Utility Personal Property Assessed Valuation			
	\$ 17,153,035		

Source: Lucas County Auditor's Office

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

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

Tax Year/ Collection Year	Current Levy (1)	Delinquent Levy (2)	Total Levy	Current Collection (1)	Percent of Current Levy Collected
2017/2018	\$ 80,583,027	\$ 2,938,149	\$ 83,521,176	\$ 79,102,264	98.16%
2016/2017	79,402,179	2,448,165	81,850,344	77,513,470	97.62%
2015/2016	70,627,019	2,409,298	73,036,317	69,099,930	97.84%
2014/2015	69,616,591	2,456,089	72,072,680	67,405,776	96.82%
2013/2014	69,079,188	2,714,553	71,793,741	66,751,405	96.63%
2012/2013	68,901,963	3,092,972	71,994,935	65,180,247	94.60%
2011/2012	71,080,864	3,942,499	75,023,363	68,179,989	95.92%
2010/2011	64,241,502	3,504,056	67,745,558	61,446,180	95.65%
2009/2010	63,289,576	2,703,343	65,992,919	59,719,127	94.36%
2008/2009	64,717,610	2,392,811	67,110,421	61,476,985	94.99%

Source: Lucas County Auditor's Office

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

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

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 1,736,706	\$ 80,838,970	96.79%
1,339,124	78,852,594	96.34%
1,399,897	70,499,827	96.53%
2,314,810	69,720,586	96.74%
2,256,836	69,008,241	96.12%
2,231,985	67,412,232	93.63%
2,593,370	70,773,359	94.34%
1,971,812	63,417,992	93.61%
2,319,387	62,038,514	94.01%
1,807,807	63,284,792	94.30%

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

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

Fiscal Year	Governmental Activities			(1) Total Primary Government	(2) Per Capita	(2) Percentage of Personal Income	(2) Per ADM
	General Obligation Bonds	General Obligation Notes	Lease- Purchase/ Capital Leases				
2018	\$ 87,768,192	\$ -	\$2,597,474	\$ 90,365,666	\$ 1,340	1.50%	\$11,725
2017	92,283,076	-	2,850,000	95,133,076	1,510	1.71%	12,585
2016	97,004,075	-	-	97,004,075	1,540	1.73%	12,944
2015	99,343,363	-	-	99,343,363	1,577	1.86%	13,459
2014	93,299,499	5,430,000	12,780	98,742,279	1,567	1.80%	13,831
2013	96,244,183	-	25,509	96,269,692	1,528	1.93%	13,094
2012	99,305,052	-	48,995	99,354,047	1,577	2.10%	13,423
2011	101,184,414	-	162,312	101,346,726	1,609	2.20%	13,860
2010	103,604,778	-	310,078	103,914,856	1,649	2.12%	14,319
2009	107,336,058	15,500,000	454,219	123,290,277	1,957	2.35%	16,465

Sources:

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

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

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

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

Fiscal Year	Total General Obligation Bonded Debt (1)	Debt Service Available Balance (2)	Net General Obligation Bonded Debt	Percentage of Actual Taxable Value of Property (3)	Per Capita (4)
2018	\$ 87,768,192	\$ 3,891,599	\$ 83,876,593	2.06%	\$ 1,244
2017	92,283,076	4,032,001	88,251,075	2.19%	1,401
2016	97,004,075	4,210,039	92,794,036	2.35%	1,473
2015	99,343,363	4,887,379	94,455,984	2.48%	1,499
2014	93,299,499	3,255,221	90,044,278	2.39%	1,429
2013	96,244,183	2,729,486	93,514,697	2.48%	1,484
2012	99,305,052	2,611,096	96,693,956	2.33%	1,535
2011	101,184,414	1,587,159	99,597,255	2.39%	1,581
2010	103,604,778	1,310,824	102,293,954	2.43%	1,624
2009	107,336,058	18,527,665	88,808,393	1.91%	1,410

Source:

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

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

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

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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt:			
Sylvania City School District (1)	\$ 78,285,000	100.00%	\$ 78,285,000
Total direct debt	<u>78,285,000</u>		<u>78,285,000</u>
Overlapping debt:			
Lucas County	82,076,000	19.39%	15,914,536
City of Sylvania	17,980,000	100.00%	17,980,000
Sylvania Area Joint Recreation District	6,860,848	100.00%	6,860,848
Sylvania Township	6,475,000	99.54%	6,445,215
City of Toledo	82,909,992	3.16%	2,619,956
Total overlapping debt	<u>196,301,840</u>		<u>49,820,555</u>
Total direct and overlapping debt	<u>\$ 274,586,840</u>		<u>\$ 128,105,555</u>

Source: Ohio Municipal Advisory Council

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

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

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit (2)	Total Debt Applicable to Limit (1)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2018	\$ 127,023,899	\$ 74,160,000	\$ 3,891,599	\$ 70,268,401	\$ 56,755,498	55.32%
2017	125,598,056	71,589,981	4,032,001	67,557,980	58,040,076	53.79%
2016	123,190,000	81,979,981	4,210,039	77,769,942	45,420,058	63.13%
2015	119,153,871	83,397,491	4,887,379	78,510,112	40,643,759	65.89%
2014	117,851,565	88,992,854	3,255,221	85,737,633	32,113,932	72.75%
2013	118,095,015	91,468,337	2,729,486	88,738,851	29,356,164	75.14%
2012	130,246,858	93,616,589	2,611,096	91,005,493	39,241,365	69.87%
2011	130,680,185	96,749,720	1,587,159	95,162,561	35,517,624	72.82%
2010	131,162,987	99,197,454	1,310,824	97,886,630	33,276,357	74.63%
2009	145,422,617	102,882,912	18,527,665	84,355,247	61,067,370	58.01%

Source: Lucas County Auditor and School District financial records

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

(2) Voted Debt Limit Calculation for Fiscal Year 2018

Assessed Value	\$ 1,411,376,650
Debt Limit (9% of assessed value)	<u>X 9%</u>
Voted Debt Limit	<u>\$ 127,023,899</u>

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

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Total Personal Income (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rates (5)</u>		
					<u>Lucas County</u>	<u>Ohio</u>	<u>United States</u>
2018	67,445	\$ 89,558	\$ 6,040,239,310	7,707	5.9%	4.6%	4.4%
2017	63,000	88,055	5,547,465,000	7,559	6.7%	5.0%	4.4%
2016	63,000	89,230	5,621,490,000	7,494	5.0%	5.0%	4.9%
2015	63,000	84,663	5,333,769,000	7,381	5.0%	4.4%	5.0%
2014	63,000	87,273	5,498,199,000	7,139	5.8%	5.6%	5.8%
2013	63,000	78,979	4,975,677,000	7,352	8.5%	7.2%	7.3%
2012	63,000	74,999	4,724,937,000	7,402	8.3%	7.2%	8.2%
2011	63,000	73,113	4,606,119,000	7,312	10.0%	9.1%	9.1%
2010	63,000	77,766	4,899,258,000	7,257	12.0%	10.5%	9.5%
2009	63,000	83,295	5,247,585,000	7,488	8.3%	10.8%	10.2%

Sources:

(1) 2018 District's Communication's Department, 2009-2017 U.S. Census Bureau

(2) Ohio Department of Taxation (per household)

(3) Equals "Population" times "Per Capita Personal Income"

(4) School District records

(5) Bureau of Labor Statistics

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

**PRINCIPAL EMPLOYERS
CURRENT YEAR (2)**

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

Source: City of Sylvania Area Chamber of Commerce

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

(2) Information for the current year was not available.
Last information available provided.

Note: Information for previous years is not available.

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

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

Type	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Professional Staff:										
Teaching Staff:										
Elementary	164.70	159.30	162.30	165.30	133.50	169.60	172.50	173.70	152.40	133.50
Junior HS	92.50	91.50	94.50	96.50	83.33	101.17	110.75	120.17	121.17	83.33
High School	133.01	130.34	135.01	130.68	116.67	136.85	158.11	168.79	174.63	116.67
Tutors (1)	23.00	22.00	23.00	22.50	27.00	19.00	19.00	-	-	14.00
Special Education Teaching (2)	-	-	-	-	71.00	38.00	40.67	-	-	71.00
Vocational Ed Teaching (3)	-	-	-	-	27.00	-	-	-	-	27.00
Others	53.50	53.50	71.85	69.07	33.46	20.16	21.33	53.52	56.33	32.46
Administration:										
District	45.00	43.00	48.32	44.16	41.00	43.75	53.32	52.16	54.16	40.00
Auxiliary Positions:										
Counselors	21.00	21.00	20.50	19.50	20.00	17.50	18.78	21.78	21.70	20.00
Speech	6.00	7.00	7.00	7.00	6.00	7.00	7.50	7.50	7.50	6.00
Occupational	6.00	6.00	8.00	6.00	1.00	3.00	6.11	3.00	3.00	1.00
Psychologist	7.00	6.00	6.00	6.00	5.00	7.00	6.60	6.60	6.60	5.00
Social Worker	-	-	-	-	1.00	-	-	-	-	-
Librarian/Media	3.00	3.00	4.00	5.00	5.00	4.00	7.12	14.28	14.28	13.90
Extracurricular	197.20	164.36	109.80	98.45	58.03	46.15	48.02	23.11	24.11	15.00
Support Staff:										
Secretarial/clerical	49.56	50.06	60.88	62.72	50.70	56.10	71.66	78.14	67.30	50.70
Aides	72.91	62.56	80.57	77.11	14.39	80.80	79.55	81.35	72.88	6.49
Hall monitor/Security	11.95	11.49	17.72	18.00	15.20	16.47	16.36	19.06	16.96	15.20
Cafeteria	27.52	25.39	29.02	29.92	30.36	28.47	28.95	31.43	31.38	30.35
Custodial	52.00	50.50	60.50	61.50	47.00	54.50	58.00	58.00	57.00	47.00
Maintenance	9.00	8.00	10.00	8.00	8.00	8.00	8.00	10.00	10.00	8.00
Bus Driver	41.21	42.74	46.32	45.76	49.65	45.53	51.04	48.59	51.94	49.65
Mechanics	5.00	5.00	5.00	5.50	5.50	5.50	6.50	6.50	6.50	5.50
Other	8.70	7.70	10.74	8.86	48.50	8.82	9.51	11.33	12.33	47.25
Extracurricular (4)	-	-	-	-	10.62	32.72	29.11	-	91.97	68.65
Total	1,029.76	970.44	1,011.03	987.53	908.91	950.09	1,028.49	989.01	1,054.14	907.65

Source: School District records

- (1) Information for 2011 and 2010 are not available to be broken out. The numbers for these positions and included in the Teaching Staff - Other number.
- (2) Information for 2018, 2017, 2016, 2015, 2011 and 2010 are not available to be broken out. The numbers for these positions and included in the Teaching Staff - Other number.
- (3) Information for 2018, 2017, 2016, 2015 and 2010-2013 are not available to be broken out. The numbers for these positions and included in Teaching Staff - High School number.
- (4) Information for 2018, 2017, 2016, 2015 and 2011 are not available to be broken out. The numbers for these positions are included in Auxillary Serices - Extracurricular number.

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

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

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular and Special										
Enrollment (students)	7,707	7,559	7,494	7,381	7,139	7,352	7,402	7,312	7,257	7,488
Graduates	N/A	N/A	N/A	576	567	618	584	550	641	623
Support services:										
Board of education										
Regular meetings per year	12	12	12	12	12	12	12	12	12	12
Work sessions	10	11	10	11	11	10	10	13	13	12
Special meetings per year	6	16	8	4	7	7	7	11	14	10
Administration										
Student attendance rate	95.4%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.4%
Fiscal										
Nonpayroll checks issued	5,852	5,888	5,999	5,899	5,691	5,664	5,647	5,781	7,058	6,530
Pupil transportation										
Avg. students transported daily	4,018	3,606	3,755	3,567	3,635	4,717	4,580	4,558	4,723	5,412
Food service operations										
Meals served to students	435,735	509,680	476,694	359,132	386,433	406,610	422,412	419,762	393,586	362,766
Number of lunches served at free or reduced cost	180,567	245,030	231,652	160,180	189,553	188,816	176,256	176,207	146,498	123,056

Source: School District records

N/A - Information is not available.

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land	\$ 2,694,493	\$ 2,694,493	\$ 2,694,493	\$ 2,694,493	\$ 2,694,493
Construction in progress	608,617	1,948,034	1,096,909	2,806,094	9,043,723
Land improvements	3,582,083	3,959,012	4,330,392	4,707,106	3,481,812
Buildings and improvements	85,578,456	86,087,682	89,455,632	92,827,988	94,903,363
Furniture, fixtures and equipment	5,321,141	5,766,744	6,452,510	5,341,291	254,872
Vehicles	630,801	266,413	273,904	245,945	451,239
 Total Governmental Activities Capital Assets, net	 <u>\$ 98,415,591</u>	 <u>\$ 100,722,378</u>	 <u>\$ 104,303,840</u>	 <u>\$ 108,622,917</u>	 <u>\$ 110,829,502</u>

Source: School District financial records

Note: Amounts above are presented net of accumulated depreciation.

2013	2012	2011	2010	2009
\$ 2,890,933	\$ 2,421,246	\$ 2,421,246	\$ 2,040,544	\$ 2,040,544
1,497,493	12,664,855	29,225,947	28,268,341	1,407,820
3,598,322	3,633,189	3,936,624	4,240,059	4,429,478
99,084,118	86,360,692	61,148,430	33,715,339	34,868,610
352,624	382,016	588,709	816,562	679,817
873,597	1,317,639	1,636,739	1,878,392	1,954,470
<u>\$ 108,297,087</u>	<u>\$ 106,779,637</u>	<u>\$ 98,957,695</u>	<u>\$ 70,959,237</u>	<u>\$ 45,380,739</u>

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

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013
Central Elementary (1929 original, 2013 new)						
Square feet	72,557	72,557	72,557	72,557	72,557	72,557
Capacity (students)	630	630	630	630	630	630
Enrollment	594	609	617	577	507	571
Highland Elementary (1965)						
Square feet	75,210	75,210	75,210	75,210	75,210	75,210
Capacity (students)	625	625	625	625	625	625
Enrollment	719	674	664	678	612	631
Hill View Elementary (1929)						
Square feet	54,783	54,783	54,783	54,783	54,783	54,783
Capacity (students)	500	500	500	500	500	500
Enrollment	419	413	419	437	388	406
Maplewood Elementary (1929)						
Square feet	64,230	64,230	64,230	64,230	64,230	64,230
Capacity (students)	384	384	384	384	384	384
Enrollment	419	420	414	425	398	386
Stranahan Elementary (1955)						
Square feet	67,282	67,282	67,282	67,282	67,282	67,282
Capacity (students)	650	650	650	650	650	650
Enrollment	577	551	524	429	488	481
Sylvan Elementary (1963)						
Square feet	47,469	47,469	47,469	47,469	47,469	47,469
Capacity (students)	475	475	475	475	475	475
Enrollment	343	342	347	354	326	350
Whiteford Elementary (1967)						
Square feet	50,624	50,624	50,624	50,624	50,624	50,624
Capacity (students)	525	525	525	525	525	525
Enrollment	487	453	435	434	423	398
Arbor Hills Jr. High School (1970)						
Square feet	80,995	80,995	80,995	80,995	80,995	80,995
Capacity (students)	700	700	700	700	700	700
Enrollment	549	532	512	497	501	521
McCord Jr. High School (1963)						
Square feet	76,534	76,534	76,534	76,534	76,534	76,534
Capacity (students)	800	800	800	800	800	800
Enrollment	706	687	688	655	638	629
Timberstone Jr. High School (1998)						
Square feet	10,515	10,515	10,515	105,105	105,105	105,105
Capacity (students)	700	700	700	700	700	700
Enrollment	555	564	547	551	523	524
Northview High School (1960)						
Square feet	213,730	213,730	213,730	213,730	213,730	213,730
Capacity (students)	1,340	1,340	1,340	1,340	1,340	1,340
Enrollment	1,294	1,247	1,241	1,214	1,139	1,215
Southview High School (1976)						
Square feet	209,478	209,478	209,478	209,478	209,478	209,478
Capacity (students)	1,340	1,340	1,340	1,340	1,340	1,340
Enrollment	1,045	1,067	1,086	1,130	1,196	1,240
Administrative Building (1929)						
Square feet	22,180	22,180	22,180	22,180	22,180	22,180
Support Services Facility (2004)						
Square feet	33,741	33,741	33,741	33,741	33,741	33,741
Total square feet	1,079,328	1,079,328	1,079,328	1,173,918	1,173,918	1,173,918
Total capacity (students)	8,669	8,669	8,669	8,669	8,669	8,669
Total enrollment	7,707	7,559	7,494	7,381	7,139	7,352

Source: District records

2012	2011	2010	2009
53,932	53,932	48,725	48,725
575	575	575	575
574	542	510	532
75,210	75,210	56,294	56,294
625	625	773	773
630	642	607	646
54,783	54,783	46,994	46,994
500	500	500	500
412	415	349	377
64,230	64,230	44,328	44,328
550	550	450	450
384	362	327	371
67,282	67,282	50,169	50,169
650	650	650	650
462	473	411	458
47,469	47,469	39,160	39,160
475	475	475	475
337	334	318	344
50,624	50,624	47,272	47,272
525	525	525	525
407	382	366	378
80,995	80,995	80,635	80,635
700	700	700	700
542	554	568	576
76,534	76,534	76,363	76,363
800	800	800	800
642	608	634	601
105,105	105,105	103,100	103,100
700	700	700	700
553	549	584	578
213,730	213,730	201,592	201,592
1,340	1,340	1,300	1,300
1,215	1,213	1,292	1,325
209,478	209,478	209,700	209,700
1,340	1,340	1,400	1,400
1,244	1,213	1,291	1,302
22,180	22,180	21,854	90,600
33,741	33,741	27,994	27,994
1,155,293	1,155,293	1,054,180	1,122,926
8,780	8,780	8,848	8,848
7,402	7,287	7,257	7,488

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

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	General Government		Governmental Activities		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2018	\$ 94,921,018	\$ 12,316	\$ 52,618,590	\$ 6,827	7,707	1.96%
2017	91,730,175	12,135	99,539,424	13,168	7,559	0.87%
2016	86,722,481	11,572	90,168,154	12,032	7,494	1.53%
2015	89,758,296	12,161	89,292,959	12,098	7,381	3.39%
2014	94,248,454	13,202	89,496,512	12,536	7,139	-2.90%
2013	90,937,567	12,369	88,510,244	12,039	7,352	-0.68%
2012	94,064,364	12,708	85,394,621	11,537	7,402	1.23%
2011	120,235,786	16,444	93,098,892	12,732	7,312	0.76%
2010	117,900,556	16,246	92,505,160	12,747	7,257	-3.08%
2009	90,946,483	12,146	91,222,794	12,183	7,488	-2.65%

Source: School District records

(1) Debt Service totals have been excluded.

(2) Classroom teachers only.

Teaching Staff (2)	Pupil/Teacher Ratio	Student Attendance Percentage
495	15.57	95.4%
457	16.54	95.0%
486	15.42	95.0%
484	15.25	95.0%
474	15.06	95.0%
508	14.47	95.0%
487	15.20	95.0%
493	14.83	95.0%
487	14.90	95.0%
491	15.26	95.4%

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

TEACHER STATISTICS
JUNE 30, 2018

Degree	Number of Teachers	Percentage of Total	Pay Range
Bachelor's Degree	165	30.05%	\$37,290 - \$75,699
Master's Degree	377	68.67%	\$40,646 - \$85,767
Educational Specialist	5	0.91%	\$41,429 - \$83,269
Ph.D.	2	0.36%	\$43,033 - \$85,767
	<u>549</u>	<u>100.00%</u>	

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	167	30.42%
6 - 10	145	26.41%
11 and over	237	43.17%
	<u>549</u>	<u>100.00%</u>

Source: School District Personnel Records

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

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

OHIO AUDITOR OF STATE
KEITH FABER



SYLVANIA CITY SCHOOL DISTRICT

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 17, 2019**