



Dave Yost • Auditor of State

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY
JUNE 30, 2017**

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WOOD COUNTY
JUNE 30, 2017

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Rossford Exempted Village School District
Wood County
401 Glenwood Road
Rossford, Ohio 43460

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 Rossford Exempted Village School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Districts 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 Rossford Exempted Village School District, Wood County, Ohio, as of June 30, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 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 initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

Columbus, Ohio

March 27, 2018

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Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

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

Highlights

Highlights for fiscal year 2017 are as follows:

In total, net position increased \$8,050,125, or 51 percent from the prior fiscal year.

General revenues were \$30,137,658 for fiscal year 2017, or 92 percent of all revenues, and reflect the School District's significant dependence on property taxes and unrestricted state entitlements.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Rossford Exempted Village School District as a financial whole, or as an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances.

Fund financial statements provide a greater 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 School District's most significant funds, with all other nonmajor funds presented in total in a single column. For Rossford Exempted Village School District, the General Fund and the Building capital projects fund are the most significant funds.

Reporting the School District as a Whole

The statement of net position and the statement of activities reflect how the School District did financially during fiscal year 2017. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

In the statement of net position and the statement of activities, all of the School District's activities are reflected as governmental activities including instruction, support services, non-instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Building capital projects fund.

Governmental Funds - All of the School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

The School District as a Whole

Table 1 provides a summary of the School District's net position for fiscal year 2017 and fiscal year 2016:

Table 1
Net Position

	Governmental Activities		
	2017	2016	Change
<u>Assets</u>			
Current and Other Assets	\$114,026,028	\$25,992,456	\$88,033,572
Capital Assets, Net	9,560,119	8,396,208	1,163,911
Total Assets	123,586,147	34,388,664	89,197,483
<u>Deferred Outflows of Resources</u>			
Pension	6,770,620	3,112,584	3,658,036
<u>Liabilities</u>			
Current and Other Liabilities	4,007,828	3,141,996	(865,832)
Long-Term Liabilities			
Pension	38,219,404	33,164,673	(5,054,731)
Other Amounts	78,423,199	1,674,161	(76,749,038)
Total Liabilities	120,650,431	37,980,830	(82,669,601)

(continued)

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Table 1
Net Position
(continued)

	Governmental Activities		Change
	2017	2016	
<u>Deferred Inflows of Resources</u>			
Pension	\$3,231,612	\$4,389,858	\$1,158,246
Other Amounts	14,209,075	10,915,036	(3,294,039)
Total Deferred Inflows of Resources	17,440,687	15,304,894	(2,135,793)
 <u>Net Position</u>			
Net Investment in Capital Assets	8,021,842	8,396,208	(374,366)
Restricted	3,976,937	3,271,718	705,219
Unrestricted (Deficit)	(19,733,130)	(27,452,402)	7,719,272
Total Net Position (Deficit)	(\$7,734,351)	(\$15,784,476)	\$8,050,125

The net pension liability reported by the School District at June 30, 2017, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions". For reasons discussed below, end users of these financial statements will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statement No. 68 requires the net pension liability to equal the School District's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

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

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

In accordance with GASB Statement No. 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred outflows/inflows.

Pension related changes noted in the above table reflect a significant increase in deferred outflows and decrease in deferred inflows related to changes in projected and actual earnings on investments related to the net pension liability. The increase in the net pension liability represents the School District's proportionate share of the unfunded benefits. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

Aside from adjustments for pension reporting, the above table notes several significant changes from the prior fiscal year. The \$88 million increase in current and other assets is due to two primary sources. During fiscal year 2017, the School District issued over \$76 million in new debt to improve and construct school buildings and facilities. As of fiscal year end, over \$72 million of these proceeds had not yet been spent and are reflected as cash and cash equivalents. In addition, there was an increase in property taxes receivable due to the approval by the voters of a \$4.4 mill bond levy and a \$7 mill permanent improvement levy. Collections on these levies began in January 2017. The increase in current and other liabilities is largely due to outstanding contracts payable at fiscal year end related to ongoing construction as well as accrued interest due on the outstanding debt. The increase in other long-term liabilities represents the new debt outstanding at the end of the fiscal year.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Table 2 reflects the change in net position for fiscal year 2017 and fiscal year 2016.

Table 2
Change in Net Position

	Governmental Activities		Change
	2017	2016	
<u>Revenues:</u>			
Program Revenues			
Charges for Services	\$930,483	\$897,378	\$33,105
Operating Grants and Contributions	1,785,920	1,848,705	(62,785)
Total Program Revenues	2,716,403	2,746,083	(29,680)
<u>Revenues:</u>			
General Revenues			
Property Taxes Levied for General Purposes	16,642,718	11,815,547	4,827,171
Property Taxes Levied for Debt Service	1,257,482	0	1,257,482
Property Taxes Levied for Permanent Improvements	2,000,536	0	2,000,536
Payment in Lieu of Taxes	507,414	592,325	(84,911)
Grants and Entitlements	7,293,772	7,514,116	(220,344)
Interest	214,645	40,517	174,128
Gifts and Donations	1,959,148	1,666,926	292,222
Miscellaneous	261,943	180,234	81,709
Total General Revenues	30,137,658	21,809,665	8,327,993
Total Revenues	32,854,061	24,555,748	8,298,313
<u>Expenses:</u>			
Instruction:			
Regular	10,621,900	9,934,533	(687,367)
Special	2,735,591	2,704,373	(31,218)
Vocational	2,568	3,962	1,394
Adult/Continuing	280	800	520
Support Services:			
Pupils	1,657,338	1,683,939	26,601
Instructional Staff	795,764	732,530	(63,234)
Board of Education	42,656	78,603	35,947
Administration	1,800,702	1,543,666	(257,036)
Fiscal	518,493	463,416	(55,077)
Business	120,342	106,398	(13,944)
Operation and Maintenance of Plant	2,195,209	2,119,421	(75,788)
Pupil Transportation	803,011	839,562	36,551
Central	501,561	481,368	(20,193)
Non-Instructional Services	833,128	816,374	(16,754)
Extracurricular Activities	925,586	911,979	(13,607)
Interest and Fiscal Charges	1,249,807	0	(1,249,807)
Total Expenses	24,803,936	22,420,924	(2,383,012)
Increase in Net Position	8,050,125	2,134,824	5,915,301
Net Position (Deficit) at Beginning of Year	(15,784,476)	(17,919,300)	2,134,824
Net Position (Deficit) at End of Year	(\$7,734,351)	(\$15,784,476)	\$8,050,125

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

There was little change in total program revenues from the prior fiscal year. However, due to the passage of the \$4.4 mill bond levy and the \$7 mill permanent improvement levy in November of 2016, the School District realized a significant increase in general revenues as these new tax rates went into effect with the January 2017 property tax collection and distribution.

The 11 percent increase in total expenses reflects salary and benefit increases as well as interest expense related to the School District's new debt.

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Instruction:				
Regular	\$10,621,900	\$9,934,533	\$10,081,077	\$9,571,550
Special	2,735,591	2,704,373	1,506,333	1,347,335
Vocational	2,568	3,962	(1,168)	(10,176)
Adult/Continuing	280	800	280	800
Support Services:				
Pupils	1,657,338	1,683,939	1,657,338	1,683,939
Instructional Staff	795,764	732,530	795,764	732,530
Board of Education	42,656	78,603	42,656	78,603
Administration	1,800,702	1,543,666	1,800,702	1,543,666
Fiscal	518,493	463,416	518,493	463,416
Business	120,342	106,398	120,342	106,398
Operation and Maintenance of Plant	2,195,209	2,119,421	2,195,209	2,119,421
Pupil Transportation	803,011	839,562	803,011	839,562
Central	501,561	481,368	501,561	481,368
Non-Instructional Services	833,128	816,374	65,809	2,204
Extracurricular Activities	925,586	911,979	750,319	714,225
Interest and Fiscal Charges	1,249,807	0	1,249,807	0
Total Expenses	\$24,803,936	\$22,420,924	\$22,087,533	\$19,674,841

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

As can be seen above, the dependence on general revenues for most programs is significant. Several of the School District's programs receive a notable amount of program revenues to offset program costs. The special instruction program provides for 45 percent of its costs through program revenues; generally from operating grants restricted for special instruction purposes. Program revenues in the non-instructional program include cafeteria sales and state and federal subsidies and donated commodities for food service operations as well as operating grants received on behalf of All Saints parochial school. Program revenues in the extracurricular activities program include music and athletic fees, ticket sales, and gate receipts.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting.

Fund balance increased 59 percent in the General Fund. Revenues increased over \$5 million, primarily due to the increase in property tax revenue. In addition to the restricted levies that were approved by the voters, the assessed valuation of property upon which taxes are levied increased over \$4.5 million. The revenue from unrestricted property taxes is recorded in the General Fund. In addition, the amount of property taxes available for advance at the end of the fiscal year increased \$2.3 million; this amount is recorded as revenue of the current fiscal year since it is available to pay expenditures of the current fiscal year. Expenditures in the General Fund remained very similar to the prior fiscal year.

Fund balance in the Building Fund increased \$73 million due to the proceeds of the new debt issued as discussed previously.

General Fund Budgeting Highlights

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

During fiscal year 2017, the School District amended its General Fund budget as needed. For revenues, changes from the original budget to the final budget as well as from the final budget to actual revenues were not significant. For expenditures, changes between the original budget and final budget were also not significant. Actual expenditures were substantially less than amounts budgeted due to conservative budgeting.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2017, the School District had \$9,560,119 invested in capital assets (net of accumulated depreciation). Significant additions consisted of ongoing construction, two buses, and a van. Disposal included vehicles and miscellaneous equipment. For further information regarding the School District's capital assets, refer to Note 11 to the basic financial statements.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Debt

The School District's outstanding debt at June 30, 2017, consisted of general obligation bonds and certificates of participation, in the amount of \$31,872,473 and \$44,805,012, respectively. During fiscal year 2017, the School District issued \$31,105,000 in general obligation bonds and \$43,000,000 in certificates of participation for improving and constructing school buildings and facilities.

The School District's long-term obligations also included the liability for compensated absences and the net pension liability. For further information regarding the School District's long-term obligations, refer to Note 19 to the basic financial statements.

Current Issues

The School District's current five-year forecast indicates that the School District is in a sound financial position throughout fiscal years 2017 through 2022.

Calendar year 2017 is a tri-annual update year for property valuations; the results affecting the School District will not be known until fiscal year 2018.

In November 2016, the voters of the School District approved a 4.4 mill bond levy and a 7 mill additional property tax levy for new facilities. The collection of these levies began in January 2017. The School District renewed two 7.9 mill levies in May 2017 that insured the continuation of roughly \$6 million dollars of revenue through tax year 2021. The School District also passed a 5.9 mill levy in 2015 which will collect through tax year 2019. The School District will continue to lose tangible personal property tax monies through 2034; these losses are projected to be in the range of \$200,000 annually.

The School District instituted an open enrollment policy that resulted in an additional seventy students in 2017; the result in terms of revenue was an increase of \$400,000 in foundation revenue which completely offsets the loss of open enrollment out of the School District to other school districts.

The labor contract for the certified staff is in the second year of a three-year agreement and the classified staff is in the final year of a three-year agreement. The successor agreement for the classified staff was negotiated and agreed to prior to the end of fiscal year 2017. The School District has been using the Interest Based Model of negotiating very successfully over the past two decades.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to James Rossler, Jr., Treasurer, Rossford Exempted Village School District, 401 Glenwood Road, Rossford, Ohio 43460.

Rossford Exempted Village School District
Statement of Net Position
June 30, 2017

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$92,862,089
Cash and Cash Equivalents with Fiscal Agent	1,258,494
Accounts Receivable	12,713
Accrued Interest Receivable	14,946
Intergovernmental Receivable	569,314
Prepaid Items	40,452
Inventory Held for Resale	7,024
Materials and Supplies Inventory	2,780
Property Taxes Receivable	18,935,820
Payment in Lieu of Taxes Receivable	322,396
Nondepreciable Capital Assets	2,740,498
Depreciable Capital Assets, Net	6,819,621
Total Assets	123,586,147
<u>Deferred Outflows of Resources:</u>	
Pension	6,770,620
<u>Liabilities:</u>	
Accounts Payable	67,017
Contracts Payable	685,849
Accrued Wages and Benefits Payable	2,414,456
Intergovernmental Payable	399,624
Accrued Interest Payable	275,882
Separation Benefits Payable	165,000
Long-Term Liabilities:	
Due Within One Year	816,582
Due in More Than One Year	
Net Pension Liability	38,219,404
Other Amounts Due in More Than One Year	77,606,617
Total Liabilities	120,650,431
<u>Deferred Inflows of Resources:</u>	
Property Taxes Receivable	13,906,199
Payment in Lieu of Taxes Receivable	302,876
Pension	3,231,612
Total Deferred Inflows of Resources	17,440,687
<u>Net Position:</u>	
Net Investment in Capital Assets	8,021,842
Restricted For:	
Set Asides	902,088
Capital Projects	2,586,171
Athletics	107,777
Special Instruction	208,533
Other Purposes	172,368
Unrestricted (Deficit)	(19,733,130)
Total Net Position (Deficit)	(\$7,734,351)

See Accompanying Notes to Basic Financial Statements

Rossford Exempted Village School District
Statement of Activities
For the Fiscal Year Ended June 30, 2017

	Program Revenues	
Expenses	Charges for Services	Operating Grants and Contributions
<u>Governmental Activities:</u>		
Instruction:		
Regular	\$10,621,900	\$477,527
Special	2,735,591	94,339
Vocational	2,568	0
Adult/Continuing	280	0
Support Services:		
Pupils	1,657,338	0
Instructional Staff	795,764	0
Board of Education	42,656	0
Administration	1,800,702	0
Fiscal	518,493	0
Business	120,342	0
Operation and Maintenance of Plant	2,195,209	0
Pupil Transportation	803,011	0
Central	501,561	0
Non-Instructional Services	833,128	195,165
Extracurricular Activities	925,586	163,452
Interest and Fiscal Charges	1,249,807	0
Total Governmental Activities	\$24,803,936	\$930,483

General Revenues:

Property Taxes Levied for General Purposes
Property Taxes Levied for Debt Service
Property Taxes Levied for Permanent Improvements
Payment in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Interest
Gifts and Donations
Miscellaneous
Total General Revenues

Change in Net Position

Net Position (Deficit) at Beginning of Year
Net Position (Deficit) at End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in
Net Position

Governmental
Activities

(\$10,081,077)
(1,506,333)
1,168
(280)

(1,657,338)
(795,764)
(42,656)
(1,800,702)
(518,493)
(120,342)
(2,195,209)
(803,011)
(501,561)
(65,809)
(750,319)
(1,249,807)

(22,087,533)

16,642,718
1,257,482
2,000,536
507,414
7,293,772
214,645
1,959,148
261,943

30,137,658

8,050,125

(15,784,476)
(15,784,476)
(\$7,734,351)

Rossford Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2017

	General	Building	Other Governmental	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$15,861,581	\$73,715,169	\$2,383,251	\$91,960,001
Accounts Receivable	12,713	0	0	12,713
Accrued Interest Receivable	1,844	12,714	388	14,946
Interfund Receivable	131,156	0	0	131,156
Intergovernmental Receivable	44,377	0	524,937	569,314
Prepaid Items	40,452	0	0	40,452
Inventory Held for Resale	0	0	7,024	7,024
Materials and Supplies Inventory	0	0	2,780	2,780
<u>Restricted Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	902,088	0	0	902,088
Cash and Cash Equivalents with Fiscal Agent	0	0	1,258,494	1,258,494
Property Taxes Receivable	14,918,294	0	4,017,526	18,935,820
Payment in Lieu of Taxes Receivable	322,396	0	0	322,396
Total Assets	<u>\$32,234,901</u>	<u>\$73,727,883</u>	<u>\$8,194,400</u>	<u>\$114,157,184</u>
<u>Liabilities:</u>				
Accounts Payable	\$63,038	\$0	\$3,979	\$67,017
Contracts Payable	8,642	677,207	0	685,849
Accrued Wages and Benefits Payable	2,318,078	0	96,378	2,414,456
Interfund Payable	0	0	131,156	131,156
Intergovernmental Payable	384,858	0	14,766	399,624
Total Liabilities	<u>2,774,616</u>	<u>677,207</u>	<u>246,279</u>	<u>3,698,102</u>
<u>Deferred Inflows of Resources:</u>				
Property Taxes Receivable	11,025,014	0	2,881,185	13,906,199
Payment in Lieu of Taxes Receivable	302,876	0	0	302,876
Unavailable Revenue	60,457	10,564	351,847	422,868
Total Deferred Inflows of Resources	<u>11,388,347</u>	<u>10,564</u>	<u>3,233,032</u>	<u>14,631,943</u>
<u>Fund Balances:</u>				
Nonspendable	40,452	0	2,780	43,232
Restricted	910,540	73,040,112	4,789,501	78,740,153
Assigned	154,375	0	0	154,375
Unassigned (Deficit)	16,966,571	0	(77,192)	16,889,379
Total Fund Balances	<u>18,071,938</u>	<u>73,040,112</u>	<u>4,715,089</u>	<u>95,827,139</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$32,234,901</u>	<u>\$73,727,883</u>	<u>\$8,194,400</u>	<u>\$114,157,184</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2017

Total Governmental Fund Balances \$95,827,139

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 9,560,119

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	11,134	
Accrued Interest Receivable	12,796	
Intergovernmental Receivable	338,457	
Delinquent Property Taxes Receivable	60,481	422,868

Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due. (275,882)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General Obligation Bonds Payable	(31,872,473)	
Certificates of Participation Payable	(44,805,012)	
Compensated Absences Payable	(1,745,714)	
Separation Benefits Payable	(165,000)	(78,588,199)

The net pension liability is not due and payable in the current period, therefore, the liability and related deferred outflows/inflows are not reported in the governmental funds.

Deferred Outflows - Pension	6,770,620	
Deferred Inflows - Pension	(3,231,612)	
Net Pension Liability	(38,219,404)	(34,680,396)

Net Position (Deficit) of Governmental Activities (\$7,734,351)

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General	Building	Other Governmental	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$16,863,659	\$0	\$3,245,016	\$20,108,675
Payment in Lieu of Taxes	507,414	0	0	507,414
Intergovernmental	7,685,872	0	1,398,518	9,084,390
Interest	67,854	136,266	118	204,238
Tuition and Fees	570,316	0	0	570,316
Extracurricular Activities	9,993	0	133,091	143,084
Charges for Services	0	0	195,165	195,165
Gifts and Donations	1,959,148	0	11,815	1,970,963
Miscellaneous	259,543	0	20,368	279,911
Total Revenues	<u>27,923,799</u>	<u>136,266</u>	<u>5,004,091</u>	<u>33,064,156</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	10,213,837	0	127,893	10,341,730
Special	2,396,291	0	289,165	2,685,456
Adult/Continuing	0	0	280	280
Support Services:				
Pupils	1,486,392	0	191,906	1,678,298
Instructional Staff	675,922	0	99,139	775,061
Board of Education	42,472	0	0	42,472
Administration	1,751,165	0	26,629	1,777,794
Fiscal	498,739	6,517	0	505,256
Business	116,676	0	0	116,676
Operation and Maintenance of Plant	2,323,092	0	4,461	2,327,553
Pupil Transportation	697,847	0	7,125	704,972
Central	496,349	0	10,814	507,163
Non-Instructional Services	1,256	0	804,122	805,378
Extracurricular Activities	477,003	0	172,649	649,652
Capital Outlay	70,661	1,529,637	0	1,600,298
Debt Service:				
Interest and Fiscal Charges	0	0	973,925	973,925
Total Expenditures	<u>21,247,702</u>	<u>1,536,154</u>	<u>2,708,108</u>	<u>25,491,964</u>
Excess of Revenues Over (Under) Expenditures	<u>6,676,097</u>	<u>(1,399,888)</u>	<u>2,295,983</u>	<u>7,572,192</u>
<u>Other Financing Sources (Uses):</u>				
Bond Anticipation Notes Issued	0	9,950,000	0	9,950,000
Current Refunding	0	0	(9,950,000)	(9,950,000)
General Obligation Bonds Issued	0	21,490,000	9,615,000	31,105,000
Certificates of Participation Issued	0	43,000,000	0	43,000,000
Premium on Bonds Issued	0	0	767,473	767,473
Premium on Certificates of Participation Issued	0	0	1,805,012	1,805,012
Transfers In	0	0	99,275	99,275
Transfers Out	(5,076)	(8,311)	(85,888)	(99,275)
Total Other Financing Sources (Uses)	<u>(5,076)</u>	<u>74,431,689</u>	<u>2,250,872</u>	<u>76,677,485</u>
Changes in Fund Balances	6,671,021	73,031,801	4,546,855	84,249,677
Fund Balances at Beginning of Year	11,400,917	8,311	168,234	11,577,462
Fund Balances at End of Year	<u>\$18,071,938</u>	<u>\$73,040,112</u>	<u>\$4,715,089</u>	<u>\$95,827,139</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to Statement of Activities
 For the Fiscal Year Ended June 30, 2017

Changes in Fund Balances - Total Governmental Funds \$84,249,677

Amounts reported for governmental activities on the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current fiscal year.

Capital Outlay - Nondepreciable Capital Assets	1,538,277	
Capital Outlay - Depreciable Capital Assets	209,255	
Depreciation	<u>(573,461)</u>	1,174,071

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position and is offset against the proceeds from the sale of capital assets resulting in a gain or loss on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(5,300)	
Gain on Disposal of Capital Assets	2,400	
Loss on Disposal of Capital Assets	<u>(7,260)</u>	(10,160)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Delinquent Property Taxes	(207,939)	
Intergovernmental	(16,513)	
Interest	10,407	
Tuition and Fees	<u>1,550</u>	(212,495)

Debt proceeds are other financing sources in the governmental funds but the issuance increases long-term liabilities on the statement of net position.

General Obligation Bonds	(31,105,000)	
Certificates of Participation	<u>(43,000,000)</u>	(74,105,000)

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position.

Premiums are reported as revenues when the debt is first issued; however, this amount is deferred and amortized on the statement of activities.

Accrued Interest Payable	(275,882)	
Unamortized Premium on General Obligation Bonds	(767,473)	
Unamortized Premium on Certificates of Participation	<u>(1,805,012)</u>	(2,848,367)

(continued)

Rossford Exempted Village School District
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to Statement of Activities
 For the Fiscal Year Ended June 30, 2017
 (continued)

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences Payable	(\$71,553)	
Separation Benefits Payable	<u>112,401</u>	
		40,848
Except for amounts reported as deferred outflows/inflows, changes in the net pension liability are reported as pension expense on the statement of activities.		(2,015,848)
Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.		<u>1,777,399</u>
Change in Net Position of Governmental Activities		<u><u>\$8,050,125</u></u>
See Accompanying Notes to the Basic Financial Statements		

Rossford Exempted Village School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Taxes	\$13,540,000	\$13,540,000	\$14,551,474	\$1,011,474
Payment in Lieu of Taxes	528,142	527,692	487,894	(39,798)
Intergovernmental	8,256,500	8,256,500	7,685,872	(570,628)
Interest	4,000	4,000	72,287	68,287
Tuition and Fees	514,500	898,600	570,250	(328,350)
Extracurricular Activities	10,620	10,620	9,993	(627)
Gifts and Donations	1,614,300	1,615,300	1,959,148	343,848
Miscellaneous	36,050	40,550	54,726	14,176
Total Revenues	<u>24,504,112</u>	<u>24,893,262</u>	<u>25,391,644</u>	<u>498,382</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,725,829	10,765,654	10,247,095	518,559
Special	2,551,497	2,545,997	2,428,070	117,927
Support Services:				
Pupils	1,484,852	1,500,905	1,480,861	20,044
Instructional Staff	760,137	760,137	714,951	45,186
Board of Education	76,500	76,500	42,553	33,947
Administration	1,755,326	1,843,051	1,742,978	100,073
Fiscal	503,079	503,079	497,401	5,678
Business	116,469	116,469	117,212	(743)
Operation and Maintenance of Plant	3,145,068	3,135,718	2,351,308	784,410
Pupil Transportation	1,044,333	1,043,683	691,914	351,769
Central	574,706	581,206	505,594	75,612
Non-Instructional Services	13,209	13,209	1,256	11,953
Extracurricular Activities	587,924	612,224	476,381	135,843
Capital Outlay	17,798	85,698	67,019	18,679
Total Expenditures	<u>23,356,727</u>	<u>23,583,530</u>	<u>21,364,593</u>	<u>2,218,937</u>
Excess of Revenues Over Expenditures	<u>1,147,385</u>	<u>1,309,732</u>	<u>4,027,051</u>	<u>2,717,319</u>
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	125,000	125,050	163,687	38,637
Refund of Prior Year Receipts	(10,000)	(10,000)	(645)	9,355
Advances Out	(5,000)	(5,000)	0	5,000
Transfers Out	(49,874)	(49,874)	(5,076)	44,798
Total Other Financing Sources (Uses)	<u>60,126</u>	<u>60,176</u>	<u>157,966</u>	<u>97,790</u>
Changes in Fund Balance	1,207,511	1,369,908	4,185,017	2,815,109
Fund Balance at Beginning of Year	12,208,648	12,208,648	12,208,648	0
Prior Year Encumbrances Appropriated	390,662	390,662	390,662	0
Fund Balance at End of Year	<u>\$13,806,821</u>	<u>\$13,969,218</u>	<u>\$16,784,327</u>	<u>\$2,815,109</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$58,825	\$62,969
<u>Liabilities:</u>		
Due to Students	0	\$62,969
<u>Net Position:</u>		
Held in Trust for Scholarships	\$58,825	

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Change in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2017

	Private Purpose Trust
<u>Additions:</u>	
Gifts and Donations	\$14,859
<u>Deductions:</u>	
Non-Instructional Services	13,770
Change in Net Position	1,089
Net Position at Beginning of Year	57,736
Net Position at End of Year	\$58,825

See Accompanying Notes to the Basic Financial Statements

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Note 1 - Description of the School District and Reporting Entity

Rossford Exempted Village School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state and federal guidelines.

The School District is staffed by seventy-six classified employees, one hundred sixteen certified teaching personnel, and fourteen administrative employees who provide services to one thousand six hundred twenty-eight students and other community members. The School District currently operates four instructional buildings.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Rossford Exempted Village School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the School District. There are no component units of the Rossford Exempted Village School District.

The School District’s reporting entity includes the following:

Non-Public School - Within the School District’s boundaries, All Saints is operated as a private school. Current State legislation provides funding to the parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. The activity is reflected in a special revenue fund of the School District.

The School District participates in three jointly governed organizations, three insurance pools, and is associated with a related organization. These organizations are the Northwest Ohio Computer Association, Penta Career Center, Northwestern Ohio Educational Research Council, Inc., Ohio School Plan, Wood County Schools Benefit Plan Association, Ohio School Boards Association Workers’ Compensation Group Rating Plan, and the Rossford Public Library. These organizations are presented in Notes 23, 24, and 25 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of Rossford Exempted Village School District have been prepared in conformity with generally accepted accounting principles (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. Following are the more significant of the School District's accounting policies.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the School District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. 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 charges paid by the recipient of the 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 which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are reported in two categories, governmental and fiduciary.

Note 2 - Summary of Significant Accounting Policies (continued)

Governmental Funds

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

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building - The Building Fund is used to account for and report debt proceeds and other resources restricted for building improvements.

The other governmental funds of the School District account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

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 School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. The School District's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for various non-instructional faculty-related activities and student-managed activities.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects 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 fund financial statements for governmental funds.

The private purpose trust fund is accounted for using a flow of economic resources measurement focus.

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 use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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 School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, payment in lieu of taxes, grants, interest, tuition, student fees, and charges for services.

Note 2 - Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and explained in Note 15 to the basic financial statements.

In addition to liabilities, the statement of financial position may report 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 until that time. For the School District, deferred inflows of resources consists of property taxes, payment in lieu of taxes, unavailable revenue, and pension. Property taxes represent amounts for which there was an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows 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 fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes accrued interest, intergovernmental revenue including grants, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities on page 17. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and explained in Note 15 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control selected by the Board is at the fund and function level for the General Fund and the fund level for all other funds.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the School District prior to fiscal year end.

The appropriations resolution is subject to amendment throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

F. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Cash and cash equivalents held for the School District by Huntington National Bank, who services the School District’s school facilities construction and improvement debt, are included on the financial statements as “Cash and Cash Equivalents with Fiscal Agent”.

During fiscal year 2017, the School District invested in mutual funds, negotiable certificates of deposit, federal agency securities, United States Treasury securities, commercial paper, and STAR Ohio. Investments are reported at fair value or amortized cost. Fair value is based on quoted market price or current share price. 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 Statement No. 79, “Certain External Investment Pools and Pool Participants”. The School District measures the 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 a NAV that approximates fair value.

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

The School District’s commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

The Board of Education allocates interest according to State statute. Interest revenue credited to the General Fund during fiscal year 2017 was \$67,854, which includes \$16,462 assigned from other School District funds.

Investments of the School District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Prepaid Items

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

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption and donated and purchased food.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions.

Restricted assets in the General Fund represent amounts required by State statute to be set aside for the acquisition and construction of capital improvements.

Restricted assets in other governmental funds represent certain resources which are segregated from other resources of the School District to comply with various covenants established by debt financing agreements. These assets are generally held in separate accounts of the School District or by a trustee. The various covenants place restrictions on the use of these resources, require minimum balances to be maintained in certain accounts, and establish annual amounts to be accumulated for specific purposes.

J. Capital Assets

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

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The School District maintains a capitalization threshold of two thousand dollars. 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 capitalized.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

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

Description	Useful Lives
Land Improvements	15-50 years
Buildings and Building Improvements	10 - 110 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 20 years

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund loans and for services provided are classified as “Interfund Receivables/Payables”. Interfund balances within governmental activities are eliminated on the statement of net position.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, net pension liability and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year. General obligation bonds and certificates of participation are recognized as a liability on the fund financial statements when due.

Note 2 - Summary of Significant Accounting Policies (continued)

N. Unamortized Premiums

On government-wide financial statements, premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period when the debt is issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited in the Bond Retirement Fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to a bond escrow agent.

O. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for food service operations and federal and state grants. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

P. Fund Balance

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

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

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

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the 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.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 2 - Summary of Significant Accounting Policies (continued)

Assigned - Amounts in the assigned classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. The Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated. Certain resources have also been assigned for various educational activities.

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 used only to report a deficit balance.

The School District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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 can be used.

Q. Interfund Transactions

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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.

R. Pensions

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

Note 2 - Summary of Significant Accounting Policies (continued)

S. Estimates

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

Note 3 - Change in Accounting Principles

For fiscal year 2017, the School District implemented GASB Statement No. 77, "Tax Abatement Disclosures". GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting governments own tax abatements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

The School District also implemented GASB Implementation Guide No. 2016-1. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2017, the Food Service and Early Childhood Preschool special revenue funds had deficit fund balances, in the amount of \$74,216 and \$196, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

The following special revenue funds had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2017: the Food Service fund in the amount of \$18,044; the Auxiliary Services fund in the amount of \$1,417; the Title VI-B fund in the amount of \$21,416; the Title I fund in the amount of \$2,674; and the Early Childhood Preschool fund in the amount of \$341. The Treasurer will monitor budgetary transactions to ensure that appropriations are within amounts available.

The General Fund business function had expenditures plus encumbrances in excess of appropriations, in the amount of \$743, for the fiscal year ended June 30, 2017. The Treasurer will monitor budgetary transactions to ensure that expenditures are within amounts appropriated.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 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 as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

The adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund are as follows:

Changes in Fund Balance

GAAP Basis	\$6,671,021
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2016, Received in Cash FY 2017	1,538,498
Accrued FY 2017, Not Yet Received in Cash	(3,911,277)
Expenditure Accruals:	
Accrued FY 2016, Paid in Cash FY 2017	(2,745,477)
Accrued FY 2017, Not Yet Paid in Cash	2,774,616
Cash Adjustments:	
Unrecorded Activity FY 2016	2,537
Unrecorded Activity FY 2017	1,774
Prepaid Items	(34,403)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(112,272)
Budget Basis	\$4,185,017

Note 6 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School 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 or deposit accounts, including passbook accounts.

Interim monies held by the School District may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio and, with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers' acceptances if training requirements have been met.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 6 - Deposits and Investments (continued)

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 School 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.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$9,541,543 of the School District's bank balance of \$10,044,166 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

Investments are reported at fair value or amortized cost. As of June 30, 2017, the School District had the following investments:

Measurement/Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level One Inputs					
Mutual Funds	\$76,736	\$76,736	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	6,309,699	363,788	1,729,902	4,216,009	0
Federal Farm Credit Bank Notes	22,350,733	0	22,350,733	0	0
Federal Home Loan Bank Notes	997,090	0	997,090	0	0

(continued)

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 6 - Deposits and Investments (continued)

Measurement/Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level Two Inputs (continued)					
Federal Home Loan Mortgage Corporation Notes	\$4,735,419	\$0	\$496,435	\$1,687,930	\$2,551,054
Federal National Mortgage Association Notes	1,247,188	0	1,247,188	0	0
United States Treasury Bills	948,420	948,420	0	0	0
United States Treasury Notes	307,255	0	307,255	0	0
Commercial Paper	40,660,557	3,940,889	36,719,668	0	0
Mutual Funds	2,819	2,819	0	0	0
Total Fair Value - Level Two Inputs	<u>77,559,180</u>	<u>5,255,916</u>	<u>63,848,271</u>	<u>5,903,939</u>	<u>2,551,054</u>
Net Value Per Share					
STAR Ohio	<u>7,156,909</u>	<u>7,156,909</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Investments	<u>\$84,792,825</u>	<u>\$12,489,561</u>	<u>\$63,848,271</u>	<u>\$5,903,939</u>	<u>\$2,551,054</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2017. Some of the mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of purchase unless they are matched to a specific obligation or debt of the School District.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 6 - Deposits and Investments (continued)

The negotiable certificates of deposit are generally covered by FDIC and/or SIPC insurance. The mutual funds, federal agency securities, and United States Treasury securities carry a rating of Aaa by Moody's. The commercial paper carries a rating of P-1 by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service, commercial paper must be rated in the highest category at the time of purchase by two nationally recognized standard rating services, and STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

The School District places no limit on the amount of its interim monies it may invest in a particular security.

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$6,309,699	7.44%
Federal Farm Credit Bank	22,350,733	26.36
Federal Home Loan Bank	997,090	1.18
Federal Home Loan Mortgage Corporation	4,735,419	5.58
Federal National Mortgage Association	1,247,188	1.47
United States Treasury	1,255,675	1.48
Commercial Paper	40,660,557	47.95

Note 7 - Receivables

Receivables at June 30, 2017, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, property taxes, and payment in lieu of taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 7 - Receivables (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
State of Ohio	\$44,377
Other Governmental Funds	
Title VI-B	316,015
Title I	152,556
Early Childhood Preschool	13,636
Title II-A	42,730
Total Other Governmental Funds	524,937
Total Governmental Activities	\$569,314

Note 8 - Property Taxes

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

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

Public utility property tax revenues received in calendar year 2017 represent the collection of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien on December 31, 2015, were levied after April 1, 2016, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 8 - Property Taxes (continued)

The School District receives property taxes from Wood County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2017, are available to finance fiscal year 2017 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of June 30, 2017, and for which there was 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 are reflected 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 of resources - property taxes.

The amount available as an advance at June 30, 2017, was \$3,845,801 in the General Fund, \$433,570 in the Bond Retirement debt service fund, and \$689,769 in the Permanent Improvement capital projects fund. The amount available as an advance at June 30, 2016, was \$1,533,616 in the General Fund.

On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue. On a modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The assessed values upon which fiscal year 2017 taxes were collected are:

	2016 Second- Half Collections		2017 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$183,106,510	52.42%	\$183,387,100	51.82%
Industrial/Commercial	155,585,650	44.53	159,128,700	44.97
Public Utility	10,664,480	3.05	11,369,670	3.21
Total Assessed Value	<u>\$349,356,640</u>	<u>100.00%</u>	<u>\$353,885,470</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$58.20		\$69.60	

On November 8, 2016, the voters approved a 4.4 mill bond levy and a 7 mill permanent improvement levy for the construction and renovation of School District buildings. Collections began on the levies on January 1, 2017.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 9 - Tax Abatements

The School District's property taxes were reduced as follows under community reinvestment area and enterprise zone agreements entered into by overlapping governments.

Overlapping Government	Amount of Fiscal Year 2017 Taxes Abated
Community Reinvestment Area	
Wood County	\$729,764
City of Northwood	112,014
Enterprise Zone Agreement	
Wood County	541,543
	\$1,383,321

Note 10 - Payment in Lieu of Taxes

In accordance with agreements related to tax increment financing districts, Wood County, Perrysburg Township, the City of Rossford, and the City of Northwood have entered into agreements with a number of property owners under which these governments have granted property tax exemptions to those property owners. The property owners have agreed to make payments to these governments which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The agreements provide for a portion of these payments to be paid to the School District. The property owners' contractually promise to make these payments in lieu of taxes until the agreements expire.

Note 11 - Capital Assets

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

	Balance at 6/30/16	Additions	Reductions	Balance at 6/30/17
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$1,202,221	0	0	\$1,202,221
Construction in Progress	0	1,538,277	0	1,538,277
Total Nondepreciable Capital Assets	1,202,221	1,538,277	0	2,740,498

(continued)

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 11 - Capital Assets (continued)

	Balance at 6/30/16	Additions	Reductions	Balance at 6/30/17
Governmental Activities (continued)				
Depreciable Capital Assets				
Land Improvements	\$6,500,794	\$0	\$0	\$6,500,794
Buildings and Building Improvements	9,492,779	0	0	9,492,779
Furniture, Fixtures, and Equipment	1,807,558	10,124	(24,642)	1,793,040
Vehicles	1,535,924	199,131	(82,167)	1,652,888
Total Depreciable Capital Assets	<u>19,337,055</u>	<u>209,255</u>	<u>(106,809)</u>	<u>19,439,501</u>
Less Accumulated Depreciation				
Land Improvements	(2,349,648)	(265,750)	0	(2,615,398)
Buildings and Building Improvements	(7,198,440)	(179,103)	0	(7,377,543)
Furniture, Fixtures, and Equipment	(1,568,604)	(38,605)	24,542	(1,582,667)
Vehicles	(1,026,376)	(90,003)	72,107	(1,044,272)
Total Accumulated Depreciation	<u>(12,143,068)</u>	<u>(573,461)</u>	<u>96,649</u>	<u>(12,619,880)</u>
Depreciable Capital Assets, Net	<u>7,193,987</u>	<u>(364,206)</u>	<u>(10,160)</u>	<u>6,819,621</u>
Governmental Activities Capital Assets, Net	<u>\$8,396,208</u>	<u>\$1,174,071</u>	<u>(\$10,160)</u>	<u>\$9,560,119</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$92,860
Special	28,078
Vocational	2,568
Support Services:	
Pupils	6,232
Instructional Staff	9,476
Administration	8,762
Fiscal	1,136
Operation and Maintenance of Plant	44,922
Pupil Transportation	83,896
Central	2,475
Non-Instructional Services	19,045
Extracurricular Activities	274,011
Total Depreciation Expense	<u>\$573,461</u>

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 12 - Interfund Assets/Liabilities

At June 30, 2017, the General Fund had an interfund receivable from other governmental funds, in the amount of \$131,156, for short-term loans made to those funds.

Note 13 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2017, the School District contracted for the following insurance coverage.

Coverage provided by the Ohio School Plan is as follows:

Buildings and Contents - replacement cost	\$70,979,237
Automobile Liability	3,000,000
General School District Liability	
Per Occurrence	3,000,000
Total per Year	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from the prior fiscal year.

For fiscal year 2017, the School District participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

The School District participates in the Wood County Schools Benefit Plan Association (Association), a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an educational service center. The School District pays monthly premiums to the Association for employee medical, dental, vision, and life insurance benefits. The Association is responsible for the management and operations of the program and the payment of all claims. Upon withdrawal from the Association, a participant is responsible for the payment of all liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

For fiscal year 2017, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 14 - Contractual Commitments

At fiscal year end, the amount of significant encumbrances expected to be honored upon performance by the vendor in fiscal year 2018 are as follows:

General Fund	\$112,272
Building Fund	400,000
Total	<u>\$512,272</u>

Note 15 - 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 have already occurred.

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

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

GASB Statement No. 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 the employers. All contributions to date have come solely from the employer (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within thirty years. If the amortization period exceeds thirty 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 fiscal year is included as an intergovernmental payable on both the accrual and modified accrual basis of accounting.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 15 - Defined Benefit Pension Plans (continued)

Plan Description - School Employees Retirement System (SERS)

Plan Description - School District classified 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. The report can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Age and service requirements for retirement are as follows.

	Eligible to retire on or before August 1, 2017 *	Eligible to retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; 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; 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 thirty years. 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 3 percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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

The School District's contractually required contribution to SERS was \$410,441 for fiscal year 2017. Of this amount, \$86,738 is reported as an intergovernmental payable.

Note 15 - Defined Benefit Pension Plans (continued)

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP), and a Combined Plan (CP). Benefits are established by Ohio Revised Code Chapter 3307.

The DBP 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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by 2 percent of the original base benefit. For members retiring August 1, 2013, or later, the first 2 percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age sixty with five years of qualifying service credit, at age fifty-five with twenty-six years of service credit, or thirty-one years of service credit 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 sixty-five or thirty-five years of service credit and at least age sixty.

The DCP allows members to place all their member contributions and 9.5 percent of the 14 percent employer contribution 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 fifty and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The CP offers features of both the DBP and the DCP. In the CP, 12 percent of the 14 percent member rate goes to the DCP and the remaining 2 percent is applied to the DBP. Member contributions to the DCP are allocated among investment choices by the member and contributions to the DBP from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DBP. The defined benefit portion of the CP payment is payable to a member on or after age sixty 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 fifty or later.

New members who choose the DCP or CP 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 CP 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 Statement No. 68 reporting purposes.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 15 - Defined Benefit Pension Plans (continued)

A DBP or CP 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 DCP who become disabled are entitled only to their account balance. If a member of the DCP dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased 1 percent to 14 percent on July 1, 2016. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$1,366,958 for fiscal year 2017. Of this amount, \$209,848 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.10229080%	0.09888116%	
Proportion of the Net Pension Liability Current Measurement Date	0.09586930	0.09321735	
Change in Proportionate Share	0.00642150%	0.00566381%	
Proportionate Share of the Net Pension Liability	\$7,016,748	\$31,202,656	\$38,219,404
Pension Expense	\$467,234	\$1,548,614	\$2,015,848

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 15 - Defined Benefit Pension Plans (continued)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	\$94,639	\$1,260,737	\$1,355,376
Changes of Assumptions	468,406	0	468,406
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	578,780	2,590,659	3,169,439
School District Contributions Subsequent to the Measurement Date	410,441	1,366,958	1,777,399
Total Deferred Outflows of Resources	\$1,552,266	\$5,218,354	\$6,770,620

Deferred Inflows of Resources

Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	\$618,253	\$2,613,359	\$3,231,612
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\$1,777,399 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	SERS	STRS	Total
Fiscal Year Ended June 30,			
2018	\$23,207	(\$151,224)	(\$128,017)
2019	22,790	(151,225)	(128,435)
2020	311,200	842,883	1,154,083
2021	166,375	697,603	863,978
Total	\$523,572	\$1,238,037	\$1,761,609

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67 as part of the 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.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 15 - Defined Benefit Pension Plans (continued)

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation prepared as of June 30, 2016, compared with June 30, 2015, are presented below.

	June 30, 2016	June 30, 2015
Wage Inflation	3 percent	3.25 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent	4 percent to 22 percent
COLA or Ad Hoc COLA	3 percent	3 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation	7.75 percent net of investment expenses, including inflation
Actuarial Cost Method	entry age normal	entry age normal

For 2016, the mortality assumptions are that mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projections and a five year set back for both males and females. For 2015, the mortality assumptions were based on the 1994 Group Annuity Mortality Table set back one year for both males and females. Special mortality tables were used for the period after disability retirement.

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

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 15 - Defined Benefit Pension Plans (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00%	0.50%
U.S. Stocks	22.50	4.75
Non-U.S. 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 total pension liability was calculated using the discount rate of 7.5 percent. A discount rate of 7.75 percent was used in the prior measurement period. 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 earnings were calculated using the long-term assumed investment rate of return (7.5 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 School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.5 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 (6.5 percent) or one percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School District's Proportionate Share of the Net Pension Liability	\$9,289,737	\$7,016,748	\$5,114,162

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 15 - Defined Benefit Pension Plans (continued)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

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

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022-Scale AA) for males and females. Males ages are set back two years through age eighty-nine and no set back for age ninety and above. Females younger than age eighty are set back four years, one year set back from age eighty through eighty-nine, and no set back from age ninety and above.

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

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 Rate of Return *</u>
Domestic Equity	31.00%	8.00%
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
	<u>100.00%</u>	

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.25 percent and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and, therefore, is not a weighted average return of the individual asset classes.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 15 - Defined Benefit Pension Plans (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 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 excluded. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's Proportionate Share of the Net Pension Liability	\$41,465,796	\$31,202,656	\$22,545,094

Changes Between Measurement Date and Report Date

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

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2017, one of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 16 - Postemployment Benefits

School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund administered by SERS for classified retirees and their beneficiaries. For GASB Statement No. 45 purposes, this plan is considered a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan. SERS offers several types of health care plans from various vendors including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health care coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). The 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 establishes 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 basic 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 2017, no allocation of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount; prorated if less than a full year of service credit was earned. For fiscal year 2017, this amount was \$23,500. State statute provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2017, the School District's surcharge obligation was \$51,562.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the amount assigned to the Health Care Fund. The School District's contribution for health care for the fiscal years ended June 30, 2017, 2016, and 2015 was \$0, \$0, and \$25,301, respectively. The full amount has been contributed for all three fiscal years.

State Teachers Retirement System (STRS)

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

Note 16 - Postemployment Benefits (continued)

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the health care 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 postemployment health care may be deducted from employer contributions. For fiscal years ended June 30, 2017, 2016, and 2015, STRS did not allocate any employer contributions to postemployment health care.

Note 17 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days, administrative employees earn ten to thirty days, the superintendent earns thirty days, and the treasurer earns thirty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to eligible employees upon termination of employment up to a maximum of two years accumulated. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred eighty-eight days for certified employees or two days severance per year of service in Rossford Schools, whichever is greater, and two hundred eighty-four days for classified employees. Upon retirement, payment is made for one-fourth of accrued but unused sick leave for all employees, except the treasurer who is paid for one-third of accrued but unused sick leave, up to a maximum accumulation of three hundred eighty-nine days.

B. Health Care Benefits

The School District provides medical, dental, vision, and life insurance to all employees through the Wood County Schools Benefit Plan Association. Depending upon the plan chosen, the employees share the cost of monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

C. Separation Benefits

The School District provides a separation benefit to eligible certified employees. A full-time employee eligible to retire under the provisions of the State Teachers Retirement System that has five years of service with the School District will be paid a \$15,000 severance bonus plus and an additional \$5,000 for each of the four years following retirement if notification of pending retirement is submitted in writing to the Superintendent no later than April 1 for retirement effective at the end of the current school year or prior to the following school year. At June 30, 2016, the School District had a liability for separation benefits of \$277,401. During fiscal year 2017, the School District had additional separation benefits of \$20,000 and paid \$132,401 in separation benefits. At June 30, 2017, the School District had a liability for separation benefits of \$165,000.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 18 - Short-Term Obligations

On December 28, 2016, the School District issued bond anticipation notes, in the amount of \$9,950,000, for building construction. The notes had an interest rate of 1.10 percent and matured on June 19, 2017. These notes were paid with the proceeds of general obligation bonds.

Note 19 - Long-Term Obligations

Changes in the School District's long-term obligations during fiscal year 2017 were as follows:

	Balance at 6/30/16	Additions	Reductions	Balance at 6/30/17	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds					
School Facilities Construction and Improvement Bonds FY 2017A					
Serial Bonds 3%	\$0	\$465,000	\$0	\$465,000	\$465,000
Term Bonds 3-5%	0	21,025,000	0	21,025,000	0
Bond Premium	0	450,876	0	450,876	0
School Facilities Construction and Improvement Bonds FY 2017B					
Serial Bonds 3-4%	0	5,385,000	0	5,385,000	170,000
Term Bonds 3.05%	0	4,230,000	0	4,230,000	0
Bond Premium	0	316,597	0	316,597	0
Total General Obligation Bonds	0	31,872,473	0	31,872,473	635,000
Certificates of Participation					
2017 Certificates of Participation					
Serial Certificates 3.88-5%	0	22,170,000	0	22,170,000	0
Term Certificates 4%	0	20,830,000	0	20,830,000	0
Certificate Premium	0	1,805,012	0	1,805,012	0
Total Certificates of Participation	0	44,805,012	0	44,805,012	0
Net Pension Liability					
SERS	5,836,813	1,179,935	0	7,016,748	0
STRS	27,327,860	3,874,796	0	31,202,656	0
Total Net Pension Liability	33,164,673	5,054,731	0	38,219,404	0
Compensated Absences Payable	1,674,161	122,338	50,785	1,745,714	181,582
Total Governmental Activities Long-Term Obligations	<u>\$34,838,834</u>	<u>\$81,854,554</u>	<u>\$50,785</u>	<u>\$116,642,603</u>	<u>\$816,582</u>

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 19 - Long-Term Obligations (continued)

FY 2017A School Facilities Construction and Improvement Bonds - On April 20, 2017, the School District issued general obligation bonds, in the amount of \$21,490,000, for improving and constructing school buildings and facilities. The bond issue includes serial and term bonds, in the amount of \$465,000 and \$21,025,000, respectively. The bonds were issued at a premium of \$450,876. The bonds were issued for a thirty-seven fiscal year period, with final maturity in fiscal year 2054. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2025, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2018	\$5,000
2019	5,000
2020	5,000
2021	5,000
2022	5,000
2023	5,000
2024	5,000

The remaining principal, in the amount of \$5,000, will be paid at stated maturity on December 1, 2025.

The bonds maturing on December 1, 2030, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2026	\$5,000
2027	5,000
2028	5,000
2029	5,000

The remaining principal, in the amount of \$5,000, will be paid at stated maturity on December 1, 2030.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 19 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2039, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2031	\$5,000
2032	5,000
2033	5,000
2034	5,000
2035	5,000
2036	5,000
2037	5,000
2038	840,000

The remaining principal, in the amount of \$905,000, will be paid at stated maturity on December 1, 2039.

The bonds maturing on December 1, 2042, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2040	\$940,000
2041	980,000

The remaining principal, in the amount of \$1,050,000, will be paid at stated maturity on December 1, 2042.

The bonds maturing on December 1, 2047, in the original principal amount of \$5,300,000, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2043	\$1,060,000
2044	1,060,000
2045	1,060,000
2046	1,060,000

The remaining principal, in the amount of \$1,060,000, will be paid at stated maturity on December 1, 2047.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 19 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2047, in the original amount of \$895,000, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2043	\$35,000
2044	95,000
2045	190,000
2046	255,000

The remaining principal, in the amount of \$320,000, will be paid at stated maturity on December 1, 2047.

The bonds maturing on December 1, 2053, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2048	\$1,485,000
2049	1,545,000
2050	1,615,000
2051	1,715,000
2052	1,790,000

The remaining principal, in the amount of \$1,865,000, will be paid at stated maturity on December 1, 2053.

The serial bonds are subject to prior redemption on or after June 1, 2027, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

FY 2017B School Facilities Construction and Improvement Bonds - On May 23, 2017, the School District issued general obligation bonds, in the amount of \$9,615,000, for improving and constructing school buildings and facilities. The bond issue includes serial and term bonds, in the amount of \$5,385,000 and \$4,230,000, respectively. The bonds were issued at a premium of \$316,597. The bonds were issued for a twenty fiscal year period, with final maturity in fiscal year 2037. The bonds are being retired through the Bond Retirement debt service fund.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 19 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2036, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2031	\$620,000
2032	645,000
2033	695,000
2034	720,000
2035	745,000

The remaining principal, in the amount of \$805,000, will be paid at stated maturity on December 1, 2036.

The serial bonds are subject to prior redemption on or after June 1, 2027, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

FY 2017 Certificates of Participation - On May 23, 2017, the School District issued certificates of participation, in the amount of \$43,000,000, for improving and constructing school buildings and facilities. The certificate issue includes serial and term certificates, in the amount of \$22,170,000 and \$20,830,000, respectively. The certificates were issued at a premium of \$1,805,012. The certificates were issued for a thirty fiscal year period, with final maturity in fiscal year 2047. The certificates are being retired through the Bond Retirement debt service fund.

The certificates maturing on December 1, 2040, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2038	\$1,895,000
2039	1,990,000

The remaining principal, in the amount of \$2,090,000, will be paid at stated maturity on December 1, 2040.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 19 - Long-Term Obligations (continued)

The certificates maturing on December 1, 2046, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2041	\$2,195,000
2042	2,300,000
2043	2,410,000
2044	2,525,000
2045	2,650,000

The remaining principal, in the amount of \$2,775,000, will be paid at stated maturity on December 1, 2046.

The serial certificates are subject to prior redemption on or after June 1, 2027, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2017, \$72,566,723 of bond and certificate proceeds had not been spent.

There is no repayment schedule for the net pension liability; however, employer pension contributions are made from the General Fund, and the Food Service, Title VI-B, Title I, Early Childhood Preschool, and Improving Teacher Quality special revenue funds.

Compensated absences will be paid from the General Fund, and the Food Service, Title VI-B, Title I, and Early Childhood Preschool special revenue funds.

The School District's overall debt margin was \$2,260,877 with an unvoted debt margin of \$342,723 at June 30, 2017.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 19 - Long-Term Obligations (continued)

Principal and interest requirements to retire general obligation bonds and certificates of participation outstanding at June 30, 2017, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds			
	Serial	Term	Interest	Total
2018	\$635,000	\$0	\$1,293,303	\$1,928,303
2019	205,000	5,000	1,172,004	1,382,004
2020	210,000	5,000	1,165,629	1,380,629
2021	220,000	5,000	1,159,029	1,384,029
2022	350,000	5,000	1,150,329	1,505,329
2023-2027	2,065,000	25,000	5,575,464	7,665,464
2028-2032	2,165,000	645,000	5,189,408	7,999,408
2033-2037	0	3,635,000	4,680,894	8,315,894
2038-2042	0	3,670,000	4,124,814	7,794,814
2043-2047	0	5,865,000	3,071,788	8,936,788
2048-2052	0	7,740,000	1,542,300	9,282,300
2053-2054	0	3,655,000	147,700	3,802,700
	<u>\$5,850,000</u>	<u>\$25,255,000</u>	<u>\$30,272,662</u>	<u>\$61,377,662</u>
Fiscal Year Ending June 30,	Certificates of Participation			
	Serial	Term	Interest	Total
2018	\$0	\$0	\$1,858,745	\$1,858,745
2019	565,000	0	1,807,038	2,372,038
2020	605,000	0	1,783,638	2,388,638
2021	645,000	0	1,758,638	2,403,638
2022	690,000	0	1,731,938	2,421,938
2023-2027	4,215,000	0	8,092,563	12,307,563
2028-2032	5,845,000	0	6,843,063	12,688,063
2033-2037	7,795,000	0	5,327,588	13,122,588
2038-2042	1,810,000	8,170,000	3,567,469	13,547,469
2043-2047	0	12,660,000	1,313,600	13,973,600
	<u>\$22,170,000</u>	<u>\$20,830,000</u>	<u>\$34,084,280</u>	<u>\$77,084,280</u>

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 20 - Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Building	Other Governmental	Total Governmental Funds
Nonspendable for:				
Materials and Supplies Inventory	\$0	\$0	\$2,780	\$2,780
Prepaid Items	40,452	0	0	40,452
Total Nonspendable	40,452	0	2,780	43,232
Restricted for:				
Athletics and Music	0	0	107,777	107,777
Building Construction	0	73,040,112	0	73,040,112
Capital Improvements	908,907	0	0	908,907
Debt Retirement	0	0	2,520,844	2,520,844
Facilities Maintenance	0	0	11,208	11,208
Non-Instructional Services	1,633	0	0	1,633
Parochial School	0	0	30,304	30,304
Permanent Improvements	0	0	2,094,234	2,094,234
Special Instruction	0	0	25,134	25,134
Total Restricted	910,540	73,040,112	4,789,501	78,740,153
Assigned for:				
Educational Activities	79,200	0	0	79,200
Unpaid Obligations	75,175	0	0	75,175
Total Assigned	154,375	0	0	154,375
Unassigned (Deficit)	16,966,571	0	(77,192)	16,889,379
Total Fund Balance	\$18,071,938	\$73,040,112	\$4,715,089	\$95,827,139

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 21 - Set Asides

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. The amount not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. This amount must be carried forward and used for the same purpose in future years. The following cash basis information identifies the change in the fund balance reserve for capital improvements during fiscal year 2017.

Balance June 30, 2016	\$2,744,767
Current Year Set Aside Requirement	280,025
Qualifying Expenditures	(1,027)
Current Year Offsets	(2,121,677)
Reserve Balance June 30, 2017	<u>\$902,088</u>

Note 22 - Interfund Transfers

During fiscal year 2017, the General Fund made transfers to other governmental funds, in the amount of \$5,076, to subsidize operations of other funds. The Building capital projects fund made transfers to other governmental funds, in the amount of \$8,311, for permanent improvements. Other governmental funds made transfers to other governmental funds, in the amount of \$85,888, for permanent improvements.

Note 23 - Jointly Governed Organizations

A. Northwest Ohio Computer Association

The School District is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities. The NWOCA Assembly consists of the superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. During fiscal year 2017, the School District paid \$89,661 to NWOCA for various services. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

Note 23 - Jointly Governed Organizations (continued)

B. Penta Career Center

The Penta Career Center (Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a Board consisting of nine board members appointed from participating School Districts' or Educational Service Centers' elected Board of Education. The Board consists of one representative from each exempted village and/or city school district: Bowling Green, Maumee, Perrysburg, and Rossford; one representative from each of the following educational service centers: Educational Service Center of Lake Erie West, North Point Educational Service Center, and Northwest Ohio Educational Service Center; and two representatives from the Wood County Educational Service Center. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from the Penta Career Center, 9301 Buck Road, Perrysburg, Ohio 43551.

C. Northwestern Ohio Educational Research Council, Inc.

The Northwestern Ohio Educational Research Council, Inc. (NOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials, and provide opportunities for training. The NOERC serves a twenty-five county area in Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools, and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., 121 West Main Street, Ashland, Ohio 44805.

Note 24 - Insurance Pools

A. Ohio School Plan

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a twelve member board consisting of individual representatives from various plan members. Hylant Administrative Services is the Plan's administrator and is responsible for processing claims, sales, and customer service. Financial information can be obtained from the Hylant Administrative Services, LLC, 811 Madison Avenue, Toledo, Ohio 43603.

Note 24 - Insurance Pools (continued)

B. Wood County Schools Benefit Plan Association

The Wood County Schools Benefit Plan Association (Association) is a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an educational service center. The Association is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, vision, and life insurance to the employees of the participating members. Each participating member's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Association.

Each member decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Huntington Retirement Plan Services, 519 Madison Avenue - 3rd Floor, Toledo, Ohio 43604.

C. Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for worker's compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool.

The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 25 - Related Organization

The Rossford Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The library is governed by a Board of Trustees appointed by the Rossford Exempted Village School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Rossford Public Library, 720 Dixie Highway Road, Rossford, Ohio 43460.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 26 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2017.

B. School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2017 have been finalized and resulted in a receivable to the School District totaling \$15,729, which has since been paid.

C. Litigation

There are currently no matters in litigation with the School District as defendant.

Required Supplementary Information

Rossford Exempted Village School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Four Fiscal Years (1)

	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.09586930%	0.10229080%	0.11377300%	0.11377300%
School District's Proportionate Share of the Net Pension Liability	\$7,016,748	\$5,836,813	\$5,757,988	\$6,765,715
School District's Employee Payroll	\$2,989,364	\$3,085,440	\$3,071,015	\$3,122,908
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	234.72%	189.17%	187.49%	216.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available.

Amounts presented as of the School District's measurement date which is prior fiscal year end.

Rossford Exempted Village School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Four Fiscal Years (1)

	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.09321735%	0.09888116%	0.10630960%	0.10630960%
School District's Proportionate Share of the Net Pension Liability	\$31,202,656	\$27,327,860	\$25,858,175	\$30,802,088
School District's Employee Payroll	\$9,673,457	\$10,248,393	\$10,713,392	\$11,044,846
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	322.56%	266.66%	241.36%	278.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

Amounts presented as of the School District's measurement date which is prior fiscal year end.

Rossford Exempted Village School District
 Required Supplementary Information
 Schedule of the School District's Contributions
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$410,441	\$418,511	\$406,661	\$425,643
Contributions in Relation to the Contractually Required Contribution	<u>(410,441)</u>	<u>(418,511)</u>	<u>(406,661)</u>	<u>(425,643)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$2,931,721	\$2,989,364	\$3,085,440	\$3,071,015
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	13.18%	13.86%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$432,211	\$433,466	\$405,096	\$442,128	\$306,159	\$298,597
<u>(432,211)</u>	<u>(433,466)</u>	<u>(405,096)</u>	<u>(442,128)</u>	<u>(306,159)</u>	<u>(298,597)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,122,908	\$3,222,795	\$3,222,718	\$3,265,344	\$3,111,375	\$3,040,699
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

Rossford Exempted Village School District
 Required Supplementary Information
 Schedule of the School District's Contributions
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,366,958	\$1,354,284	\$1,434,775	\$1,392,741
Contributions in Relation to the Contractually Required Contribution	<u>(1,366,958)</u>	<u>(1,354,284)</u>	<u>(1,434,775)</u>	<u>(1,392,741)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$9,763,986	\$9,673,457	\$10,248,393	\$10,713,392
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$1,435,830	\$1,488,603	\$1,441,401	\$1,382,175	\$1,351,165	\$1,337,818
<u>(1,435,830)</u>	<u>(1,488,603)</u>	<u>(1,441,401)</u>	<u>(1,382,175)</u>	<u>(1,351,165)</u>	<u>(1,337,818)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,044,846	\$11,450,792	\$11,087,700	\$10,632,115	\$10,393,577	\$10,290,908
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Rossford Exempted Village School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2017

Changes in Assumptions - SERS

Amounts reported for fiscal year 2017 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below.

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3 percent	3.25 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent	4 percent to 22 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation	7.75 percent net of investment expenses, including inflation

Amounts reported for fiscal year 2017 use morality assumptions that are based on the RP-2014 Blue Collar Mortality Table with fully generational projections and a five year set back for both males and females. Amounts reported for fiscal year 2016 and prior use mortality assumptions were based on the 1994 Group Annuity Mortality Table set back one year for both males and females. Special mortality tables were used for the period after disability retirement.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying 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	2017	\$51,480
Special Milk Program for Children	10.556	2017	596
National School Lunch Program	10.555		
Cash Assistance		2017	273,794
Non-Cash Assistance (Commodities)		2017	106,373
Total National School Lunch Program			<u>380,167</u>
Total Child Nutrition Cluster			<u>432,243</u>
Total U.S. Department of Agriculture			<u>432,243</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	2016	36,542
Title I Grants to Local Educational Agencies	84.010	2017	236,246
Total CFDA # 84.010			<u>272,788</u>
<u>Special Education Cluster:</u>			
Special Education Grants to States	84.027	2016	78,569
Special Education Grants to States	84.027	2017	336,129
Total CFDA #84.027			<u>414,698</u>
Special Education Preschool Grants	84.173	2016	3,018
Special Education Preschool Grants	84.173	2017	9,162
Total CFDA #84.173			<u>12,180</u>
Total Special Education Cluster			<u>426,878</u>
Supporting Effective Instruction State Grants	84.367	2016	1,747
Supporting Effective Instruction State Grants	84.367	2017	40,636
Total CFDA #84.367			<u>42,383</u>
Total U.S. Department of Education			<u>742,049</u>
Total Expenditures of Federal Awards			<u>\$1,174,292</u>

The accompanying notes are an integral part of this schedule.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Rossford Exempted Village School District (the District) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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

NOTE E - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education’s consent, schools can transfer unobligated amounts to the subsequent fiscal year’s program. The District transferred the following amounts from 2017 to 2018 programs:

Program Title	CFDA Number	Amt. Transferred
Title I Grants to Local Educational Agencies	84.010	\$ 83,718
Special Education - Grants to States	84.027	181,446
Special Education Preschool Grants	84.173	9,069
Supporting Effective Instruction State Grants	84.367	40,509



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

Rossford Exempted Village School District
Wood County
401 Glenwood Road
Rossford, Ohio 43460

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 Rossford Exempted Village School District, Wood County, Ohio, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 27, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

March 27, 2018



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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

Rossford Exempted Village School District
Wood County
401 Glenwood Road
Rossford, Ohio 43460

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited Rossford Exempted Village School District, Wood 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 Rossford Exempted Village School District's major federal program for the year ended June 30, 2017. 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 each Major Federal Program

In our opinion, Rossford Exempted Village School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect the major federal program for the year ended June 30, 2017.

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.



Dave Yost
Auditor of State

Columbus, Ohio

March 27, 2018

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

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

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ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 29, 2018**