PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Dave Yost • Auditor of State

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

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WOOD COUNTY

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INDEPENDENT AUDITOR'S REPORT

Perrysburg Exempted Village School District
Wood County
140 East Indiana Avenue
Perrysburg, Ohio 43551

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 Perrysburg Exempted Village School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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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 Perrysburg Exempted Village School District, Wood County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Schedule of Receipts and 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule 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 24, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

March 24, 2017

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

Financial Highlights

Key financial highlights for 2016 are as follows:

- The District's net position of governmental activities decreased $467,896 which represents a 1.61% decrease from 2015.

- General revenues accounted for $48,770,136 in revenue or 87.21% of all revenues. Program specific revenues in the form of charges for services and sales, operating and capital grants and contributions accounted for $7,152,815 or 12.79% of total revenues of $55,922,951.

- The District had $56,390,847 in expenses related to governmental activities; only $7,152,815 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $48,770,136 were not adequate to provide for these programs.

- The District's major governmental funds are the general fund and building fund. The general fund had $45,707,884 in revenues and $47,479,897 in expenditures. During fiscal 2016, the general fund's fund balance decreased $1,772,013 from $9,010,192 to $7,238,179.

- The building fund had $2,079,488 in revenues and other financing sources $8,897,101 in expenditures. During fiscal year 2016, the building fund's fund balance decreased by $6,817,613 from $38,275,450 to $31,457,837.

Using the Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major funds are the general fund and building fund.

Governmental Funds

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

Proprietary Funds

The District maintains only one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District has an internal service fund to account for a self-insurance program which provides dental benefits to employees.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2016 and June 30, 2015.

Net Position

	Governmental Activities 2016	Governmental Activities 2015
Assets		
Current and other assets	$ 86,578,669	$ 87,717,048
Capital assets, net	55,969,528	48,305,187
Total assets	142,548,197	136,022,235
Deferred outflows of resources		
Unamortized deferred charges on debt refunding	59,857	80,625
Pensions	9,615,427	4,388,609
Total deferred outflows of resources	9,675,284	4,469,234
Liabilities		
Current liabilities	10,063,936	8,431,954
Long-term liabilities:		
Due within one year	2,872,129	3,376,140
Due in more than one year:		
Net pension liability	69,224,777	57,972,385
Other amounts	65,431,906	66,224,338
Total liabilities	147,592,748	136,004,817
Deferred inflows of resources		
Property taxes levied for next fiscal year	29,833,313	22,869,816
Payment in lieu of taxes levied for next fiscal year	200,350	179,996
Pensions	4,138,790	10,510,664
Total deferred inflows of resources	34,172,453	33,560,476
Net position		
Net investment in capital assets	22,258,748	21,642,705
Restricted	4,700,477	4,359,953
Unrestricted (deficit)	(56,500,945)	(55,076,482)
Total net position	$ (29,541,720)	$ (29,073,824)

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

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

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

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

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

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

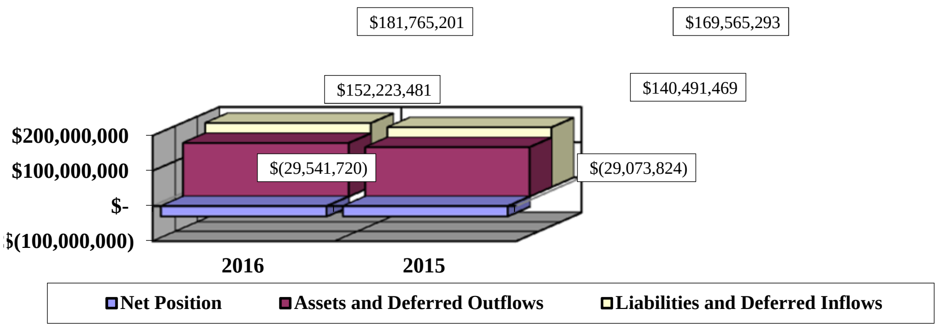
In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the District's liabilities and deferred outflows of resources exceeded assets and deferred inflows of resources by $29,541,720. Of this total, $4,700,477 is restricted in use.

At year-end, capital assets represented 39.26% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. The District's net investment in capital assets at June 30, 2016, was $22,258,748. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $4,700,477, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of $56,500,945. The deficit balance in unrestricted net position was the result of reporting the net pension liability required by GASB 68.

The graph below illustrates the District's governmental activities assets plus deferred outflows of resources, liabilities plus deferred inflows of resources and net position at June 30, 2016 and 2015.



The table below shows the changes in net position for governmental activities between 2016 and 2015.

Change in Net Position

	Governmental Activities 2016	Governmental Activities 2015
Revenues		
Program revenues:		
Charges for services and sales	$ 3,335,935	$ 3,514,154
Operating grants and contributions	3,607,016	3,219,379
Capital grants and contributions	209,864	586,974
General revenues:		
Property taxes	27,846,808	31,582,208
Income taxes	6,505,461	6,255,455
Grants and entitlements	13,302,493	13,177,753
Payments in lieu of taxes	480,642	501,366
Investment earnings	395,487	73,234
Miscellaneous	239,245	39,032
Total revenues	55,922,951	58,949,555

Change in Net Position

	Governmental Activities 2016	Governmental Activities 2015
Expenses		
Program expenses:		
Instruction:		
Regular	25,654,199	25,557,398
Special	7,146,598	6,793,179
Vocational	106,600	128,543
Support services:		
Pupil	3,514,731	3,321,981
Instructional staff	1,066,650	945,141
Board of education	109,894	64,514
Administration	3,729,539	3,411,169
Fiscal	1,098,318	1,084,789
Business	47,889	50,031
Operations and maintenance	4,544,832	4,347,919
Pupil transportation	1,815,338	1,895,308
Central	1,260,831	1,332,338
Operations of non-instructional services		
Food service operations	1,713,144	1,724,379
Other non-instructional services	308,949	289,093
Extracurricular activities	1,642,759	1,919,407
Interest and fiscal charges	2,630,576	1,921,552
Total expenses	56,390,847	54,786,741
Change in net position	(467,896)	4,162,814
Net position at beginning of year	(29,073,824)	(33,236,638)
Net position at end of year	$ (29,541,720)	$ (29,073,824)

Governmental Activities

Net position of the District's governmental activities decreased $467,896. Total governmental expenses of $56,390,847 were offset by program revenues of $7,152,815 and general revenues of $48,770,136. Program revenues supported 12.68% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, grants and entitlements and payments in lieu of taxes. These four sources of revenue total $48,135,404 and represent 86.08% of total governmental revenue. Real estate property is reappraised every six years.

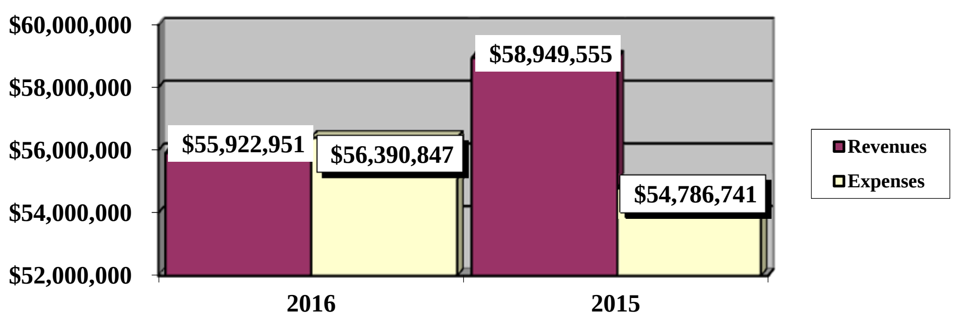
The District saw a decrease in property tax revenue of approximately $3.74 million from 2015. The decrease in property taxes is due to the decrease in the amount collected by the County Auditor and available as advance at fiscal year-end. The amount collected and available as advance for the fiscal year end June 30, 2016 and June 30, 2015 was $3,984,710 and $8,810,491, respectively. The amount collected and available for advance can vary depending upon when tax bills are sent.

The expenses of the District increased approximately $1.6 million due to two factors. First, the District's agreements with the bargaining units resulted in an increase in wages and benefits increases for District employees.

Second, in fiscal year 2016, the District was required to make a full fiscal year of interest payments on the 2015 general obligation bonds. The bonds were issued in March 2015, so the amount of interest expense recorded for fiscal year 2015 was much less than for fiscal year 2016.

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

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2016 compared to 2015. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

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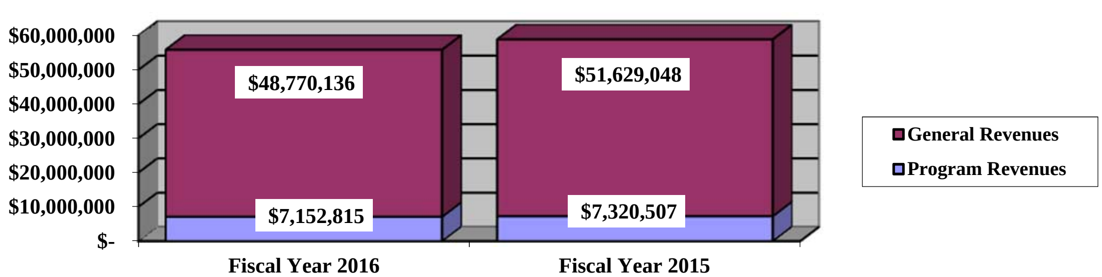
	Governmental Activities			
	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Program expenses:				
Instruction:				
Regular	$ 25,654,199	$ 24,758,286	$ 25,557,398	$ 24,632,505
Special	7,146,598	4,650,341	6,793,179	4,555,770
Vocational	106,600	73,975	128,543	117,257
Support services:				
Pupil	3,514,731	3,437,656	3,321,981	3,127,810
Instructional staff	1,066,650	940,666	945,141	872,227
Board of Education	109,894	109,894	64,517	64,514
Administration	3,729,539	3,719,999	3,411,169	3,401,569
Fiscal	1,098,318	1,095,918	1,084,789	1,082,389
Business	47,889	47,889	50,031	50,031
Operations and maintenance	4,544,832	4,431,091	4,347,919	4,155,167
Pupil transportation	1,815,338	1,758,017	1,895,308	1,851,919
Central	1,260,831	1,139,302	1,332,338	1,226,159
Operation of non-instructional services:				
Food service operations	1,713,144	(6,916)	1,724,379	12,675
Other non-instructional services	308,949	(1,401)	289,093	9,040
Extracurricular activities	1,642,759	452,739	1,919,407	385,650
Interest and fiscal charges	2,630,576	2,630,576	1,921,552	1,921,552
Total expenses	$ 56,390,847	$ 49,238,032	$ 54,786,744	$ 47,466,234

The dependence upon tax and other general revenues for governmental activities is apparent as 89.59% of instruction activities, which total $32,907,397, are supported through taxes and other general revenues. For all governmental activities, general revenue support is 87.32%.

The graph below presents the District's general and program revenues for fiscal years 2016 and 2015.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $43,104,568, which is less than last year's total of $53,157,318. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2016 and 2015.

	Fund Balance June 30, 2016	Fund Balance June 30, 2015	Decrease
General	$ 7,238,179	$ 9,010,192	$ (1,772,013)
Building	31,457,837	38,275,450	(6,817,613)
Other governmental	4,408,552	5,871,676	(1,463,124)
Total	$ 43,104,568	$ 53,157,318	$ (10,052,750)

General Fund

The District's general fund balance decreased $1,772,013. The schedule below provides detail on the revenues and expenditures of the general fund for fiscal years 2016 and 2015.

	2016 Amount	2015 Amount	Percentage Change
Revenues			
Taxes	$ 29,708,471	$ 32,957,048	(9.86) %
Tuition	612,308	644,106	(4.94) %
Earnings on investments	108,203	33,248	225.44 %
Intergovernmental	14,151,743	13,928,045	1.61 %
Other revenues	1,127,159	1,214,917	(7.22) %
Total	$ 45,707,884	$ 48,777,364	(6.29) %

	2016 Amount	2015 Amount	Percentage Change
Expenditures			
Instruction	$ 30,308,060	$ 30,581,981	(0.90) %
Support services	15,778,210	15,157,415	4.10 %
Operation of non-instructional services	5,384	5,512	(2.32) %
Extracurricular activities	1,048,143	1,084,395	(3.34) %
Debt service	340,100	340,100	- %
Total	$ 47,479,897	$ 47,169,403	0.66 %

Revenues of the general fund decreased approximately $3.1 million compared to fiscal year 2015. This is due to the decrease in taxes revenue. The decrease in property taxes is due to the decrease in the amount collected by the County Auditor and available as advance at fiscal year-end. The amount collected and available for advance can vary depending upon when tax bills are sent.

Expenditures in the general fund increased approximately $310,000 from fiscal year 2015.

Building Fund

The building fund had $2,079,488 in revenues and other financing sources and $8,897,101 in expenditures. During fiscal year 2016, the building fund's fund balance decreased by $6,817,613 from $38,275,450 to $31,457,837. This decrease is due to expenditures related to the District's 5th/6th building construction project.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of fiscal year 2016, the original budgeted revenues and other financing sources were $48,313,360 and final budgeted revenues and other financing sources were $43,124,111. Actual revenues and other financing sources for fiscal year 2016 were $49,364,960. Actual revenues and other financing sources were $6,240,849 more than final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of $48,299,187 were increased to $48,369,656 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2016 totaled $47,381,578, which was $988,078 less than the final budget appropriations.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2016, the District had $57,943,221 in general obligation bonds, $3,512,796 in energy conservation notes, $1,575,000 in lease purchase obligations and $214,000 in OASBO notes payable. Of this total, $2,431,718 is due within one year and $60,813,299 is due in greater than one year.

The following table summarizes the bonds, notes and lease obligations outstanding at June 30, 2016 and 2015.

Outstanding Debt, at Year End

	Governmental Activities 2016	Governmental Activities 2015
General obligation bonds	$ 57,943,221	$ 60,386,498
Energy conservation note	3,512,796	3,740,535
Lease-purchase agreement	1,575,000	-
OASBO note payable	214,000	281,000
Total	$ 63,245,017	$ 64,408,033

At June 30, 2016, the District's overall legal debt margin was $18,550,714 with an unvoted debt margin of $812,926. See Note 10 to the basic financial statements for further detail on the District's long-term obligations.

Capital Assets

At the end of fiscal 2016, the District had $55,969,528 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. The following table shows fiscal 2016 balances compared to 2015:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2016	2015
Land	$ 4,370,152	$ 3,567,821
Construction in progress	8,541,524	866,522
Land improvements	3,055,643	2,048,144
Building and improvements	38,327,206	39,979,628
Furniture and equipment	1,169,300	1,284,051
Vehicles	505,703	559,021
Total	$ 55,969,528	$ 48,305,187

Total additions to capital assets for 2016 were $10,450,715. Depreciation recorded for the fiscal year totaled $2,786,374.

The overall increase in capital assets of $7,664,341 is due to current year additions exceeding depreciation expense for fiscal year 2016. See Note 9 to the basic financial statements for further details on the District's capital assets.

Economic Conditions and Outlook

The District has experienced the effects of an economic turn-around over the past several years. We continue to see signs of continuous economic growth throughout the District. Commercial and residential development continues. A District that traditionally prospers from the effects of residential and commercial real estate growth and a continuous increased income tax stream has seen these resources continue to grow but at the same time, create economic challenges for the District.

The District is comprised of approximately 41 square miles in the north central portion of Wood County (the "County"), and is bordered on the north by the Maumee River. Residential construction has resulted in significant growth in the population of the District during the past several years, and this growth is expected to continue into the foreseeable future. The City of Perrysburg (the "City") is an attractive municipality and is proud of its heritage. Although some residential development is occurring within the City boundaries, the majority of the current development is primarily in the southwest quadrant of the District, within Perrysburg and Middleton Townships. Development is primarily residential, although some limited retail and light manufacturing construction has occurred.

The District is located in a reasonably good agricultural area, although agriculture is no longer a major contributor to the City or to the District. The City and the greater Toledo metropolitan area provide residents with many retail, commercial and light industrial advantages associated with small cities. Residents have the availability of a variety of shopping, entertainment and dining venues, as well as a steady mix of employment options. The District continues to play a vital role as a center of the community, and a sense of pride is evident within the District and throughout the community. The availability of new housing and transportation routes make the area attractive to families moving to this Northwest Ohio area. Those moving into the area have the advantages of the larger city conveniences and services while retaining the positives associated with the smaller, community-oriented environment. There has been a decline in some of the major manufacturing and distribution companies in the nearby Toledo metropolitan area, but several opportunities still exist. These provide employment possibilities, major shopping areas, recreation and medical services.

The District operates four K-5 elementary school buildings, one 6-8 middle school, and one 9-12 high school and celebrated with a groundbreaking for our new 5-6 elementary building scheduled to open Fall 2017. The District continues to maintain the Commodore Building that is located in the central portion of the City, and that currently houses the central administration. The Commodore Building is used extensively by staff and community including Junior Jackets, Perrysburg Performing Arts group and several school athletic groups practice in the gym and much more. The Commodore Building continues to be renovated for administrative offices. The building is home to not only the District's administrative personnel but is host to a number of professional development programs for education personnel across Northwest Ohio. Most of the buildings have had one or more major additions. In general, the buildings have been well maintained; yet, changes in program requirements and the inflexibility of several of the buildings present limitations for the delivery of the instructional programs. The District community is changing. A different set of expectations for the schools comes with these changes. As new residents arrive and local conditions are altered, different work requirements and family expectations follow. The changing nature of agribusiness, manufacturing and service industries with new applications from technology creates the need for different skills for managers and workers. As residents are exposed to these changes in their home, business and work, they develop expectations for the schools that are different from those that have influenced the District in the past. Preparation to work in the information society is quite different from that required in the agriculture or industrial societies of the past. New and compelling research findings about both curriculum and A-1 instruction are finding their way into classrooms. All of these changes have potential for impact on teachers and teaching, as well as on school facilities and instructional materials.

The District is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is neither a part of, nor under the control of, the City. The territory of the District is considerably larger than the territory of the City.

Overall, the District did experience some additional valuation growth again this past year. The District's income tax collection continues to be a valuable resource impacting the operations of the District in fiscal year 2016. The District, once again, experienced some growth in 2016 for the income tax collections. Historically the income tax has grown at an average rate of 4.57% over the past twenty years.

Several other monetary issues were addressed as well allowing the District to work toward some financial stability. The community continues to grow and as a result, is creating a larger tax base of taxpaying residents but economic conditions continue to affect overall values of the homes and businesses that exist throughout the community.

The District continues to implement very aggressive measures to balance the budget and provide some financial stability. As the District moves forward into fiscal year 2017, the staff and administration continue to look at future growth throughout the community and the challenges that overcrowding presents. Reliance on the State of Ohio for financial support continues to be a huge question. Perrysburg residents have been very supportive of the District. The local community has replaced a large portion of the funding that state has taken away over the past several years with the approval of the incremental levy in 2012. The District's expenditure levels continue to be reviewed and closely monitored.

Instructional programs and curriculum adoptions have and will continue to be a primary focus of the District's administrative team. The District implemented a one to one technology initiative in 2013-14 where students received laptop computers that are utilized in the instructional delivery and practice and that practice continues. Costs for services for students with special needs continue to rise. This is such an uncontrollable cost. Court placed students with disabilities have a drastic impact on District finances. The District reviews these services on an annual basis to review their effectiveness for services and costs.

Several tax abatements were negotiated over the last several years with new companies and existing companies expanding operations throughout the District. It is evident that the economy has had its effect on the ability for companies to build and expand like they have in the past but the activity is beginning to accelerate once again.

We are extremely pleased with the direction the District has taken financially, instructionally and structurally.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Pam Harrington, Treasurer/CFO, at Perrysburg Exempted Village School District, 140 E. Indiana Ave., Perrysburg Ohio 43551.

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2016

		Governmental Activities
Assets:		
Equity in pooled cash and investments	$	14,977,840
Cash and investments with		
Toledo Community Foundation, Inc		457,558
Investments		33,424,202
Receivables:		
Property taxes		34,167,660
Income taxes		2,839,608
Payment in lieu of taxes		290,350
Accounts		72,022
Accrued interest		54,515
Intergovernmental		280,589
Materials and supplies inventory		3,422
Inventory held for resale		10,903
Capital assets:		
Nondepreciable capital assets		12,911,676
Depreciable capital assets, net		43,057,852
Capital assets, net		55,969,528
Total assets		142,548,197
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding		59,857
Pension - STRS		8,441,293
Pension - SERS		1,174,134
Total deferred outflows of resources		9,675,284
Liabilities:		
Accounts payable		256,687
Contracts payable		2,402,094
Accrued wages and benefits		5,428,603
Intergovernmental payable		321,481
Pension and postemployment benefits payable		757,381
Accrued interest payable		217,753
Unearned revenue		132,593
Claims payable		547,344
Long-term liabilities:		
Due within one year		2,872,129
Due in more than one year:		
Net pension liability		69,224,777
Other amounts due in more than one year		65,431,906
Total liabilities		147,592,748
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		29,833,313
Payment in lieu of taxes levied for the next fiscal year		200,350
Pension - STRS		3,806,890
Pension - SERS		331,900
Total deferred inflows of resources		34,172,453
Net position:		
Net investment in capital assets		22,258,748
Restricted for:		
Capital projects		2,286,241
Debt service		849,139
Locally funded programs		42,040
State funded programs		24,221
Federally funded programs		200,424
Student activities		443,658
Other purposes		854,754
Unrestricted (deficit)		(56,500,945)
Total net position	$	(29,541,720)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction:					
Regular	$ 25,654,199	$ 746,158	$ 149,755	$ -	$ (24,758,286)
Special	7,146,598	108,422	2,387,835	-	(4,650,341)
Vocational	106,600	-	32,625	-	(73,975)
Support services:					
Pupil	3,514,731	14,905	62,170	-	(3,437,656)
Instructional staff	1,066,650	749	125,235	-	(940,666)
Board of education	109,894	-	-	-	(109,894)
Administration	3,729,539	-	9,540	-	(3,719,999)
Fiscal	1,098,318	-	2,400	-	(1,095,918)
Business	47,889	-	-	-	(47,889)
Operations and maintenance	4,544,832	108,322	5,419	-	(4,431,091)
Pupil transportation	1,815,338	-	57,321	-	(1,758,017)
Central	1,260,831	110,729	10,800	-	(1,139,302)
Operation of non-instructional services:					
Food service operations	1,713,144	1,278,821	441,239	-	6,916
Other non-instructional services	308,949	-	310,350	-	1,401
Extracurricular activities	1,642,759	967,829	12,327	209,864	(452,739)
Interest and fiscal charges	2,630,576	-	-	-	(2,630,576)
Total governmental activities	$ 56,390,847	$ 3,335,935	$ 3,607,016	$ 209,864	(49,238,032)

General revenues:	
Property taxes levied for:	
General purposes	23,173,144
Debt service	3,208,116
Capital outlay	1,465,548
Payments in lieu of taxes	480,642
Income taxes levied for:	
General purposes	6,505,461
Grants and entitlements not restricted to specific programs	13,302,493
Investment earnings	395,487
Miscellaneous	239,245
Total general revenues	48,770,136
Change in net position	(467,896)
Net position at beginning of year	(29,073,824)
Net position at end of year	$ (29,541,720)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash				
and investments	$ 7,831,861	$ 387,739	$ 3,623,362	$ 11,842,962
Cash and investments with				
Toledo Community Foundation, Inc.	-	-	457,558	457,558
Investments	-	33,424,202	-	33,424,202
Receivables:				
Property taxes	28,683,864	-	5,483,796	34,167,660
Income taxes	2,839,608	-	-	2,839,608
Payment in lieu of taxes	-	-	290,350	290,350
Accounts	72,022	-	-	72,022
Accrued interest	6,525	47,990	-	54,515
Interfund loans	74,390	-	-	74,390
Intergovernmental	5,154	-	275,435	280,589
Materials and supplies inventory	-	-	3,422	3,422
Inventory held for resale	-	-	10,903	10,903
Due from other funds	36,701	-	-	36,701
Restricted assets:				
Equity in pooled cash				
and investments	1,270	-	-	1,270
Total assets	$ 39,551,395	33,859,931	10,144,826	83,556,152
Liabilities:				
Accounts payable	$ 172,586	$ -	$ 82,710	$ 255,296
Contracts payable	-	2,402,094	-	2,402,094
Accrued wages and benefits	5,150,522	-	278,081	5,428,603
Compensated absences payable	6,557	-	11,680	18,237
Intergovernmental payable	318,263	-	3,218	321,481
Pension and postemployment				
benefits payable	686,113	-	71,268	757,381
Interfund loans payable	-	-	74,390	74,390
Due to other funds	-	-	36,701	36,701
Unearned revenue	132,593	-	-	132,593
Total liabilities	6,466,634	2,402,094	558,048	9,426,776
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	25,129,674	-	4,703,639	29,833,313
PILOTs levied for the next fiscal year	-	-	200,350	200,350
Delinquent property tax revenue not available	295,719	-	53,918	349,637
Income tax revenue not available	421,189	-	-	421,189
Intergovernmental revenue not available	-	-	205,319	205,319
Delinquent PILOTs not available	-	-	15,000	15,000
Total deferred inflows of resources	25,846,582	-	5,178,226	31,024,808
Fund balances:				
Nonspendable	-	-	3,422	3,422
Restricted	1,270	31,457,837	4,161,199	35,620,306
Committed	11,000	-	435,500	446,500
Assigned	556,867	-	-	556,867
Unassigned (deficit)	6,669,042	-	(191,569)	6,477,473
Total fund balances	7,238,179	31,457,837	4,408,552	43,104,568
Total liabilities, deferred inflows and fund balance	$ 39,551,395	$ 33,859,931	$ 10,144,826	$ 83,556,152

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

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

Total governmental fund balances		$ 43,104,568
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		55,969,528
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 349,637	
Income taxes receivable	421,189	
Payment in lieu of taxes receivable	15,000	
Intergovernmental receivable	205,319	
Total		991,145
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		2,584,873
Unamortized premiums on bonds issued are not recognized in the funds.		(1,397,654)
Unamortized amounts on refundings are not recognized in the funds.		59,857
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(217,753)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.		
Deferred outflows - pension	9,615,427	
Deferred inflows - pension	(4,138,790)	
Net pension liability	(69,224,777)	
Total		(63,748,140)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(57,943,221)	
Lease purchase obligation	(1,575,000)	
Compensated absences	(3,643,127)	
OASBO note payable	(214,000)	
Energy conservation note	(3,512,796)	
Total		(66,888,144)
Net position of governmental activities		$ (29,541,720)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

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

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	$ 23,215,664	$ -	$ 4,679,330	$ 27,894,994
Income taxes	6,492,807	-	-	6,492,807
Payment in lieu of taxes	214,160	-	266,482	480,642
Tuition	612,308	-	5,625	617,933
Earnings on investments	108,203	288,556	952	397,711
Charges for services	-	-	1,278,821	1,278,821
Extracurricular	213,623	-	571,786	785,409
Classroom materials and fees	211,395	-	-	211,395
Other local revenues	487,981	40,932	506,610	1,035,523
Intergovernmental - intermediate	-	-	4,691	4,691
Intergovernmental - state	14,151,743	-	1,052,699	15,204,442
Intergovernmental - federal	-	-	1,466,048	1,466,048
Total revenues	45,707,884	329,488	9,833,044	55,870,416
Expenditures:				
Current:				
Instruction:				
Regular	24,249,358	-	144,314	24,393,672
Special	5,960,328	-	987,281	6,947,609
Vocational	98,374	-	-	98,374
Support services:				
Pupil	3,231,560	-	68,025	3,299,585
Instructional staff	895,630	-	122,199	1,017,829
Board of education	108,190	-	-	108,190
Administration	3,554,182	-	9,540	3,563,722
Fiscal	997,858	27,576	59,314	1,084,748
Business	45,880	-	-	45,880
Operations and maintenance	4,242,644	-	5,752	4,248,396
Pupil transportation	1,765,309	-	871	1,766,180
Central	936,957	-	221,645	1,158,602
Operation of non-instructional services:				
Food service operations	-	-	1,688,146	1,688,146
Other non-instructional services	5,384	-	300,959	306,343
Extracurricular activities	1,048,143	-	549,525	1,597,668
Facilities acquisition and construction	-	8,682,989	1,772,153	10,455,142
Debt service:				
Principal retirement	227,739	175,000	2,802,000	3,204,739
Interest and fiscal charges	112,361	11,536	2,564,444	2,688,341
Total expenditures	47,479,897	8,897,101	11,296,168	67,673,166
Excess of expenditures over revenues	(1,772,013)	(8,567,613)	(1,463,124)	(11,802,750)
Other financing sources (uses):				
Capital lease transaction	-	1,750,000	-	1,750,000
Transfers in	-	-	50,000	50,000
Transfers (out)	-	-	(50,000)	(50,000)
Total other financing sources (uses)	-	1,750,000	-	1,750,000
Net change in fund balances	(1,772,013)	(6,817,613)	(1,463,124)	(10,052,750)
Fund balances at beginning of year	9,010,192	38,275,450	5,871,676	53,157,318
Fund balances at end of year	$ 7,238,179	$ 31,457,837	$ 4,408,552	$ 43,104,568

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

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

Net change in fund balances - total governmental funds			$	(10,052,750)
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.				
Capital asset additions	$	10,450,715		
Current year depreciation		(2,786,374)		
Total				7,664,341
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				
Property taxes		(48,186)		
Income taxes		12,654		
Intergovernmental		88,067		
Total				52,535
Repayment of bond, lease and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.				3,204,739
Issuance lease purchase obligations are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.				(1,750,000)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:				
Decrease in accrued interest payable		286,802		
Accreted interest on capital appreciation bonds		(291,723)		
Amortization of bond premiums		83,454		
Amortization of deferred charges		(20,768)		
Total				57,765
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amount as deferred outflows.				4,002,313
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.				(3,656,013)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.				(153,005)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.				162,179
Change in net position of governmental activities			$	(467,896)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
From local sources:				
Property taxes	$ 26,859,083	$ 23,974,198	$ 27,443,703	$ 3,469,505
Income taxes.	6,345,309	5,663,771	6,483,422	819,651
Payment in lieu of taxes.	209,596	187,084	214,159	27,075
Tuition.	615,514	549,403	628,912	79,509
Earnings on investments	64,297	57,391	65,696	8,305
Extracurricular.	85,680	76,477	87,545	11,068
Other local revenues	225,086	200,910	229,985	29,075
Intergovernmental - state	13,905,579	12,412,006	14,208,251	1,796,245
Total revenues	48,310,144	43,121,240	49,361,673	6,240,433
Expenditures:				
Current:				
Instruction:				
Regular	24,450,726	24,486,708	24,107,273	379,435
Special.	6,164,481	6,173,553	6,046,000	127,553
Vocational.	98,990	99,136	97,772	1,364
Support services:				
Pupil.	3,258,258	3,263,053	3,214,220	48,833
Instructional staff	914,918	916,264	905,922	10,342
Board of education	107,902	108,061	106,027	2,034
Administration.	3,679,595	3,685,010	3,614,412	70,598
Fiscal	1,078,188	1,079,775	1,005,371	74,404
Business	37,913	37,969	36,900	1,069
Operations and maintenance.	4,400,543	4,407,019	4,278,368	128,651
Pupil transportation	1,858,241	1,860,976	1,771,363	89,613
Central.	941,743	943,129	921,046	22,083
Other non-instructional services.	5,478	5,486	5,408	78
Extracurricular activities.	882,728	884,027	857,006	27,021
Debt service:				
Principal retirement	227,404	227,739	227,739	-
Interest and fiscal charges.	112,196	112,361	112,361	-
Total expenditures	48,219,304	48,290,266	47,307,188	983,078
Excess (deficiency) of revenues over (under) expenditures.	90,840	(5,169,026)	2,054,485	7,223,511
Other financing sources (uses):				
Transfers (out).	(5,602)	(5,000)	-	5,000
Advances in.	3,216	2,871	3,287	416
Advances (out)	(74,281)	(74,390)	(74,390)	-
Total other financing sources (uses).	(76,667)	(76,519)	(71,103)	5,416
Net change in fund balance	14,173	(5,245,545)	1,983,382	7,228,927
Fund balance at beginning of year	5,057,501	5,057,501	5,057,501	-
Prior year encumbrances appropriated	188,044	188,044	188,044	-
Fund balance at end of year	$ 5,259,718	$ -	$ 7,228,927	$ 7,228,927

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2016

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash and investments	$ 3,133,608
Total assets.	3,133,608
Liabilities:	
Accounts payable.	1,391
Claims payable	547,344
Total liabilities	548,735
Net position:	
Unrestricted.	2,584,873
Total net position.	$ 2,584,873

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services.	$ 6,394,950
Total operating revenues	6,394,950
Operating expenses:	
Purchased services.	633,744
Claims	5,599,027
Total operating expenses.	6,232,771
Change in net position	162,179
Net position at beginning of year.	2,422,694
Net position at end of year	$ 2,584,873

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services.	$ 6,394,950
Cash payments for purchased services	(632,803)
Cash payments for claims	(5,577,583)
Net cash provided by operating activities	184,564
Cash and investments at beginning of year	2,949,044
Cash and investments at end of year	$ 3,133,608
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 162,179
Changes in assets and liabilities:	
Increase in accounts payable	941
Increase in claims payable	21,444
Net cash provided by operating activities.	$ 184,564

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Private Purpose Trust	
	Scholarship	**Agency**
Assets:		
Equity in pooled cash		
and investments	$ 267,118	$ 100,473
Total assets.	267,118	$ 100,473
Liabilities:		
Accounts payable.	-	$ 528
Intergovernmental payable	-	367
Due to students.	-	99,578
Total liabilities	-	$ 100,473
Net position:		
Held in trust for scholarships	267,118	
Total net position.	$ 267,118	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

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

	Private Purpose Trust
	Scholarship
Additions:	
Interest.	$ 401
Gifts and contributions.	6,700
Total additions.	7,101
Deductions:	
Scholarships awarded	7,558
Change in net position	(457)
Net position at beginning of year.	267,575
Net position at end of year	$ 267,118

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Perrysburg Exempted Village School District (the "District") is located in Wood County in northwest Ohio.

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

It currently operates 4 elementary schools, 1 junior high school, and 1 comprehensive high school. The District employs 26 administrators, 182 non-certified and 324 certified full-time and part-time employees to provide services to approximately 4,846 students and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

JOINTLY GOVERNED ORGANIZATIONS

Northern Ohio Educational Computer Association (NOECA)
NOECA is a jointly governed organization among 56 area school districts and service centers. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member school districts and service centers. Each of the governments of these schools supports NOECA based upon a per pupil charge, dependent upon the software package utilized.

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

The NOECA assembly consists of a superintendent from each participating district and a representative from the fiscal agent. NOECA is governed by a Board of Directors chosen from the general membership of the NOECA Assembly. The Board of Directors consists of a representative from the fiscal agent and two superintendents from each county in which participating districts are located. Each district's authority is limited to its representation on the Board. Financial information can be obtained by contacting Matt Bauer, Treasurer for the North Point Educational Service Center, who serves as fiscal agent at 1210 E. Bogart Road, Sandusky, Ohio 44870.

<u>Penta Career Center</u>
The Penta Career Center (the "Center") is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide vocational and special education needs of the students. The Center accepts non-tuition students from the District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the District. Financial information can be obtained from the Penta Career Center, Carrie Herringshaw, who serves as Treasurer, at 9301 Buck Road, Perrysburg, Ohio 43551.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

The following are the District's major governmental funds:

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

<u>*Building fund*</u> - The building fund is used to account for resources that are restricted for the acquisition of capital facilities and capital assets. All proceeds from the sale of bonds, notes or certificates of indebtedness, except premium and accrued interest, are paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities, including real property.

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

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

PROPRIETARY FUND

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program, which provides dental, vision, medical/surgical and life insurance benefits to employees.

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

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

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

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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows generally are included on the balance sheet. The statement of revenues,

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

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the District's internal service fund is charges for services. Operating expenses for internal service funds include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 7).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a

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

reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 14 for deferred outflows of resources related to the District's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

See Note 14 for deferred inflows of resources related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the

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

appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Wood County Budget Commission for rate determination. The Wood County Budget Commission waived the tax budget filing requirement for fiscal year 2016.

Estimated Resources:

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

Appropriations:

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

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

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

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

F. Cash and Investments

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

During fiscal year 2016, investments were limited to investments in investment sweeps, federal agency securities, negotiable certificates of deposit, commercial paper, U.S. Government money market mutual funds and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for non-participating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

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

For the fiscal year 2016, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business day(s), but only to the $50 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to $108,203, which includes $56,028 assigned from other District funds.

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

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

G. Cash and Investments with Toledo Community Foundation, Inc.

The District is the sole beneficiary of a fund held by the Toledo Community Foundation, Inc. The Toledo Community Foundation, Inc. is a not-for-profit corporation organized exclusively for charitable, religious, educational, and scientific purposes. Funds held by the Toledo Community Foundation, Inc. are disbursed to the District upon request and approval by the Board of Trustees. Since the fund solely benefits the District, the fund balance and financial activity of this fund is included in this report as part of other governmental funds.

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

H. Inventory

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

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

I. Prepaids

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the financial statements using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. The District maintains a capitalization threshold of $2,500 for its capital assets. In addition, a capital asset must have an estimated useful life greater than one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

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

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	8 - 10 years

K. Interfund Balances

On fund financial statements, receivables and payables resulting from cash deficits among the governmental activities are classified as amounts “due to/from other funds”. On fund financial statements, receivables and payables resulting from short-term interfund loans between governmental funds are classified as “interfund loans receivable/payable.” These amounts are eliminated in the governmental activities column on the statement of net position.

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

L. Compensated Absences

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

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

For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service or any employee with fifteen years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance

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

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

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

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

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

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

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

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

O. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include amounts for school bus purchases. See Note 21 for details.

P. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is

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

reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service and school bus purchases.

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

Q. Estimates

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

R. Parochial School

The St. Rose School, a parochial school located within the District boundaries operated through the Toledo Catholic Archdiocese. Current State legislation provides funding to this parochial school, which is received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The administration of the State monies by the District is reflected in a special revenue fund for financial reporting purposes.

S. Unamortized Bond Premium and Deferred Charges on Refunding

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

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

T. Extraordinary and Special Items

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

U. Interfund Activity

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

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

Interfund activities between governmental funds are eliminated in the statement of activities.

V. Pensions

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

W. Fair Market Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
Miscellaenous state grants	$ 4,853
Title VI-B	150,823
Title III	166
Title I	34,974
Improving teacher quality	753

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain banker’s acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

A. Cash on Hand

At fiscal year end, the District had $11,105 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and investments”.

B. Cash and Investments with Toledo Community Foundation, Inc.

At fiscal year end, the District had $457,558 in cash and investments held by the Toledo Community Foundation, Inc. (TCF). These funds are to be used for the Perrysburg Athletic Complex. The cash and investments held by the TCF are not included in the carrying amount of deposits discussed below.

C. Deposits with Financial Institutions

At June 30, 2016, the carrying amount of all District deposits was $4,851,164, exclusive of the repurchase agreement reported in investments below. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2016, $4,761,925 of the District’s bank balance of $5,264,798 was exposed to custodial risk as discussed below, while $502,873 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

D. Investments

		Investment maturities				
Investment type	Fair value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FNMA	$ 5,692,498	$ 4,925,911	$ -	$ -	$ 366,445	$ 400,142
FFCB	6,430,068	2,040,284	4,389,784	-	-	-
FHLMC	11,868,034	1,400,665	3,501,890	6,219,603	300,514	445,362
FHLB	3,095,279	-	350,647	2,744,632	-	-
Commercial paper	6,236,652	6,236,652	-	-	-	-
Negotiable CDs	3,000,849	-	248,485	1,494,349	250,087	1,007,928
STAR Ohio	20,351	20,351	-	-	-	-
Investment Sweeps	629,984	629,984	-	-	-	-
U.S. Government money market funds	6,933,649	6,933,649	-	-	-	-
	$ 43,907,364	$ 22,187,496	$ 8,490,806	$ 10,458,584	$ 917,046	$ 1,853,432

The weighted average maturity of investments is 0.70 years.

The District's investments in federal agency securities, negotiable certificates of deposit and commercial paper are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The District's investments in federal agency securities and the federal agency securities that underlie the repurchase agreements were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in commercial paper were rated A-1 or A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The District's investments in negotiable CDs were not rated. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market funds an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

Investment type	Fair value	% of total
FNMA	$ 5,692,498	12.97
FFCB	6,430,068	14.64
FHLMC	11,868,034	27.03
FHLB	3,095,279	7.05
Commercial paper	6,236,652	14.20
Negotiable CDs	3,000,849	6.84
STAR Ohio	20,351	0.05
Investment Sweeps	629,984	1.43
U.S. Government money market funds	6,933,649	15.79
	$ 43,907,364	100.00

E. Reconciliation of Cash and Investments to the Statement of Net Position

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

Cash and investments per note	
Carrying amount of deposits	$ 4,851,164
Investments	43,907,364
Cash and investments with TCF	457,558
Cash on hand	11,105
Total	$ 49,227,191

Cash and investments per statement of net position	
Governmental activities	$ 48,859,600
Private-purpose trust fund	267,118
Agency funds	100,473
Total	$ 49,227,191

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2016, as reported on the fund statements, consist of the following individual short-term interfund loans receivable and payable:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental funds	$ 74,390

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

The primary purpose of the interfund balance is to cover costs in various funds where revenues were not received by June 30. The interfund balance will be repaid once the anticipated revenues are received. The interfund balance is expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Interfund balances at June 30, 2016, as reported on the fund statements, consist of the following amounts due to and due from other funds:

Due to	Due from	Amount
General fund	Nonmajor governmental funds	$ 36,701

The purpose of the amount due to/from other funds is to cover negative cash balances in the nonmajor governmental funds. The interfund balance will be repaid once the anticipated revenues are received and is expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the statement of net position.

C. Interfund transfers for the year ended June 30, 2016, consisted of the following, as reported on the fund financial statements:

	Amount
Transfers from nonmajor governmental funds to:	
Nonmajor governmental funds	$ 50,000

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The purpose of the transfer above was to move donation revenue received by the Perrysburg Education Foundation fund to the permanent improvement fund for athletic facility improvements.

All transfers made in fiscal year 2016 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

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

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

NOTE 6 - PROPERTY TAXES - (Continued)

collection of calendar year 2015 taxes. Public utility real and personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Wood County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 was $3,258,471 in the general fund, $522,514 in the debt service fund, a nonmajor governmental fund, and $203,725 in the permanent improvement fund, a nonmajor governmental fund. This amount is recorded as revenue. The amount available for advance at June 30, 2015 was $7,486,510 in the general fund, $866,676 in the debt service fund, a nonmajor governmental fund, and $457,305 in the permanent improvement fund, a nonmajor governmental fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

	2015 Second Half Collections		2016 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 791,324,550	98.18	$ 797,224,010	98.07
Public utility personal	14,704,620	1.82	15,701,850	1.93
Total	$ 806,029,170	100.00	$ 812,925,860	100.00
Tax rate per $1,000 of assessed valuation	$ 71.65		$ 73.30	

NOTE 7 - INCOME TAXES

In 1991, the voters of the District passed a .5% school income tax on wages earned by residents of the District. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund and totaled $6,492,807 on the governmental fund financial statements during fiscal year 2016.

NOTE 8 - RECEIVABLES

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

Governmental activities:	
Property taxes	$ 34,167,660
School district income tax	2,839,608
Payments in lieu of taxes	290,350
Intergovernmental	280,589
Accrued interest	54,515
Accounts	72,022
Total	$ 37,704,744

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

NOTE 9 - CAPITAL ASSETS

Capital asset activity for fiscal year 2016 is as follows:

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 3,567,821	$ 802,331	$ -	$ 4,370,152
Construction in progress	866,522	7,880,007	(205,005)	8,541,524
Total capital assets, not being depreciated	4,434,343	8,682,338	(205,005)	12,911,676
Capital assets, being depreciated:				
Land improvements	7,334,870	1,305,826	-	8,640,696
Buildings and improvements	74,557,058	542,544	-	75,099,602
Furniture and equipment	6,454,112	125,012	-	6,579,124
Vehicles	3,011,916	-	-	3,011,916
Total capital assets, being depreciated	91,357,956	1,973,382	-	93,331,338
Less: accumulated depreciation:				
Land improvements	(5,286,726)	(298,327)	-	(5,585,053)
Buildings and improvements	(34,577,430)	(2,194,966)	-	(36,772,396)
Furniture and equipment	(5,170,061)	(239,763)	-	(5,409,824)
Vehicles	(2,452,895)	(53,318)	-	(2,506,213)
Total accumulated depreciation	(47,487,112)	(2,786,374)	-	(50,273,486)
Depreciable capital assets, net	43,870,844	(812,992)	-	43,057,852
Governmental activities capital assets, net	$ 48,305,187	$ 7,869,346	$ (205,005)	$ 55,969,528

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 1,502,029
Special	216,153
Vocational	7,669
Support services:	
Pupil	203,346
Instructional staff	50,838
Board of education	1,704
Administration	203,123
Fiscal	31,315
Business	2,075
Operations and maintenance	236,259
Pupil transportation	50,162
Central	118,314
Operation of non-instructional services:	
Food service operations	89,150
Other non-instructional services	2,655
Extracurricular activities	71,582
Total depreciation expense	$ 2,786,374

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NOTE 10 - LONG-TERM OBLIGATIONS

A. The changes in the District's long-term obligations during the year consist of the following:

	Balance Outstanding June 30, 2015	Additions	Reductions	Balance Outstanding June 30, 2016	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
2004 advance refunding bonds					
Current interest bonds	$ 740,000	$ -	$ (740,000)	$ -	$ -
2006 advance refunding bonds					
Current interest bonds	8,265,000	-	(170,000)	8,095,000	-
Capital appreciation bonds	69,995	-	-	69,995	69,995
Accreted interest	546,247	178,994	-	725,241	725,241
2007 advance refunding bonds					
Current interest bonds	8,505,000	-	-	8,505,000	-
Capital appreciation bonds	164,993	-	(71,374)	93,619	93,619
Accreted interest	503,492	89,259	(238,626)	354,125	354,125
2011 advance refunding bonds					
Current interest bonds	2,580,000	-	(1,515,000)	1,065,000	-
Capital appreciation bonds	48,955	-	-	48,955	-
Accreted interest	62,816	23,470	-	86,286	-
2015 school improvement bonds	38,900,000	-	-	38,900,000	535,000
Total general obligation bonds payable	60,386,498	291,723	(2,735,000)	57,943,221	1,777,980
Other long-term obligations:					
OASBO note payable	281,000	-	(67,000)	214,000	69,000
Lease purchase agreement	-	1,750,000	(175,000)	1,575,000	350,000
Energy conservation note	3,740,535	-	(227,739)	3,512,796	234,738
Net pension liability	57,972,385	11,252,392	-	69,224,777	-
Compensated absences	3,711,337	465,831	(515,804)	3,661,364	440,411
Total other long-term obligations	65,705,257	13,468,223	(985,543)	78,187,937	1,094,149
Total long-term obligations governmental activities	$ 126,091,755	$13,759,946	$ (3,720,543)	136,131,158	$ 2,872,129
Unamortized premium on bonds				1,397,654	
Total on statement of net position				$ 137,528,812	

Series 2004 advance refunding general obligation bonds: On September 1, 2003, the District issued general obligation bonds to advance refund portions of the series 1992A refunding general obligation bonds and the series 1992B refunding general obligation bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue was comprised of current interest bonds at interest rates from 2.00-4.00%. The capital appreciation bonds matured December 1, 2013 (approximate initial offering yield to maturity

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

4.20%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue was December 1, 2015.

Series 2006 advance refunding general obligation bonds: On December 20, 2006, the District issued general obligation bonds to advance refund portions of the series 1999A general obligation bonds and the series 1999B general obligation bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of both current interest bonds, par value $8,610,000, and capital appreciation bonds, par value $69,995. The interest rate on the current interest bonds ranges from 3.50-4.00%. The capital appreciation bonds mature December 1, 2016 (approximate initial offering yield to maturity 3.83%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $885,000. Total accreted interest of $725,241 has been included in the statement of net position.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2025.

Series 2007 advance refunding general obligation bonds: On January 24, 2007, the District issued general obligation bonds to advance refund a portion of the series 1999B general obligation bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of both current interest bonds, par value $8,615,000, and capital appreciation bonds, par value $164,933. The interest rate on the current interest bonds ranges from 3.75-4.25%. One capital appreciation bond matured on December 1, 2015 (approximate initial offering yield to maturity 3.95%) and the remaining capital appreciation bond will mature on December 1, 2016 (approximate initial offering yield to maturity 4.00%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the remaining capital appreciation bond is $480,000. Total accreted interest of $354,125 has been included in the statement of net position.

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

Series 2011 advance refunding general obligation bonds: On February 2, 2011, the District issued general obligation bonds to advance refund a portion of the series 1999B general obligation bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of both current interest bonds, par value $2,620,000, and capital appreciation bonds, par value $48,955. The interest rate on the current interest bonds ranges from 2.00-3.00%. The capital appreciation bonds mature on December 1, 2017 (approximate initial offering yield to maturity 3.31%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $180,000. Total accreted interest of $86,286 has been included in the statement of net position.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2017.

The reacquisition price exceeded the net carrying amount of the old debt by $47,546. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

Series 2015 general obligation bonds: On March 25, 2015, the District issued $38,900,000 of general obligation bonds for the purpose of constructing, renovating, remodeling, adding to, furnishing, equipping and otherwise improving District buildings and facilities and acquiring, improving and equipping real estate and interests for District purposes. The issue is made up of serial and term bonds, bears interest rates ranging from 2.00-5.00% and matures on December 1, 2043. At June 30, 2016, $31,710,371 of the bond proceeds are unspent.

All general obligation bonds are paid from the debt service fund, a nonmajor governmental fund.

OASBO note payable: On August 13, 2009, the District entered into a note agreement in the amount of $655,000, with the Ohio Association of School Business Officials' (OASBO) Expanded Asset Pooled Financing Program to finance the cost of installing a new artificial turf and related appurtenance at the high school stadium and renovating, reconstructing and otherwise improving the Commodore building. The annual payments are made from the district managed student activity fund, a nonmajor governmental fund. At June 30, 2016, the District had outstanding borrowings of $214,000.

Energy conservation note: On September 19, 2013, the District issued $4,069,476 in energy conservation notes for energy improvements to all existing buildings. The notes were issued for a fifteen-year period, with final maturity in fiscal year 2029. The notes bear an interest rate of 3.0499% and are retired through the general fund.

Lease purchase agreement: The lease purchase agreement was issued to fund athletic facility improvements. At June 30, 2016, $398,105 of the lease purchase proceeds are unspent. See Note 11 for details.

Compensated absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. Compensated absences will be paid from the general fund and the food service fund, a nonmajor governmental fund.

Net pension liability: A discussion of the District's net pension liability is located in Note 14.

B. Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2016, are as follows:

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	2006 Advance Refunding Bonds					
Fiscal	Current Interest Bonds			Capital Appreciation Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2017	$ -	$ 323,800	$ 323,800	$ 69,995	$ 815,005	$ 885,000
2018	130,000	321,200	451,200	-	-	-
2019	135,000	315,900	450,900	-	-	-
2020	135,000	310,500	445,500	-	-	-
2021	130,000	305,200	435,200	-	-	-
2022 - 2026	7,565,000	1,041,100	8,606,100	-	-	-
Total	$ 8,095,000	$ 2,617,700	$ 10,712,700	$ 69,995	$ 815,005	$ 885,000

	2007 Advance Refunding Bonds					
Fiscal	Current Interest Bonds			Capital Appreciation Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2017	$ -	$ 356,887	$ 356,887	$ 93,619	$ 386,381	$ 480,000
2018	25,000	356,356	381,356	-	-	-
2019	1,425,000	325,544	1,750,544	-	-	-
2020	1,555,000	262,220	1,817,220	-	-	-
2021	1,690,000	193,262	1,883,262	-	-	-
2022 - 2023	3,810,000	162,825	3,972,825	-	-	-
Total	$ 8,505,000	$ 1,657,094	$ 10,162,094	$ 93,619	$ 386,381	$ 480,000

	2011 Advance Refunding Bonds					
Fiscal	Current Interest Bonds			Capital Appreciation Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2017	$ -	$ 31,950	$ 31,950	$ -	$ -	$ -
2018	1,065,000	15,975	1,080,975	48,955	131,045	180,000
Total	$ 1,065,000	$ 47,925	$ 1,112,925	$ 48,955	$ 131,045	$ 180,000

Fiscal	OASBO Note Payable			Energy Conservation Note		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2017	$ 69,000	$ 5,923	$ 74,923	$ 234,738	$ 105,362	$ 340,100
2018	71,000	3,613	74,613	241,952	98,148	340,100
2019	74,000	1,221	75,221	249,388	90,712	340,100
2020	-	-	-	257,052	83,048	340,100
2021	-	-	-	264,952	75,148	340,100
2022 - 2026	-	-	-	1,452,018	248,482	1,700,500
2027 - 2029	-	-	-	812,696	37,554	850,250
Total	$ 214,000	$ 10,757	$ 224,757	$ 3,512,796	$ 738,454	$ 4,251,250

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	2015 School Improvement Bonds		
Fiscal	Current Interest Bonds		
Year Ended	Principal	Interest	Total
2017	$ 535,000	$ 1,516,969	$ 2,051,969
2018	525,000	1,495,769	2,020,769
2019	510,000	1,480,169	1,990,169
2020	465,000	1,470,419	1,935,419
2021	420,000	1,461,569	1,881,569
2022-2026	1,690,000	7,186,419	8,876,419
2027-2031	6,810,000	6,410,844	13,220,844
2032-2036	8,620,000	4,930,128	13,550,128
2037-2041	11,215,000	2,736,188	13,951,188
2042-2044	8,110,000	463,686	8,573,686
Total	$ 38,900,000	$ 29,152,160	$ 68,052,160

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2016, are a voted debt margin of $18,550,714 (including available funds of $2,164,956) and an unvoted debt margin of $812,926.

NOTE 11 - LEASE PURCHASE AGREEMENT

During fiscal year 2016, the District entered into a $1,750,000 lease purchase agreement for improvements to the athletic facility. This lease meets the criteria of a capital lease as defined by accounting principles generally accepted in the United States of America which defines a capital lease generally as one which transfers the benefits and risks of ownership to the lessee at the conclusion of the lease term. Lease payments are shown as debt service expenditures in the building fund.

The general capital assets acquired by this lease purchase agreement has been capitalized in the governmental activities on the statement of net position in the amount of $1,351,895, all of which is included in construction in progress at June 30, 2016.

The following is a schedule of the future long-term minimum lease payments required under the lease agreement and the present value of the future minimum lease payments as of June 30, 2016:

NOTE 11 - LEASE PURCHASE AGREEMENT – (Continued)

Fiscal Year Ending June 30	Athletic Facility
2017	$ 401,914
2018	389,699
2019	377,484
2020	365,268
2021	178,054
Total minimum lease payments	1,712,419
Less: amount representing interest	(137,419)
Total	$ 1,575,000

NOTE 12 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees, with one or more years of service, earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service. Sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement varies by classification. Certified and non-certified staff entitled to receive four days per year for each of the last ten years of District service, plus an additional eleven days are added for each year in the last three years before retirement in which the teacher completed the year with their maximum days of accumulated, but unused sick leave. In addition, if the teacher completes their last six years of service with the maximum accumulated sick leave balance, they will receive an additional six days of severance. Administrative staff is entitled to the greater of 72 days or to receive eight days per year for each of the last four years of District service, plus one-fourth of their total accumulated sick leave.

NOTE 13 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; and natural disasters for which the District maintains comprehensive insurance with private carriers for real property, building contents, vehicles and general liability insurance. Vehicle policies include liability coverage for bodily injury and property damage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

B. Workers’ Compensation Rating Program

The District participates in the Bureau of Worker’s Compensation retrospective rating program. The District hired David Kaderavek of Kaderavek LP, LLC of Perrysburg, Ohio to serve as the administrator of the District’s program.

NOTE 13 - RISK MANAGEMENT - (Continued)

C. Employee Group Life, Medical/Surgical, Dental and Vision Insurance

The District has established an internal service "self-insurance" fund, in conjunction with a formalized risk management program, in an effort to minimize risk exposure and control claims and premium costs.

This self-insurance fund was established for the purpose of accumulating balances sufficient to self-insure basic medical coverage and permit excess umbrella coverage for claims over a pre-determined level. Board and employee premium contributions are determined by negotiated agreement. Amounts are paid into this fund from the general fund and certain nonmajor governmental funds. Claims payments are made on an as-incurred basis, thus no "reserve" remains with the insurance carrier.

Expenses for claims are recorded as other expenses when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment assumptions as determined by the third party administrator. These liabilities are reported at their present value of $547,344 at June 30, 2016 and are based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling claims.

Changes in claims activity for the 2016 and 2015 fiscal years are as follows:

Fiscal Year	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
2016	$ 525,900	$ 5,599,027	$ (5,577,583)	$ 547,344
2015	457,300	4,795,519	(4,726,919)	525,900

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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

The District's contractually required contribution to SERS was $810,893 for fiscal year 2016. Of this amount, $77,694 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The District's contractually required contribution to STRS was $3,191,420 for fiscal year 2016. Of this amount, $563,288 is reported as pension and postemployment benefits payable.

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

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

	SERS	STRS	Total
Proportionate share of the net pension liability	$ 10,931,415	$ 58,293,362	$ 69,224,777
Proportion of the net pension liability	0.19157430%	0.21092450%	
Pension expense	$ 760,801	$ 2,895,212	$ 3,656,013

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 174,636	$ 2,637,380	$ 2,812,016
Changes in proportionate share	188,605	2,612,493	2,801,098
District contributions subsequent to the measurement date	810,893	3,191,420	4,002,313
Total deferred outflows of resources	$ 1,174,134	$ 8,441,293	$ 9,615,427
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	$ 331,900	$ 3,806,890	$ 4,138,790
Total deferred inflows of resources	$ 331,900	$ 3,806,890	$ 4,138,790

$4,002,313 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2017	$ (61,915)	$ (171,146)	$ (233,061)
2018	(61,915)	(171,146)	(233,061)
2019	(61,913)	(171,149)	(233,062)
2020	217,084	1,956,424	2,173,508
Total	$ 31,341	$ 1,442,983	$ 1,474,324

Actuarial Assumptions - SERS

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

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

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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

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

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Changes Between Measurement Date and Report Date - In April 2016, the SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact on the District's net pension liability is expected to be significant.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	$ 15,157,945	$ 10,931,415	$ 7,372,329

Actuarial Assumptions - STRS

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	$ 80,973,877	$ 58,293,362	$ 39,113,604

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was $99,225.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were $99,225, $140,781, and $91,867, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

B. State Teachers Retirement System

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were $0, $0, and $212,253, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

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

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

(e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	General fund
Budget basis	$ 1,983,382
Net adjustment for revenue accruals	(4,187,862)
Net adjustment for expenditure accruals	144,773
Net adjustment for other sources/uses	71,103
Funds budgeted elsewhere	62,647
Adjustment for encumbrances	153,944
GAAP basis	$ (1,772,013)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund, the staff rotary fund, the learning day by day fund, the rotary services fund, the underground storage tank fund, the rotary special services fund, the technology insurance fund and the public school support fund.

NOTE 17 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the

NOTE 17 – CONTINGENCIES - (Continued)

grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

C. Foundation Funding

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

NOTE 18 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 131,501
Building	29,525,584
Other governmental	139,774
Total	$ 29,796,859

NOTE 19 - CONTRACTUAL COMMITMENTS

As of June 30, 2016, the District has commitments with the following company for the construction project.

Contractor	Contract Amount	Amount Paid as of June 30, 2016	Amount Remaining on Contract
Campbell, Inc.	$ 261,402	$ -	$ 261,402
Downey Plumbing	349,579	91,962	257,617
Gilbane Building Company	29,792,675	-	29,792,675
Harp Contractors, Inc.	862,742	88,405	774,337
Mel Lanzer Company	1,459,613	1,099,737	359,876
Regent Electric, Inc.	217,228	74,474	142,754
The Collaborative, Inc.	1,985,011	1,812,691	172,320
Miller Diversified	82,375	-	82,375

NOTE 19 - CONTRACTUAL COMMITMENTS – (Continued)

In addition to the amounts paid above, the District has recorded contracts payable in the amounts of $2,402,094 for costs incurred prior to fiscal year end on the construction project. Costs incurred by fiscal year end (including contracts payable) have been recorded as construction-in-progress in the District's capital assets (See Note 9).

NOTE 20 - SET-ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2015	$ -
Current year set-aside requirement	832,895
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(1,960,979)
Waiver granted by ODE	-
Prior year offset from bond proceeds	-
Total	$ (1,128,084)
Balance carried forward to fiscal year 2017	$ -
Set-aside balance June 30, 2016	$ -

In addition to the above statutory set-asides, the District had $1,270 in monies restricted for school bus purchases.

During fiscal year 2015, the District issued $38,900,000 in capital related school improvement bonds. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to $0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $38,900,000 at June 30, 2016.

NOTE 21 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources in the 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	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Materials and supplies inventory	$ -	$ -	$ 3,422	$ 3,422
Total nonspendable	-	-	3,422	3,422
Restricted:				
Debt service	-	-	2,164,956	2,164,956
Capital improvements	-	31,457,837	517,395	31,975,232
Food service operations	-	-	435,599	435,599
Non-public schools	-	-	16,440	16,440
Public school preschool	-	-	485	485
Extracurricular	-	-	582,077	582,077
School bus purchases	1,270	-	-	1,270
Other purposes	-	-	444,247	444,247
Total restricted	1,270	31,457,837	4,161,199	35,620,306
Committed:				
Capital improvements	-	-	435,500	435,500
Other purposes	11,000	-	-	11,000
Total committed	11,000	-	435,500	446,500
Assigned:				
Student instruction	112,265	-	-	112,265
Student and staff support	106,184	-	-	106,184
Uniform school supplies	61,604	-	-	61,604
Other purposes	276,814	-	-	276,814
Total assigned	556,867	-	-	556,867
Unassigned (deficit)	6,669,042	-	(191,569)	6,477,473
Total fund balances	$ 7,238,179	$ 31,457,837	$ 4,408,552	$ 43,104,568

NOTE 22 - SUBSEQUENT EVENTS

Pam Harrington was hired as Treasurer by the Board of Education starting on August 1, 2016.

On September 6, 2016, the District issued $14,690,000 in 2016 general obligation refunding bonds. The purpose of the issue is to currently refund a portion of the 2006 advance refunding bonds and a portion of the 2007 advance refunding bonds. The 2016 general obligation refunding bonds bear interest rates ranging from 1.5% - 5.0% and mature on December 1, 2025.

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS (1)

	2016	2015	2014
District's proportion of the net pension liability	0.19157430%	0.18665700%	0.18665700%
District's proportionate share of the net pension liability	$ 10,931,415	$ 9,446,604	$ 11,099,893
District's covered-employee payroll	$ 5,767,382	$ 5,423,874	$ 4,973,909
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	174.17%	223.16%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

(1) Information prior to fiscal year 2014 was unavailable.

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

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS (1)

	2016	2015	2014
District's proportion of the net pension liability	0.21092450%	0.19950196%	0.19950196%
District's proportionate share of the net pension liability	$ 58,293,362	$ 48,525,781	$ 57,803,593
District's covered-employee payroll	$ 22,006,436	$ 20,383,592	$ 20,289,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.89%	238.06%	284.90%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

(1) Information prior to fiscal year 2014 was unavailable.

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

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Contractually required contribution	$ 810,893	$ 760,141	$ 751,749	$ 688,389
Contributions in relation to the contractually required contribution	(810,893)	(760,141)	(751,749)	(688,389)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 5,792,093	$ 5,767,382	$ 5,423,874	$ 4,973,909
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%

2012	2011	2010	2009	2008	2007
$ 674,078	$ 656,140	$ 746,760	$ 778,000	$ 843,000	$ 781,000
(674,078)	(656,140)	(746,760)	(778,000)	(843,000)	(781,000)
$ -	$ -	$ -	$ -	$ -	$ -
$ 5,011,732	$ 5,219,889	$ 5,515,214	$ 7,906,504	$ 8,584,521	$ 7,312,734
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Contractually required contribution	$ 3,191,420	$ 3,080,901	$ 2,649,867	$ 2,637,570
Contributions in relation to the contractually required contribution	(3,191,420)	(3,080,901)	(2,649,867)	(2,637,570)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 22,795,857	$ 22,006,436	$ 20,383,592	$ 20,289,000
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

2012	2011	2010	2009	2008	2007
$ 2,696,972	$ 2,753,900	$ 2,757,490	$ 2,867,000	$ 2,754,000	$ 2,676,000
(2,696,972)	(2,753,900)	(2,757,490)	(2,867,000)	(2,754,000)	(2,676,000)
$ -	$ -	$ -	$ -	$ -	$ -
$ 20,745,938	$ 21,183,846	$ 21,211,462	$ 22,053,846	$ 21,184,615	$ 20,584,615
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

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

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

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

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal CFDA Number	Passed Through to Subrecipients	Total Federal Receipts	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553		$9,084	$9,084
National School Lunch Program	10.555			
Cash Assistance			282,839	282,839
Non- Cash Assistance (Food Distribution)			109,254	109,254
Total National School Lunch Program			392,093	392,093
Total Child Nutrition Cluster			401,177	401,177
Total U.S. Department of Agriculture			**401,177**	**401,177**
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Title I Grants to Local Educational Agencies - FY 15	84.010		5,197	12,164
Title I Grants to Local Educational Agencies - FY 16	84.010		162,234	182,006
Total Title I Grants to Local Educational Agencies			167,431	194,170
Special Education Cluster:				
Special Education_Grants to States - FY 15	84.027		105,237	146,438
Special Education_Grants to States - FY 16	84.027		634,444	634,441
Special Education_Preschool Grants	84.173	$11,301	11,301	11,301
Total Special Education Cluster			750,982	792,180
English Language Acquisition State Grants - FY 15	84.365		(5,645)	26
English Language Acquisition State Grants - FY 16	84.365		11,356	20,568
Total English Language Acquisition State Grants			5,711	20,594
Supporting Effective Instruction State Grant - FY 15	84.367		(3,837)	
Supporting Effective Instruction State Grant - FY 16	84.367		74,468	82,186
Total Supporting Effective Instruction State Grant			70,631	82,186
Total U.S. Department of Education			**994,755**	**1,089,130**
Total Expenditures of Federal Awards		**$11,301**	**$1,395,932**	**$1,490,307**

The accompanying notes are an integral part of this schedule.

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or 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. Negative amounts shown on the Schedule represent adjustments made in the normal course of business to amounts reported as receipts in prior years. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Education to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS – (Continued)

The District transferred the following amounts from 2015 to 2016 programs:

Program Title	CFDA Number	Amt. Transferred
English Language Acquisition State Grants	84.365	$ 5,645
Supporting Effective Instruction State Grant	84.367	3,837

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

Perrysburg Exempted Village School District
Wood County
140 East Indiana Avenue
Perrysburg, Ohio 43551

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 Perrysburg Exempted Village School District, Wood County, Ohio (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 24, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Dave Yost
Auditor of State

Columbus, Ohio

March 24, 2017

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

Perrysburg Exempted Village School District
Wood County
140 East Indiana Avenue
Perrysburg, Ohio 43551

To the Board of Education:

Report on Compliance for* the *Major Federal Program

We have audited Perrysburg 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 the District's major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

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www.ohioauditor.gov

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 the 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

Dave Yost
Auditor of State

Columbus, Ohio

March 24, 2017

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Material weakness for cash and investments not properly recorded.	Fully Corrected.	

Dave Yost · Auditor of State

PERRYSBURG 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
APRIL 6, 2017