



Dave Yost • Auditor of State

PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY

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Dave Yost • Auditor of State

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

Perry Local School District
Lake County
4325 Manchester Avenue
Perry, Ohio 44081

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2016-001 to be a significant deficiency.

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*.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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

December 21, 2016



Dave Yost • Auditor of State

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

Perry Local School District
Lake County
4325 Manchester Avenue
Perry, Ohio 44081

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Perry Local School District'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 Perry Local School 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, the Perry Local School District, Lake 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.

Report on Internal Control Over Compliance

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

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

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

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

Report on Federal Awards Expenditures Schedule Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Perry Local School District, Lake 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. We issued our unmodified report thereon dated December 21, 2016. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying federal awards expenditures schedule presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 21, 2016

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**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
<u>Child Nutrition Cluster:</u>		
School Breakfast Program	10.553	\$44,487
National School Lunch Program	10.555	223,069
National School Lunch Program - Non-Cash Assistance	10.555	44,682
Total - National School Lunch Program		<u>267,751</u>
Total U.S. Department of Agriculture/Child Nutrition Cluster		<u>312,238</u>
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education</i>		
Special Education Grants to States	84.027	81,505
Total - Special Education Grants to States		<u>319,340</u>
Total - Special Education Grants to States		<u>400,845</u>
Title I Grants to Local Educational Agencies	84.010	33,606
Total - Title I Grants to Local Educational Agencies		<u>122,232</u>
Total - Title I Grants to Local Educational Agencies		155,838
Carol M. White Physical Education Program	84.215F	160,720
Improving Teacher Quality State Grants	84.367	2,407
Enhancing Education through Technology (Ed-Tech) State Program	84.318	417,893
Total U.S. Department of Education		<u>1,137,703</u>
Total		<u>\$1,449,941</u>

The accompanying notes are an integral part of this schedule.

**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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

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

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

FINDING NUMBER 2016-001

Significant Deficiency – Cash Reconciliation

A necessary step in the internal control over financial reporting is to reconcile the bank balance to the accounting record's cash book balance. Bank reconciliation means accounting for the differences between the bank statement's balances and the cash and investment book balances according to the entity's records at a specific point in time. In order for the bank reconciliation to be an effective internal control, the bank reconciliation should be performed each month within a few days of receiving the entity's bank statements. All differences between the bank statement balances and accounting record balances should be identified, documented, and if necessary, adjusted to the accounting records immediately.

The District's June 30, 2016 bank reconciliation was not completed within a few days of receiving the year-end bank statements. Additionally, accounting errors identified, such as inadvertent overpayments of retirements withholdings, were not timely corrected within the accounting records.

As of December 2016, the June 30, 2016 bank reconciliation was not fully completed. At that time, the bank reconciliation showed a bank over book variance of \$9,241. Management believes \$8,816 of this difference relates to incorrectly recorded activity related to health care and pension payments. The remaining \$425 is believed by management to relate to errors within the payroll account outstanding checklist. The specific transactions comprising these errors, however, have yet to be identified and adjusted to the accounting records.

Failure to reconcile the District's bank accounts timely substantially increases the risk bank overdrafts, theft, and various accounting and financial statement errors.

The District should ensure bank to book reconciliations are performed monthly for all accounts. Any noted discrepancies should be promptly investigated, documented and corrected in the accounting records.

Officials' Response: The school district management understands the importance of cash reconciliation. The deficiency exists due to a transition of staff, the training and the errors that occurred during this learning curve period. As we continue to move forwards, the errors from the FY2016 year are being corrected in FY17, and appropriate staff will be monitoring the cash reconciliation process. In addition appropriate and current documentation is being made for the corrections of FY16, and the current reconciliation process for FY17.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY

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

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	The corrective action plan is to hire an accounting manager to perform the monthly cash reconciliation. The accounting manager is currently being trained and will assume those responsibilities immediately. Monthly details and documentation will be available.	Immediately	Lewis Galante, Treasurer

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2016

PERRY LOCAL SCHOOL DISTRICT,
LAKE COUNTY, OHIO

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

JAMES G. ZUPKA, CPA, INC.
5240 EAST 98TH STREET
GARFIELD HEIGHTS, OH 44125



INTRODUCTORY SECTION

Perry Local School District

Lake County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Issued By: Treasurer's Office – Lewis Galante, Chief Financial Officer

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Mission Statement

Inspire all students to achieve personal excellence, pursue world-class standards and be self-directed, lifelong learners.

December 21, 2016

Members of the Board of Education and
Residents of the Perry Local Schools

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Perry Local School District (the “School District”) for the fiscal year ended June 30, 2016. This CAFR includes an unmodified (“clean”) opinion from the Ohio Auditor of State’s office and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that is designed to present fairly the financial position of the School District for all operations. This report is intended to provide the taxpayers of Perry with the comprehensive financial data in a format that will enable them to gain a transparent understanding of the School District’s financial operations. Copies of the CAFR will be made available to the Perry Public Library, major taxpayers, other interested parties, and on the School District’s web site.

The School District

The Perry Local School District is located in a residential/agricultural suburban community in eastern Lake County approximately thirty-five miles east of Cleveland. The School District is comprised of three separate communities, including Perry Village, Perry Township, and North Perry Village.

Within the three communities, the School District educates 1,722 students in grades K-12 or over 95 percent of all school-age children within its jurisdiction. During the reporting period, the School District is comprised of one high school (grades 9-12), one middle school (grades 5-8) and one primary school (grades K-4). The three schools are contained in three buildings and are under one roof as part of an interconnected educational campus via a one-quarter mile corridor. Beyond the main campus, the School District owns two other school buildings, a transportation facility, and a maintenance facility. The appraised value of all School District properties (including land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks) is \$172,923,459 (net of depreciation) as of June 30, 2016.

The legislative power of the School District rests with the School District’s Board of Education which is comprised of five members elected on staggered four-year terms. The School District operates in accordance with the rules, regulations, policies, and/or laws provided by the Ohio State Board of Education, the Ohio Department of Education, and Ohio Revised Code.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34. In evaluating how to define the School District for financial reporting purposes, management has considered its relationship with all departments, boards, and agencies that make up the School District. For the School District, this includes general operations, food service, and student-related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District has no component units.

The School District participates in three (3) jointly governed organizations and is associated with an insurance purchasing pool and a claims servicing pool. These organizations are the Ohio Schools Council Association, the Lake Geauga Computer Association (LGCA), the Auburn Career Center, the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), and the Health Care Benefits Program (HCBP) of Lake County Schools Council. These organizations are presented in Notes 18, 19, and 20 to the basic financial statements.

Organizational Structure

The School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected Board of Education consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as mandated by State and federal agencies.

The School District is located in Perry Village, Lake County, Ohio, and serves students legally residing in Perry Village, Perry Township, and North Perry Village. The area extends roughly 24 square miles. The School District is staffed by 100 non-teaching personnel, 136 certified/licensed teachers (including tutors), 18 exempt employees, and 11 administrative employees to provide services to the students, their parents/guardians, and our communities at large. The School District operates one elementary school (K-4), one middle school (5-8) and one high school (9-12).

Economic Condition and Outlook

Ohio House Bill 920, passed in 1976, provides that the assessed value of residential and commercial property will not be changed more than once every three years, and that the property tax bill of the average homeowner for voted millage will not be increased as a result of reappraisal or readjustment. Due to this, school districts have needed to pursue a cycle of levies to continue revenue growth to cover even inflationary changes to expenses. The result of this legislation limits growth in local revenue.

Since the inception of the Perry Nuclear Power Plant, the School District has not needed to solicit a tax levy from its communities. However, as the power plant converts real property to personal property, and as personal property depreciates, the total valuation of the School District has eroded, and residential landowners have taken on a greater share of the tax burden. Additionally, with the enactment of deregulation legislation in 2001, revenue associated to this has shifted from the local side of property tax to the state side in the form of a public utility reimbursement. The School District has been and will continue to be in cost containment and reduction mode as the current economic conditions have reduced property growth to negligible amounts.

The School District's enrollment has remained relatively stable throughout the last decade, fluctuating only by about three percent, and is projected to remain relatively stable in census data available for the future. As a result, additional revenue from the State of Ohio will be minimal given the current formula utilized to calculate State aid.

School District Local Funding

School District management will carefully control expenses during the coming years to continue to assure that revenues are adequate and spent in a fiscally responsible manner. Since 2007, the financial cycles illustrate that the School District has reduced approximately \$6 million in annual spending as determined since the FY2007 Five-Year Forecast. Moving forward, in the 2017 school year, we will continue to maintain our cost per pupil goal, while also ensuring that School District expenditures do not exceed revenue generated. This will become more challenging beginning in FY2017 as the district anticipates losing about 4% of revenue due to state reductions. Additionally, current law provides for further reductions of 2% of revenue in subsequent years.

Major Initiatives

The School District has completed many initiatives over the past five years, including a Grade 5-12 Chromebook adoption, a paving overhaul of the district roadways and parking lots, a technology infrastructure upgrade to supply 10GB capacity throughout the district, and outdoor fitness projects. Over the next year, the district will look at replacing turf and track at the athletic complex. This will be set for a replacement in FY18. Also, the district is changing out and updating controls to the HVAC system due to those controls being nearly 25 years old. Further down the road, the district will be looking at roof repairs and replacements – due to the ages of the current roofs. These initiatives are not planned until 2020 or beyond. The school district maintains a funded capital projects fund to pay for these projects.

Federal Projects

The School District files applications for federal funds electronically utilizing the Consolidated Local Plan. This allows the Director of Curriculum to coordinate the application of the goals of the Comprehensive Continuous Improvement Plan. The School District continues to apply for all federal funds that the School District is eligible to receive. This includes Title I, Title II-A, Title II-D, Title IV, and Title VI-D. The School District adheres to the specific requirements associated to spending the federal dollars received.

Additionally, the School District has received four competitive grants from the federal government, the Carol M. White Physical Fitness Grant and three 21st Century grants. These four grants total over \$4 million and are all currently supplementing curriculum and physical fitness to all students in the School District.

Educational Programs and Facilities Improvement

The School District maintains a Permanent Improvement Fund for the purpose of maintaining the School District's facilities and making necessary improvements when and where applicable. As of June 30, 2016, the cash balance of the Permanent Improvement Fund was \$13,310,466. As the School District moves forward, these funds will pay for capital expenses throughout the School District and its facilities.

Financial Information

Internal Accounting and Budgetary Control

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

The School District utilizes an automated accounting and payroll system as designed by the State software development team. An internal controls system for capital assets is provided by an outside company. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

Prior to the start of each fiscal year, the Board of Education adopts an appropriation measure for that fiscal year. The Board has the ability to adopt temporary appropriations prior to September 30 if permanent appropriations are not yet available. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor certifies that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. Budgets are controlled at the fund level. All purchase order requests must be approved by the administrator responsible for that specific budget and the Superintendent before being certified by the Chief Financial Officer. Once completed, necessary funds are encumbered and purchase orders are released to vendors for processing. Requests that exceed the available appropriation are rejected until additional appropriations are secured via authorized budget transfer.

The Perry Board of Education approves all financial reports on a monthly basis.

Long-term Financial Planning

The Five-Year Forecast of Revenue and Expenditures serves as a financial planning tool and the foundation for academic and business operations of the School District. The forecast provides the Board and community stakeholders with a blueprint addressing the financial needs required to serve the student population. Assumptions are an integral part of the forecast and represent what the School District believes are significant factors impacting the forecast. A key component of the forecast is the timeline for the School District to evaluate revenues and expenditures and the increase or decrease in unrestricted fund balances over the next five years. An in-depth review and analysis of the Five-Year Forecast is performed annually.

Relevant Financial Policies

The School District maintains a policy to replace textbooks, technology, necessary supplies, vehicles and maintenance of the School District’s facilities on a regular basis in a cost efficient manner. Such replacement is provided for in both the general and capital projects fund. The Board of Education has maintained a cash position in the Capital Projects fund of at least \$12 million to provide for such future issues related to facility maintenance and technology.

Independent Audit

State statute requires the School District to be audited at least every two fiscal years by an independent auditor. An annual audit serves to maintain and strengthen the School District’s accounting and budgetary controls. The Ohio Auditor of State’s office rendered an opinion on the School District’s financial statements as of and for the year ended June 30, 2016. The opinion appears at the beginning of the financial section of this report.

Acknowledgments

The publication of this Comprehensive Annual Financial Report is a significant step toward providing a transparent financial disclosure to the citizens of Perry and raising the professional standards for Perry Local School District’s financial reporting.

It is the intent of this CAFR to enhance accountability of the School District’s finances for the residents and provide School District stakeholders with a perspective of the School District’s financial and demographic information.

Special appreciation is expressed to James G. Zupka, CPA, Inc. for assistance in the planning, designing and review of this financial report and the Perry Local School District’s Finance Department support staff for researching and compiling data.

Finally, a sincere appreciation is extended to the five members of the School District’s Board of Education for their ongoing support, feedback, and direction in governing the Perry Local School District.

Respectfully submitted,



Lewis Galante, Chief Financial Officer



Dr. Jack Thompson, Superintendent



Government Finance Officers Association

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

Presented to

**Perry Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

PRINCIPAL OFFICIALS

JUNE 30, 2016

BOARD OF EDUCATION

Mr. Matt FarrellPresident
Mr. Mark Welch..... Vice President
Mrs. Tippi Foley Member
Mrs. Ashley Hacking Member
Mr. Andrew Roberts Member

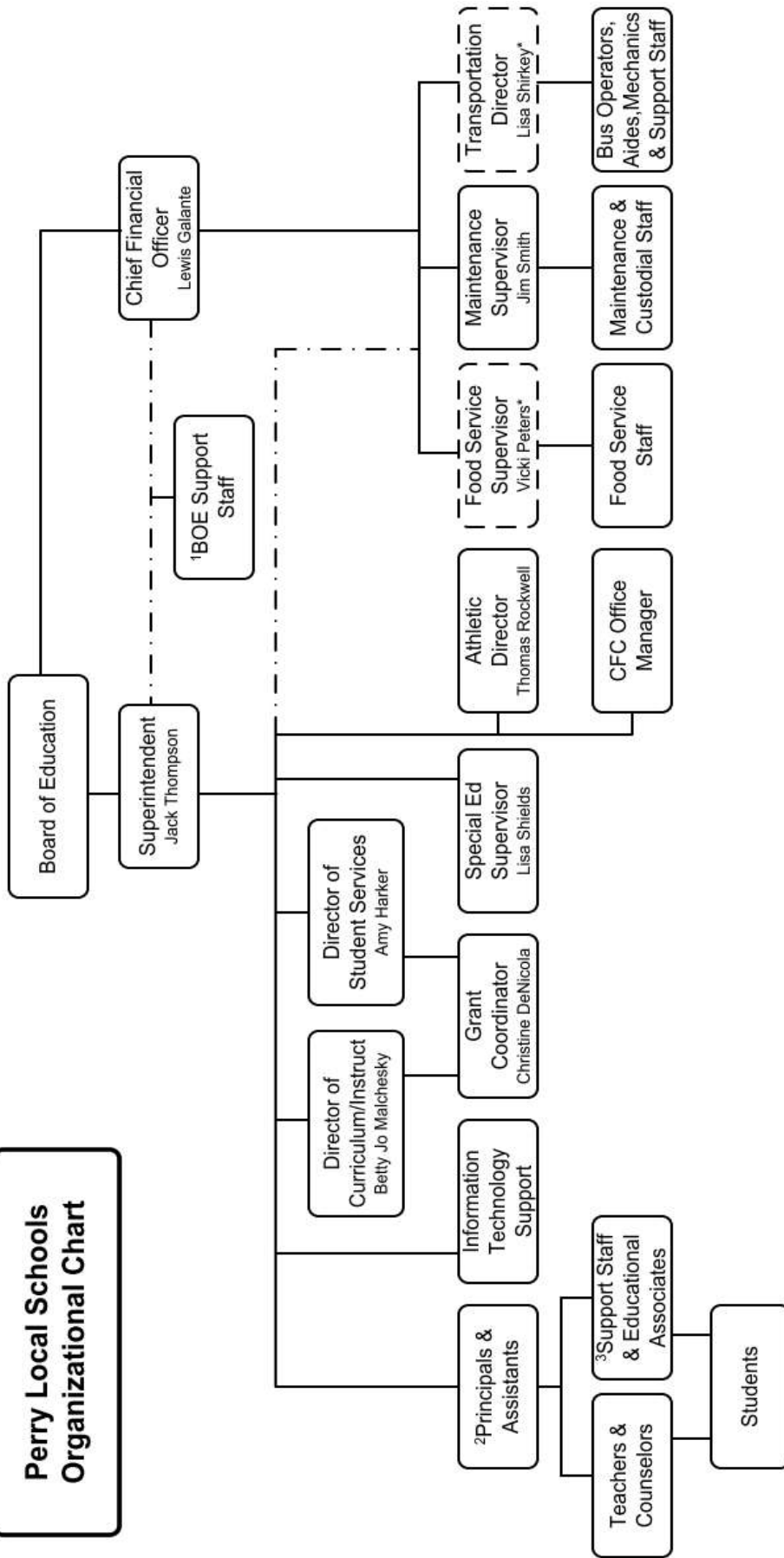
CHIEF FINANCIAL OFFICER

Mr. Lewis Galante

ADMINISTRATION

Dr. Jack Thompson Superintendent
Dr. Betty Jo Malchesky..... Director of Curriculum and Instruction
Mrs. Amy Harker Director of Student Services & College and Career Readiness

Perry Local Schools Organizational Chart



- ¹BOE Support Staff**
Ann Auceili (Secretary to Director of Student Services)
Lori Bastian (Receptionist/Benefits)
Judy Church (Office Manager)
Gina Deas (Secretary to Superintendent)
Tarilyn Dodaro (AP/AR)
Lori Langan (Secretary to Director of Curriculum & Instruction)
Robin Naughton (EMIS, Infinite Campus)
Trish Shrocco (Payroll)
- ²Principals**
Perry High School Principal, Todd Porcello
Perry High School Assistant Principal, Scott Niedzwiecki
Perry Middle School Principal, Robert Knisely
Perry Middle School Assistant Principal, Colleen Blaurack
Perry Elementary School Principal, Arianna Neading
Perry Elementary School Assistant Principal, Michael Brewer
- ³School Building Support Staff**
Suzanne Tetonis/Deana Scarano
Lynn Gossett/Patrice Carroll
Eileen Page/Sue Pike

June 30, 2016

*Contractor

FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Perry Local School District
Lake County
4325 Manchester Avenue
Perry, Ohio 44081

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Lake County, Ohio, (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Lake 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 introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 21, 2016

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Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2016

(Unaudited)

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

Financial Highlights

Key financial highlights for 2016 are as follows:

- In total, net position decreased by \$433,391 or by 1.3 percent.
- General revenues accounted for \$25,648,910 or 90.8 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,582,986 or 9.2 percent of total revenues of \$28,231,896.
- Total assets of governmental activities decreased by \$328,930 when compared to prior year. This decrease is mainly attributed to decreases in capital assets, which was offset by an increase in current and other assets. Total liabilities increased by \$2,535,893 when compared to prior year. This increase can mostly be attributed to an increase in net pension liability (further discussed in Note 13).
- The School District had \$28,665,287 in expenses related to governmental activities; only \$2,582,986 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes and grants and entitlements) of \$25,648,910 were unable to fully provide for these programs, resulting in the net position decrease.
- Among major funds, the general fund had \$24,893,276 in revenues (including other financing sources) and \$24,125,614 in expenditures (including other financing uses). The general fund's fund balance increased to \$20,539,253 from \$19,771,591. The permanent improvement capital projects fund increased its fund balance to \$13,295,006 from \$12,755,609.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School 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 School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide 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 School District's most significant funds, with all other nonmajor funds presented in total in one column.

In the case of the School District, the general fund is by far the most significant fund with the most activity. Additionally, the permanent improvement capital projects fund is significant due to the savings for future construction projects.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities, the view of the School 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 non-fiduciary assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School 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 School District’s property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors. On the other hand, financial factors may include the School District’s financial position, liquidity and solvency, fiscal capacity and risk and exposure.

In the Statement of Net Position and Statement of Activities, the School District’s activities are classified as governmental activities:

- Governmental Activities - Most of the School District’s programs and services are reported here including instruction, supporting services, operation of non-instructional services and extracurricular activities.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 11. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the general fund and the permanent improvement fund.

Governmental Funds Most of the School 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 statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps 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 financial statements.

Perry Local School District, Lake County

Proprietary Funds The School District maintains one proprietary fund. Internal Service funds are an accounting device used to accumulate and allocate costs internally to the School District's various functions. The School District uses an Internal Service fund to account for its medical and dental insurance programs. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2016 compared to 2015:

Table 1 - Net Position

	Governmental Activities	
	2016	2015
ASSETS		
Current and Other Assets	\$ 52,979,880	\$ 50,859,460
Capital Assets, net	35,727,749	38,177,099
Total Assets	88,707,629	89,036,559
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	3,466,359	2,403,666
Total Deferred Outflows of Resources	3,466,359	2,403,666
LIABILITIES		
Current and Other Liabilities	2,900,256	3,027,007
Long-term Liabilities:		
Due within one year	247,996	682,995
Due in more than one year:		
Net Pension Liability	36,228,268	33,010,416
Other Amounts	3,130,959	3,251,168
Total Liabilities	42,507,479	39,971,586
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	13,559,724	12,261,538
Pensions	3,263,928	5,930,853
Total Deferred Inflows of Resources	16,823,652	18,192,391
NET POSITION		
Net Investments in		
Capital Assets	35,633,136	37,773,599
Restricted	14,729,034	14,276,248
Unrestricted	(17,519,313)	(18,773,599)
Total Net Position	\$ 32,842,857	\$ 33,276,248

In 2015, the School 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 School District’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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 School 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 School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *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 School District’s statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan’s *change* in net pension liability not accounted for as deferred inflows/outflows.

Perry Local School District, Lake County

Total assets decreased by \$328,930. Capital assets decreased by \$2,449,350 due to the annual depreciation expenses exceeding current year capital additions, which was offset by an increase in current and other assets of \$2,120,420. Current and other assets increased mainly due to the increase in cash and cash equivalents and property taxes receivable.

Total liabilities increased by \$2,535,893. The change in the School District's liabilities can mainly be attributed to the current change in the total net pension liability determined by the School Pension Systems in Ohio.

Table 2 shows the changes in net position for fiscal year 2016 and 2015.

Table 2 - Change in Net Position

	Governmental Activities	
	2016	2015
REVENUES		
Program Revenues:		
Charges for Services	\$ 1,121,485	\$ 1,092,798
Operating Grants and Contributions	1,461,501	1,668,665
Total Program Revenues	<u>2,582,986</u>	<u>2,761,463</u>
General Revenues:		
Property Taxes	14,018,791	14,438,357
Grants and Entitlements	10,878,115	10,776,111
Investment Income	438,236	248,895
All Other Revenues	313,768	365,159
Total General Revenues	<u>25,648,910</u>	<u>25,828,522</u>
Total Revenues	<u>28,231,896</u>	<u>28,589,985</u>
EXPENSES		
Program Expenses:		
Instruction	15,843,087	16,566,009
Supporting Services:		
Pupils and Instructional Staff	3,271,256	2,867,943
Board of Education, Administration, Fiscal Services, and Business	2,493,388	2,483,182
Operation and Maintenance of Plant	3,594,086	4,020,021
Pupil Transportation	1,022,833	1,374,845
Central	26,164	23,573
Operation of Non-Instructional Services	1,155,521	1,356,702
Extracurricular Activities	1,239,471	1,242,401
Interest and Fiscal Charges	19,481	30,175
Total Expenses	<u>28,665,287</u>	<u>29,964,851</u>
Change in Net Position	(433,391)	(1,374,866)
Net Position - Beginning of Year	<u>33,276,248</u>	<u>34,651,114</u>
Net Position - End of Year	<u>\$ 32,842,857</u>	<u>\$ 33,276,248</u>

Governmental Activities

Total revenues decreased by \$358,089 or 1.3 percent as compared to fiscal year 2015. This decrease is most noticeable in property taxes.

Total expenses decreased \$1,299,564 or 4.3 percent due mainly to a decrease in instruction, pupils and operation and maintenance expenses. The decrease is mainly attributed to retirements in teaching staff that were not replaced, and a planned reduction to spending attributed to known revenue reductions.

The School District has carefully planned its financial future by forecasting its revenue and expenses over the next five years. In May 2016, the School District submitted its revised five-year forecast to the Ohio Department of Education. Based upon the current five-year financial forecast, the School District has adequate operating funds for each of the next five years. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some costs which made up 43.7 percent of revenues.

The School District's dependence upon property taxes is hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 49.7 percent of revenues for governmental activities for the School District in fiscal year 2016.

Instruction comprises 55.3 percent of governmental program expenses. Supporting Services for pupils, instructional staff, and business operations encompasses an additional 36.3 percent. The remaining program expenses of 8.4 percent are expensed to facilitate other obligations of the School District, such as non-instructional services, extracurricular activities, and interest and fiscal charges.

The Statement of Activities shows the cost of program services and the charges for services and operating grants and contributions offsetting those services for 2016 and 2015. Table 3 shows the total cost for services for governmental activities and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3 - Governmental Activities

	Total Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2016	Net Cost of Services 2015
Instruction	\$ 15,843,087	\$ 16,566,009	\$ 15,091,140	\$ 15,442,503
Supporting Services:				
Pupils and Instructional Staff	3,271,256	2,867,943	2,993,357	2,632,965
Board of Education, Administration, Fiscal Services, and Business	2,493,388	2,483,182	2,403,635	2,452,013
Operation and Maintenance of Plant	3,594,086	4,020,021	3,594,086	4,020,021
Pupil Transportation	1,022,833	1,374,845	998,139	1,351,849
Central	26,164	23,573	26,164	23,573
Operation of Non-Instructional Services	1,155,521	1,356,702	28,951	262,892
Extracurricular Activities	1,239,471	1,242,401	927,348	987,397
Interest and fiscal charges	19,481	30,175	19,481	30,175
Total cost of service	\$ 28,665,287	\$ 29,964,851	\$ 26,082,301	\$ 27,203,388

The dependence upon tax revenues for governmental activities is apparent. 91.0 percent of expenses are supported through taxes and other general revenues. The community, as a whole, is by far the primary support for the School District's students.

The School District's Funds

Information about the School District's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$29,511,985 (including other financing sources) and expenditures of \$28,481,146 (including other financing uses). The net change in fund balance for the year in the general fund experienced an increase of \$767,662 due to increases in property taxes coupled with decreases in various expenditures. In the permanent improvement capital projects fund, the net change in fund balance for the year increased \$539,397 due to a decrease in capital outlay expenditures.

General Fund Budgeting Highlights

The School 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 School District did not have to amend its general fund budget. Possible fluctuations among the budget base expenditure categories are due to the School District site-based style of budgeting that is designed to tightly control expenditures but provide flexibility for managers to redirect funds as conditions develop during the year.

For the general fund, final budget basis revenue was \$23,649,868 (including other financing sources), which equaled the original budget estimate. Overall revenue received by the general fund was greater than the final budgetary projections by \$1,257,702 or 5.3 percent. Of this difference, a majority of the amount was due to the School District's real estate tax revenues and the collection of delinquent taxes coupled with intergovernmental revenues being more than anticipated.

The final appropriations of \$26,870,000 (including other financing uses and prior year's encumbrances) were equal to the original appropriations. Actual expenditures plus outstanding encumbrances for the year were \$2,117,901 or 7.9 percent under general fund revised budgetary projections.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2016, the School District had \$35,727,749 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks in governmental activities.

Table 4 shows fiscal 2016 balances compared to 2015:

Table 4 - Capital Assets at June 30, (Net of Depreciation)

	Governmental Activities	
	2016	2015
Land	\$ 1,200,000	\$ 1,200,000
Construction in progress	213,964	156,564
Land Improvements	1,674,970	1,650,021
Buildings and Improvements	30,510,875	32,794,163
Furniture and Equipment	1,365,161	1,530,405
Vehicles	735,193	818,360
Library and Textbooks	27,586	27,586
Total Net Capital Assets	\$ 35,727,749	\$ 38,177,099

Overall, the capital assets decreased by \$2,449,350 when compared to 2015 capital asset balances. The primary decrease occurred in buildings and improvements as a result of the annual depreciation expense exceeding any capital outlays.

During fiscal year 2016, the School District added \$536,140 to capital assets. The significant additions to capital assets were made to construction in progress, land improvements, furniture and equipment and vehicles. See Note 11 for additional information on capital assets.

Debt

At June 30, 2016, the School District had \$94,613 in debt outstanding. Table 5 summarizes the School District's debt outstanding.

Table 5 - Outstanding Debt at June 30,

	Governmental Activities	
	2016	2015
2006 Energy Conservation Note	\$ -	\$ 254,842
Capital Leases	94,613	148,658
Total Outstanding Debt	\$ 94,613	\$ 403,500

In prior fiscal years, the District issued two capital leases for the purchase of various copiers and related equipment. Both leases will mature in fiscal year 2018.

See Notes 16 and 17 for additional information on the School District's long-term debt activity.

School District's Outlook

The School District has a strong financial position. The Board of Education and the administration closely monitor the School District's revenues and expenditures in accordance with its financial forecast and the School District's Continuous Improvement Plan.

The School District's financial future is not without challenges, though. The nature of school funding in Ohio severely restricts the growth in the School District's operating revenues and requires the School District to periodically seek additional funds from the taxpayers to offset rising operating costs.

In June 1999, the Ohio General Assembly passed Senate Bill 3 to deregulate the electric utility industry in Ohio. Under this legislation, the assessment rate on electric utility property was dramatically reduced but the School District will remain revenue neutral due to the Property Tax Replacement Fund. This fund derives its revenue from a special user's tax on electricity. The School District received approximately \$9 million last year from this source.

Financial aid from the State of Ohio through the State Foundation Program has not been the major source of operating revenue for the School District. Because the School District is considered a wealthy School District in terms of property values, it receives a relatively small amount of revenue from the State to fund operating expenditures.

As a result of the challenges mentioned above, the School District's administration continues to carefully plan its expenditures to provide adequate resources to meet student needs over the next several years. The administration and the School District's Task Force are currently reviewing all programs and services provided to students with the goal of reducing operating costs.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Lewis Galante, Chief Financial Officer at Perry Local School District, 4325 Manchester Road, Perry, Ohio 44081.

Basic Financial Statements

Statement of Net Position

June 30, 2016

	Governmental Activities
ASSETS	
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 37,269,523
Property Taxes Receivable	14,925,533
Accounts Receivable	35,279
Accrued Interest Receivable	71,546
Intergovernmental Receivable	383,686
Due from Agency Fund	7,090
Materials and Supplies Inventory	215,720
Prepaid Items	13,338
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	58,165
Nondepreciable Capital Assets	1,413,964
Depreciable Capital Assets, Net	34,313,785
Total Assets	88,707,629
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	3,466,359
Total Deferred Outflows of Resources	3,466,359
LIABILITIES	
Accounts Payable	470,870
Contracts Payable	41,268
Accrued Wages and Benefits	1,988,837
Intergovernmental Payable	392,881
Retainage Payable	6,400
Long-term Liabilities:	
Due within one year	247,996
Due in more than one year:	
Net Pension Liability (See Note 13)	36,228,268
Other amounts due in more than one year	3,130,959
Total Liabilities	42,507,479
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	13,559,724
Pensions	3,263,928
Total Deferred Inflows of Resources	16,823,652
NET POSITION	
Net Investment in Capital Assets	35,633,136
Restricted:	
Capital Projects	13,295,145
School Bus Purchase	58,165
State Funded Programs	39,388
Federally Funded Programs	3,704
Student Activities	57,224
Community Fitness Center	397,328
Other Purposes	878,080
Unrestricted	(17,519,313)
Total Net Position	\$ 32,842,857

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

Statement of Activities

For the Fiscal Year Ended June 30, 2016

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 13,083,802	\$ 15,488	\$ 345,717	\$ (12,722,597)
Special	1,439,984	7,674	293,349	(1,138,961)
Vocational	43,057	-	-	(43,057)
Other	1,276,244	-	89,719	(1,186,525)
Supporting Services:				
Pupils	1,463,185	-	-	(1,463,185)
Instructional Staff	1,808,071	-	277,899	(1,530,172)
Board of Education	70,615	-	-	(70,615)
Administration	1,598,862	-	89,753	(1,509,109)
Fiscal Services	672,998	-	-	(672,998)
Business	150,913	-	-	(150,913)
Operation and Maintenance of Plant	3,594,086	-	-	(3,594,086)
Pupil Transportation	1,022,833	3,152	21,542	(998,139)
Central	26,164	-	-	(26,164)
Operation of Non-Instructional Services:				
Food Service Operations	832,593	460,539	325,804	(46,250)
Community Services	322,928	339,857	370	17,299
Extracurricular Activities	1,239,471	294,775	17,348	(927,348)
Interest and Fiscal Charges	19,481	-	-	(19,481)
Total Governmental activities	\$ 28,665,287	\$ 1,121,485	\$ 1,461,501	(26,082,301)
 General Revenues:				
Property Taxes levied for:				
General Purposes				13,095,018
Other Purposes				923,773
Grants & Entitlements not restricted to specific programs				10,878,115
Investment Income				438,236
All Other Revenues				313,768
Total General Revenues				25,648,910
Change in Net Position				(433,391)
Net Position - Beginning of Year				33,276,248
Net Position - End of Year				\$ 32,842,857

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Balance Sheet
Governmental Funds**

June 30, 2016

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 21,706,376	\$ 13,310,466	\$ 1,577,907	\$ 36,594,749
Materials and Supplies Inventory	199,245	-	16,475	215,720
Accrued Interest Receivable	45,738	25,808	-	71,546
Accounts Receivable	35,279	-	-	35,279
Due from Agency Fund	7,090	-	-	7,090
Interfund Receivable	441,700	-	-	441,700
Intergovernmental Receivable	44,068	-	339,618	383,686
Prepaid Items	13,338	-	-	13,338
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	58,165	-	-	58,165
Property Taxes Receivable	13,862,498	-	1,063,035	14,925,533
Total Assets	\$ 36,413,497	\$ 13,336,274	\$ 2,997,035	\$ 52,746,806
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 237,238	\$ -	\$ 233,632	\$ 470,870
Contracts Payable	-	41,268	-	41,268
Accrued Wages and Benefits	1,773,591	-	215,246	1,988,837
Intergovernmental Payable	349,754	-	43,127	392,881
Retainage Payable	-	-	6,400	6,400
Interfund Payable	-	-	441,700	441,700
Total Liabilities	2,360,583	41,268	940,105	3,341,956
Deferred Inflows of Resources:				
Property Taxes	12,603,137	-	956,587	13,559,724
Unavailable Revenues - Delinquent Property Taxes	866,456	-	55,586	922,042
Unavailable Revenues - Grants	-	-	294,108	294,108
Unavailable Revenues - Other	44,068	-	-	44,068
Total Deferred Inflows of Resources	13,513,661	-	1,306,281	14,819,942
Fund Balances:				
Nonspendable	212,583	-	16,475	229,058
Restricted	58,165	-	1,455,079	1,513,244
Committed	577,826	-	-	577,826
Assigned	2,570,338	13,295,006	-	15,865,344
Unassigned (Deficit)	17,120,341	-	(720,905)	16,399,436
Total Fund Balances	20,539,253	13,295,006	750,649	34,584,908
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 36,413,497	\$ 13,336,274	\$ 2,997,035	\$ 52,746,806

See accompanying notes to the basic financial statements.

**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities**

June 30, 2016

Total Governmental Fund Balances \$ 34,584,908

*Amounts reported for Governmental Activities in 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. 35,727,749

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

Delinquent property taxes	\$	922,042	
Grants		294,108	
Other		<u>44,068</u>	
Total			1,260,218

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

Deferred Outflows - Pension		3,466,359	
Deferred Inflows - Pension		(3,263,928)	
Net Pension Liability		<u>(36,228,268)</u>	
Total			(36,025,837)

Internal Service funds are used by management to charge the costs
of certain activities, such as insurance to individual funds. The assets
and liabilities of the District's Internal Service funds are included in
Governmental Activities in the Statement of Net Position. 674,774

Long-term liabilities, including capital leases, are not due and payable in
the current period and therefore are not reported in the funds:

Capital leases		(94,613)	
Compensated absences		<u>(3,284,342)</u>	
Total			<u>(3,378,955)</u>

Net Position of Governmental Activities **\$ 32,842,857**

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Fiscal Year Ended June 30, 2016

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 13,137,010	\$ -	\$ 919,863	\$ 14,056,873
Intergovernmental	10,840,965	-	1,486,403	12,327,368
Interest Income	291,238	146,998	-	438,236
Tuition	23,162	-	-	23,162
Extracurricular Activities	127,460	-	146,396	273,856
Charges for Services	-	-	134,209	134,209
Contributions and Donations	8,306	-	67,669	75,975
Transportation Fees	3,152	-	-	3,152
Classroom Materials and Fees	17,814	-	-	17,814
Food Services	-	-	460,539	460,539
All Other Revenues	444,169	-	34,632	478,801
Total Revenues	<u>24,893,276</u>	<u>146,998</u>	<u>3,249,711</u>	<u>28,289,985</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	9,985,732	-	1,076,344	11,062,076
Special	1,391,085	-	101,208	1,492,293
Vocational	42,910	-	-	42,910
Other	964,293	-	331,513	1,295,806
Supporting Services:				
Pupils	1,372,242	-	112,106	1,484,348
Instructional Staff	1,402,083	-	411,489	1,813,572
Board of Education	70,935	-	-	70,935
Administration	1,537,697	-	148,165	1,685,862
Fiscal Services	650,121	-	34,114	684,235
Business	150,300	-	104	150,404
Operation and Maintenance of Plant Services	3,407,013	-	-	3,407,013
Pupil Transportation	926,412	84,799	49,861	1,061,072
Central	26,164	-	-	26,164
Operation of Non-Instructional Services:				
Food Service Operations	-	-	925,381	925,381
Community Services	1,023	-	260,050	261,073
Extracurricular Activities	919,575	-	285,373	1,204,948
Capital Outlay	-	260,519	-	260,519
Debt Service:				
Principal Retirement	42,157	254,842	11,888	308,887
Interest and Fiscal Charges	13,872	7,441	335	21,648
Total Expenditures	<u>22,903,614</u>	<u>607,601</u>	<u>3,747,931</u>	<u>27,259,146</u>
Excess of Revenues Over (Under) Expenditures	<u>1,989,662</u>	<u>(460,603)</u>	<u>(498,220)</u>	<u>1,030,839</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,000,000	222,000	1,222,000
Transfers Out	(1,222,000)	-	-	(1,222,000)
Total Other Financing Sources (Uses)	<u>(1,222,000)</u>	<u>1,000,000</u>	<u>222,000</u>	<u>-</u>
Net Change in Fund Balances	767,662	539,397	(276,220)	1,030,839
Fund Balances - Beginning of Year	19,771,591	12,755,609	1,026,869	33,554,069
Fund Balances - End of Year	<u>\$ 20,539,253</u>	<u>\$ 13,295,006</u>	<u>\$ 750,649</u>	<u>\$ 34,584,908</u>

See accompanying notes to the basic financial statements.

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 \$ 1,030,839

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. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	\$ 379,576	
Depreciation	<u>(2,823,047)</u>	
Total		(2,443,471)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (5,879)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	(38,082)	
Grants	(63,727)	
Other	<u>44,068</u>	
Total		(57,741)

Repayment of notes and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. 308,887

Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows. 2,062,733

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities. (1,550,967)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated absences	246,321	
Accrued interest	<u>2,167</u>	
Total		248,488

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service fund are reported in the Governmental Activities. (26,280)

Change in Net Position of Governmental Activities \$ (433,391)

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
General Fund
For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 12,524,868	\$ 12,524,868	\$ 13,455,620	\$ 930,752
Intergovernmental	10,544,157	10,544,157	10,852,511	308,354
Interest Income	175,442	175,442	180,573	5,131
Tuition	22,504	22,504	23,162	658
Transportation Fees	3,062	3,062	3,152	90
All Other Revenues	379,835	379,835	392,552	12,717
Total Revenues	<u>23,649,868</u>	<u>23,649,868</u>	<u>24,907,570</u>	<u>1,257,702</u>
Expenditures				
Current:				
Instruction				
Regular	11,357,745	11,357,745	10,214,532	1,143,213
Special	1,573,375	1,573,375	1,458,276	115,099
Vocational	49,163	49,163	44,476	4,687
Other	1,059,830	1,059,830	957,389	102,441
Supporting Services				
Pupils	1,507,931	1,507,931	1,389,753	118,178
Instructional Staff	1,583,743	1,583,743	1,446,971	136,772
Board of Education	79,674	79,674	71,261	8,413
Administration	1,696,411	1,696,411	1,552,432	143,979
Fiscal Services	713,373	713,373	643,649	69,724
Business	193,264	193,264	367,728	(174,464)
Operation and Maintenance of Plant Services	3,818,217	3,818,217	3,577,463	240,754
Pupil Transportation	1,041,929	1,041,929	959,128	82,801
Central	26,184	26,184	35,949	(9,765)
Operation of Non-Instructional Services	120,000	120,000	-	120,000
Extracurricular Activities	827,161	827,161	811,092	16,069
Total Expenditures	<u>25,648,000</u>	<u>25,648,000</u>	<u>23,530,099</u>	<u>2,117,901</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,998,132)</u>	<u>(1,998,132)</u>	<u>1,377,471</u>	<u>3,375,603</u>
Other Financing (Uses)				
Transfers Out	(1,222,000)	(1,222,000)	(1,222,000)	-
Total Other Financings (Uses)	<u>(1,222,000)</u>	<u>(1,222,000)</u>	<u>(1,222,000)</u>	<u>-</u>
Net Change in Fund Balance	(3,220,132)	(3,220,132)	155,471	3,375,603
Fund Balance - Beginning of Year	19,893,096	19,893,096	19,893,096	-
Prior Year Encumbrances Appropriated	431,482	431,482	431,482	-
Fund Balance - End of Year	<u>\$ 17,104,446</u>	<u>\$ 17,104,446</u>	<u>\$ 20,480,049</u>	<u>\$ 3,375,603</u>

See accompanying notes to the basic financial statements.

**Statement of Fund Net Position
Proprietary Fund**

June 30, 2016

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 674,774
Total Assets	<u>674,774</u>
NET POSITION	
Unrestricted	674,774
Total Net Position	<u>\$ 674,774</u>

See accompanying notes to the basic financial statements.

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund**

For the Fiscal Year Ended June 30, 2016

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 2,339,943
Total Operating Revenues	<u>2,339,943</u>
OPERATING EXPENSES	
Purchased Services	<u>2,366,223</u>
Total Operating Expenses	<u>2,366,223</u>
Change in Net Position	(26,280)
Net Position - Beginning of Year	<u>701,054</u>
Net Position - End of Year	<u><u>\$ 674,774</u></u>

See accompanying notes to the basic financial statements.

**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 Customers	\$ 2,339,943
Cash Payments for Goods and Services	(2,366,223)
Net Cash (Used for) Operating Activities	<u>(26,280)</u>
Net Decrease in Cash and Cash Equivalents	(26,280)
Cash and Cash Equivalents - Beginning of Year	<u>701,054</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 674,774</u></u>

See accompanying notes to the basic financial statements.

**Statement of Fiduciary Net Position
Fiduciary Funds**

June 30, 2016

	Private Purpose Trust	Agency Funds
Assets		
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 15,317	\$ 77,847
Accounts Receivable	-	7,090
Total Assets	15,317	\$ 84,937
Liabilities		
Due to Students	-	\$ 77,847
Due to School District	-	7,090
Total Liabilities	-	\$ 84,937
Net Position		
Held in Trust for Scholarships	15,317	
Total Net Position	\$ 15,317	

See accompanying notes to the basic financial statements.

**Statement of Changes in Fiduciary Net Position
Fiduciary Fund**

For the Fiscal Year Ended June 30, 2016

	Private Purpose Trust
Additions	
Donations	\$ 5,325
Total Additions	<u>5,325</u>
Deductions	
Disbursements in Accordance with Trust	<u>500</u>
Change in Net Position	4,825
Net Position - Beginning of Year	<u>10,492</u>
Net Position - End of Year	<u><u>\$ 15,317</u></u>

See accompanying notes to the basic financial statements.

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016**

NOTE 1: DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Perry Local School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board and provides education services as mandated by State or Federal agencies. The Board controls the School District’s three instructional facilities, staffed by 100 classified personnel, 136 certified personnel, 11 administrators and 18 exempt staff which provide services to students and other community members.

Reporting Entity

The School District is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The School District’s primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes education, pupil transportation, food service, and maintenance of the School District’s facilities.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; (4) or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the School District has no component units.

The School District participates in three jointly governed organizations, an insurance purchasing pool, and a claims servicing pool. These organizations are the Ohio Schools’ Council Association, the Lake Geauga Computer Association, the Auburn Career Center, the Ohio Association of School Business Officials Workers’ Compensation Group Rating Program and Lake County Council of Governments Health Care Benefits Self Insurance Program. These organizations are presented in Notes 18, 19, and 20, respectively, to the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

A. Basis of Presentation

The School District's financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, operating and/or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

Fund financial statements are designed to present financial information of the School District at this more detailed level. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The School District's only proprietary fund is classified as an internal service fund and is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by fund type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories of governmental, proprietary, and fiduciary.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

B. Fund Accounting (Continued)

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The School District's major governmental funds are:

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

Permanent Improvement Fund - the permanent improvement fund is used to account for the receipts and expenditures related to the acquisition, construction or renovation of major capital facilities in the School District.

The other governmental funds of the School District account for grants, other resources, and capital projects of the School District whose uses are restricted to a particular purpose.

Proprietary Funds

The proprietary funds focus on the determination of operating income/loss, changes in net position, financial position, and cash flows and are classified as either enterprise or internal service. The School District only has an internal service fund. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for an insurance program which provides medical and dental coverage to the School District's employees.

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

C. Measurement Focus (Continued)

Fund Financial Statements

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

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

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

Revenues - Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property 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 8). Revenues from grants, entitlements, and donations are 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 13.

In addition to liabilities, the statements of financial position 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 School District, deferred inflows of resources include property taxes, pension and unavailable revenue. Property 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 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 School District, unavailable revenue includes delinquent property taxes, intergovernmental grants and other revenue. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and are explained further in Note 13.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the statement of revenues, expenditures, and changes in fund balances as an expenditure with a like amount reported as an 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 the governmental funds.

E. Equity in Pooled Cash, Cash Equivalents, and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in the account or temporarily used to purchase short term investments. Interest in the pool is presented as “Equity in Pooled Cash, Cash Equivalents, and Investments” on the financial statements.

During fiscal year 2016, investments were limited to a repurchase agreement, U.S. Government Agency notes, negotiable certificates of deposit, commercial paper, a money market mutual fund, and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements with maturities of one year or less are reported at cost.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Equity in Pooled Cash, Cash Equivalents, and Investments (Continued)

During fiscal year 2016, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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.

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$291,238, which includes \$36,477 assigned from other School District funds. During fiscal year 2016, the change in fair value increased the District's total investments by \$179,056.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Restricted Assets

Assets are reported as restricted items 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 in the general fund represent amounts required by the State statute to be utilized for school bus purchases. See Note 23 for additional information regarding set-asides.

G. Prepaid Items

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

H. Inventory

Inventories of the governmental funds are presented at the lower of cost or market on a first-in, first-out basis and expended/expensed when used. Inventories consist of donated foods, purchased foods, school supplies held for resale and expendable supplies held for consumption.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars (\$5,000). The School 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.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital asset. 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	10-50 years
Furniture and Equipment	5-10 years
Vehicles	10 years
Library and Textbooks	6 years

J. Interfund Balances

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

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination payment method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The liability is an estimate based on the School District's past experience making termination payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified, certified, and administrative employees within the School District.

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

K. Compensated Absences (Continued)

These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund or funds from which the employees who have accumulated the leave are paid.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the internal service fund is reported on the internal service fund’s financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments 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. Capital lease obligations are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are “not in spendable form”, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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 School District’s Board of Education. Those committed amounts cannot be used for any other purpose unless the School District’s 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 School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts would represent intended uses established by the School District’s Board of Education.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

M. Fund Balance (Continued)

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

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

N. Net Position

Net position represents the difference between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for school bus purchases includes state funds received for school bus purchases.

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are for the self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

P. Interfund Activity

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

Q. Estimates

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

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

R. 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. As of June 30, 2016, there were no extraordinary or special items.

S. Budgetary Data

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

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget

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

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School 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 School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted.

The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2016.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

S. Budgetary Data (Continued)

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certification saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any legal level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations provided the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The amounts reported as the original budgeted amounts in the budgetary statement reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end are reported as part of the respective fund balance classification for subsequent year expenditures for governmental funds. Encumbrances outstanding at year end are not reported on government-wide financial statements.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

T. 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.

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2016, the School District has implemented Governmental Accounting Standards Board (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, *Fair Value Measurement of Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurement. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The School District implemented these changes in the fiscal year 2016 financial statements; however, there was no effect on the beginning net position/fund balance.

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*, establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the School District.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the School District.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it 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 School District implemented these changes in the fiscal year 2016 financial statements; however, there was no effect on the beginning net position/fund balance.

Perry Local School District, Lake County

NOTE 4: FUND BALANCES

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

Fund Balances	General	Permanent Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 13,338	\$ -	\$ -	\$ 13,338
Inventories	199,245	-	16,475	215,720
<i>Total Nonspendable</i>	<u>212,583</u>	<u>-</u>	<u>16,475</u>	<u>229,058</u>
<i>Restricted for</i>				
Community Fitness Center Operations	-	-	401,431	401,431
Special Levy	-	-	909,733	909,733
Athletics	-	-	57,224	57,224
Data Communication	-	-	10,800	10,800
Entry Year Programs	-	-	5,500	5,500
Professional Development	-	-	4,371	4,371
Student Intervention Services	-	-	15,493	15,493
Management Information Systems	-	-	1,693	1,693
Drug Abuse Education	-	-	2,654	2,654
IDEA Preschool	-	-	1,050	1,050
Capital Improvements	-	-	139	139
School Bus Purchases	58,165	-	-	58,165
Other Grants	-	-	43,460	43,460
Other Purposes	-	-	1,531	1,531
<i>Total Restricted</i>	<u>58,165</u>	<u>-</u>	<u>1,455,079</u>	<u>1,513,244</u>
<i>Committed to</i>				
Future Severance Payouts	577,826	-	-	577,826
<i>Total Committed</i>	<u>577,826</u>	<u>-</u>	<u>-</u>	<u>577,826</u>
<i>Assigned to</i>				
Capital and Instructional Technology	-	13,295,006	-	13,295,006
FY 2017 Appropriations	1,796,171	-	-	1,796,171
Special Rotary	6,841	-	-	6,841
Public School Support	59,013	-	-	59,013
Instructional Activities	216,987	-	-	216,987
Supporting Services	475,395	-	-	475,395
Extracurricular Activities	15,931	-	-	15,931
<i>Total Assigned</i>	<u>2,570,338</u>	<u>13,295,006</u>	<u>-</u>	<u>15,865,344</u>
<i>Unassigned (Deficit)</i>	17,120,341	-	(720,905)	16,399,436
Total Fund Balances	<u><u>\$ 20,539,253</u></u>	<u><u>\$ 13,295,006</u></u>	<u><u>\$ 750,649</u></u>	<u><u>\$ 34,584,908</u></u>

NOTE 5: ACCOUNTABILITY AND COMPLIANCE

A. Accountability

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

	Fund Balance Deficits
<u>Nonmajor Special Revenue Funds</u>	
Food Service	\$ 54,332
IDEA, Part B Special Education	175,760
Title III - Limited English Proficiency	2,635
Title I, Disadvantaged Children/Targeted Assistance	76,164
Improving Teacher Quality	33,534
Miscellaneous Federal Grants	362,005
	\$ 704,430

The fund deficits in the special revenue funds resulted from accrued liabilities. The general fund is liable for the deficits in these funds and will provide transfers when cash is required, not when accruals occur.

B. Compliance

1 – Ohio Revised Code §5705.39 states that total appropriations from each fund shall not exceed the total estimated resources (estimated revenues plus unencumbered fund balances).

The following funds had final appropriations exceeding total estimated resources.

	Estimated Resources	Final Appropriations	Excess
<u>Nonmajor Special Revenue Funds</u>			
Uniform School Supplies *	\$ 38,046	\$ 40,000	\$ (1,954)
Management Information Systems	2,027	5,500	(3,473)
IDEA, Part B Special Education of Handicapped Children	376,938	415,000	(38,062)
Title III - Limited English Proficiency	9,865	15,000	(5,135)
Title I - Disadvantaged Children	150,350	160,000	(9,650)
IDEA Preschool Grant for the Handicapped	4,002	11,500	(7,498)
Miscellaneous Federal Grants	587,556	850,000	(262,444)

* Included with the General Fund on the fund financial statements.

Management has indicated that appropriations and estimated resources will be closely monitored to ensure no future violations occur.

NOTE 5: ACCOUNTABILITY AND COMPLIANCE (Continued)

B. Compliance (Continued)

2 – Ohio Revised Code §5705.10 states that money paid into a fund must be used only for the purposes for which such fund has been established. A negative fund cash balance indicates that money from one fund was used to cover expenses of another fund.

The following funds reported negative cash balances and did not meet the allowable exceptions permitted by Ohio Revised Code §3315.20:

<u>Nonmajor Special Revenue Funds</u>	Negative Cash Balance
Food Service	\$ 3,938
IDEA, Part B Special Education	122,741
Title I - Disadvantaged Children	51,683
Miscellaneous Federal Grants	187,289

Although this violation was not corrected by year end, management has indicated that cash balances will be closely monitored to eliminate future violations.

NOTE 6: BUDGETARY BASIS OF ACCOUNTING

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

- A. Revenues are recorded when received in cash (Budgetary basis) as opposed to when susceptible to accrual (GAAP basis);
- B. Expenditures are recorded when paid in cash (Budgetary basis) as opposed to when the liability is incurred (GAAP basis);
- C. Encumbrances are treated as expenditures (Budgetary basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis); and
- D. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (Budgetary basis).

NOTE 6: BUDGETARY BASIS OF ACCOUNTING (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and Budgetary basis statements for the general fund.

	Net Change in Fund Balance	
GAAP Basis	\$	767,662
Net Adjustment for Revenue Accruals		46,511
Net Adjustments for Expenditure Accruals		143,128
Funds with Separate Legally Adopted Budgets		53,825
Adjustment for Encumbrances		(855,655)
Budget Basis	\$	155,471

NOTE 7: DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School 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 School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits 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.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities 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.

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

1. United States Treasury notes, bills, bonds, or any other obligations 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;

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

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 (30) days;
4. Bonds or other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or division (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty (180) days in an amount not to exceed twenty-five (25) percent of the interim monies available for investment at any one time; and
9. Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District and must be purchased with the expectation that it will be held to maturity.

The following disclosure is based on the criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*.

Deposits

At June 30, 2016, the bank balance was \$152,071. All of the School District's bank balances were covered by Federal Depository Insurance.

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposit may not be returned. The School District had no deposit policy for custodial risk beyond the requirement of State statute. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the ORC, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the School District. 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 School District to a successful claim by the FDIC.

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The School District has a formal investment policy. Star Ohio is measured at net asset value per share while all other investments are measured at fair value. At June 30, 2016, fair value was \$179,056 over the School District's net cost for investments.

	Average Weighted Maturity	Fair Value/NAV	Credit Rating*
U.S. Government Agency Notes:			
Federal National Mtg. Assoc.	2.66 yrs	\$ 17,202,630	AA+
Federal Home Loan Mtg.	2.6 yrs	5,333,484	AA+
Negotiable CDs	3.78 yrs	1,526,581	AA+
Commercial Paper:			
JP Morgan	0.27 yr	1,541,972	A-1
UBS Finance Delaware LLC	0.17 yr	729,168	A-1
Abbott	0.07 yr	1,559,376	A-1+
Apple	0.11 yr	1,558,955	A-1+
Toyota Motor Credit	0.27 yr	1,531,991	A-1+
Money Market Mutual Fund -			
First American Treasury	1 day	282,556	N/A
STAR Ohio	49 days	280,446	AAAm
Repurchase Agreement	1 day	6,116,679	N/A
		\$ 37,663,838	

* Credit ratings have been obtained from Standard & Poors

The School District has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2016. All of the School District's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in investments so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than three years.

Credit Risk

The credit risks of the School District's investments are in the previous table. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School 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 National Mortgage Association notes, Federal Home Loan Mortgage notes, Commercial Paper, money market mutual fund, and repurchase agreement 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 School District's name. The School District's investments in negotiable certificates of deposit were fully covered by Federal Depository Insurance. The School 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 School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2016:

	Percentage of Investments
U.S. Government Agency Notes:	
Federal National Mtg. Assoc.	45.68%
Federal Home Loan Mtg.	14.16%
Negotiable CDs	4.05%
Commercial Paper	18.38%
Money Market Mutual Fund -	
First American Treasury	0.75%
STAR Ohio	0.74%
Repurchase Agreement	16.24%
	100.00%

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of June 30, 2016, the School District had no exposure to foreign currency risk.

NOTE 8: PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School 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, and public utility tangible personal property located in the School District. Real property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are paid annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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.

NOTE 8: PROPERTY TAXES (CONTINUED)

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

The School District receives property taxes from Lake County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property, 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 of resources.

The amount available as an advance at June 30, 2016, was \$392,905 in the general fund and \$50,862 in the special levy nonmajor special revenue fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as unavailable revenues within deferred inflows of resources.

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

	2015 Second Half Collections		2016 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 261,805,480	60.88%	\$ 274,562,140	64.22%
Public Utility	168,196,300	39.12%	152,954,510	35.78%
Total Assessed Value	<u>\$ 430,001,780</u>	<u>100.00%</u>	<u>\$ 427,516,650</u>	<u>100.00%</u>
 Tax Rate per \$1,000 of Assessed Valuation	 \$ 44.20		 \$ 44.20	

NOTE 9: RECEIVABLES

Receivables at June 30, 2016, consisted of taxes, accounts, accrued interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. All receivables are expected to be collected within one year. The School District had \$383,686 in intergovernmental receivables.

NOTE 10: LAKE COUNTY SCHOOL FINANCING DISTRICT

The Board of Education of the Lake County School Financing District has, by a resolution adopted February 6, 1990, pursuant to Section 3311.50 of the Ohio Revised Code, created a county school financing district known as the Lake County School Financing District (the “Financing District”) for the purpose of levying taxes for the provision of the following specified educational programs and services by the school districts that are part of the Financing District: the provision of necessary personnel, materials, supplies, and transportation for instruction in language arts, social studies, mathematics, fine and practical arts, health and physical education, science, and business education.

The Board of Education of the Lake County School Financing District acts as the taxing authority of the Financing District pursuant to Section 3311.50 of the Ohio Revised Code. The Financing District receives settlements of taxes levied and distributes them within ten days to each of the member district’s proportionate share of that tax settlement. Each member district’s proportionate share is a fraction, the numerator being member district’s total pupil population and the denominator being the aggregate pupil population of all member districts as of that date. Taxes collected by the Financing District available to the School District at June 30 are recorded as receivables and revenue for the current fiscal year. Uncollected taxes outstanding received by the Financing District within 60 days after the fiscal year are recorded as a receivable and deferred inflow of resources for they are measurable but not available to the School District. The total receivable is included in the account “Property Taxes Receivable”.

NOTE 11: CAPITAL ASSETS

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

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<u>Governmental Activities</u>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
Construction in Progress	156,564	213,964	(156,564)	213,964
Total Capital Assets, not being depreciated	1,356,564	213,964	(156,564)	1,413,964
<i>Capital Assets, being depreciated:</i>				
Land Improvements	12,606,966	127,475	-	12,734,441
Building and Improvements	95,231,407	-	-	95,231,407
Furniture and Equipment	4,400,550	106,952	(16,607)	4,490,895
Vehicles	2,301,638	87,749	(67,927)	2,321,460
Library and text books	919,543	-	-	919,543
Total Capital Assets, being depreciated	115,460,104	322,176	(84,534)	115,697,746
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(10,956,945)	(102,526)	-	(11,059,471)
Building and Improvements	(62,437,244)	(2,283,288)	-	(64,720,532)
Furniture and Equipment	(2,870,145)	(268,355)	12,766	(3,125,734)
Vehicles	(1,483,278)	(168,878)	65,889	(1,586,267)
Library and text books	(891,957)	-	-	(891,957)
Total Accumulated Depreciation	(78,639,569)	(2,823,047)	78,655	(81,383,961)
Total Capital Assets being depreciated, Net	36,820,535	(2,500,871)	(5,879)	34,313,785
Governmental Activities' Capital Assets, Net	\$ 38,177,099	\$ (2,286,907)	\$ (162,443)	\$ 35,727,749

NOTE 11: CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 2,572,302
Support Services:	
Instructional Staff	7,980
Administration	4,691
Business	1,316
Operation and Maintenance of Plant	31,450
Pupil Transportation	145,694
Operation of Non-Instructional Services:	
Food Services	10,183
Community Services	1,712
Extracurricular Activities:	
Sport Oriented Activities	47,719
Total Depreciation Expense	\$ 2,823,047

NOTE 12: RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The School District is a member of the Ohio Schools Council Insurance Company property and fleet insurance purchasing group. On behalf of member school districts, the Ohio Schools Council prepares specifications and solicits quotations from insurance companies. The School District fleet has been insured with the Ohio School Plan since April, 2008 with a \$1,000,000 liability limit per loss. The Ohio School Plan also carried the property insurance (which includes inland, marine, earthquake and crime), and also covered the boilers and machinery.

Additionally, since school districts are not protected by the doctrine of sovereign immunity, the School District contracted with the Ohio School Plan (through the Ohio School Boards Association/Nationwide Ohio Educational Liability Insurance program) for coverage with limits of liability of \$3,000,000 per claim and \$5,000,000 aggregate to insure the School District, the Board, all Board members, all administrators, certified and classified employees and volunteers.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last year.

B. Workers' Compensation

For fiscal year 2016, the School District participated in a Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

NOTE 12: **RISK MANAGEMENT (Continued)**

B. Workers' Compensation (Continued)

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniComp provides administrative, cost control and actuarial services to the GRP. Each year the School District pays an enrollment fee to the Plan to cover costs of administering the program.

C. Employee Insurance Benefits

The School District provides medical coverage to employees through premium payments to the Lake County Council of Governments Health Care Benefits Program (see Note 20 for further details).

NOTE 13: **DEFINED BENEFIT PENSION PLAN**

A. Net Pension Liability

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

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

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

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

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

NOTE 13: DEFINED BENEFIT PENSION PLAN (Continued)

B. Plan Description – School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14.00 percent. No allocation was made to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$613,695 for fiscal year 2016. Of this amount \$33,474 is reported as an intergovernmental payable.

C. Plan Description – State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position.

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Plan Description – State Teachers Retirement System (STRS) (Continued)

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

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. Effective July 1, 2016, the statutory maximum employee contribution rate was increased one percent to 14 percent. The School 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.

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Plan Description – State Teachers Retirement System (STRS) (Continued)

The School District’s contractually required contribution to STRS was \$1,449,038 for fiscal year 2016. Of this amount \$199,340 is reported as an intergovernmental payable.

D. 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 School District’s proportion of the net pension liability was based on the School District’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.1533650%	0.10380390%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.1473570%</u>	<u>0.10066165%</u>	
Change in Proportionate Share	<u>-0.0060080%</u>	<u>-0.0031422%</u>	
Proportionate share of the Net Pension Liability	\$8,408,333	\$27,819,935	\$ 36,228,268
Pension Expense	\$445,848	\$1,105,119	\$1,550,967

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$135,389	\$1,268,237	\$1,403,626
School District contributions subsequent to the measurement date	<u>613,695</u>	<u>1,449,038</u>	<u>2,062,733</u>
Total Deferred Outflows of Resources	<u>\$749,084</u>	<u>\$2,717,275</u>	<u>\$3,466,359</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 278,595	\$ 2,000,779	\$ 2,279,374
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>265,879</u>	<u>718,675</u>	<u>984,554</u>
Total Deferred Inflows of Resources	<u>\$544,474</u>	<u>\$2,719,454</u>	<u>\$3,263,928</u>

\$2,062,733 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2017	(\$171,338)	(\$631,179)	(\$802,517)
2018	(171,338)	(631,179)	(802,517)
2019	(227,359)	(810,845)	(1,038,204)
2020	160,950	621,986	782,936
Total	(\$409,085)	(\$1,451,217)	(\$1,860,302)

E. Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 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.

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Actuarial Assumptions – SERS (Continued)

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 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%)
School District's proportionate share of the net pension liability	\$11,659,337	\$8,408,333	\$5,670,721

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

F. 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, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

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

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

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

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

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.

NOTE 13: **DEFINED BENEFIT PENSION PLAN (CONTINUED)**

F. Actuarial Assumptions – STRS (Continued)

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$38,643,989	\$27,819,935	\$18,666,584

G. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2016, three members of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 14: **POST-EMPLOYMENT BENEFITS**

A. School Employees Retirement System (SERS)

Plan Description – In addition to a cost-sharing multiple-employer defined benefit pension plan described in Note 13, the School Employees Retirement System (SERS) administers two postemployment benefit plans.

Health Care Plan - Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS’ Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS’ postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plan.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14% contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2016, the health care allocation is 0.00%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute no employer shall pay a health care surcharge greater than 2.0% of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the minimum compensation level was established at \$23,000. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund.

NOTE 14: POST-EMPLOYMENT BENEFITS (CONTINUED)

A. School Employees Retirement System (SERS) (Continued)

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2016, 2015, and 2014 were \$73,058, \$36,323, and \$33,625, respectively. For fiscal year 2016, the full amount is being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2015 and 2014.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System (STRS)

Plan Description – STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy - Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14.00 percent employer contribution rate, 0.00 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2016 and 2015. For the year ended June 30, 2014, 1.00 percent of covered payroll was allocated to post-employment health care. The 14.00 percent employer contribution rate is the maximum rate established under Ohio law. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$107,527 respectively. The full amount has been contributed for fiscal year 2014.

NOTE 15: OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation, personal, and sick leave benefits are derived from negotiated agreements and State laws. Accumulated unused vacation time is paid to classified employees upon termination of employment.

NOTE 15: OTHER EMPLOYEE BENEFITS (CONTINUED)

B. Compensated Absences (Continued)

Teachers and other nine month employees do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, an employee is paid 25 percent of accumulated sick days up to a maximum of 270 accumulated sick days.

NOTE 16: LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2016 were as follows:

	Principal Outstanding July 1, 2015	Additions	Reductions	Principal Outstanding June 30, 2016	Due in One Year
Governmental Activities					
<u>General Obligation Notes</u>					
2006 Energy Conservation Note, \$2,156,818, 3.88%	\$ 254,842	\$ -	\$ 254,842	\$ -	\$ -
<u>Net Pension Liability</u>					
STRS	25,248,701	2,571,234	-	27,819,935	-
SERS	7,761,715	646,618	-	8,408,333	-
Total Net Pension Liability	<u>33,010,416</u>	<u>3,217,852</u>	<u>-</u>	<u>36,228,268</u>	<u>-</u>
<u>Other Long-term Obligations</u>					
Capital Leases (See Note 17)	148,658	-	54,045	94,613	57,725
Compensated Absences	3,530,663	127,787	374,108	3,284,342	190,271
Total Other Long-term Obligations	<u>3,679,321</u>	<u>127,787</u>	<u>428,153</u>	<u>3,378,955</u>	<u>247,996</u>
Total Governmental Activities	<u>\$ 36,944,579</u>	<u>\$ 3,345,639</u>	<u>\$ 682,995</u>	<u>\$ 39,607,223</u>	<u>\$ 247,996</u>

On March 30, 2006, the School District entered into a 10-year installment payment agreement with Citimortgage, Inc. for \$2,156,818, bearing interest at the rate of 3.88 percent per annum. The proceeds were used for the purpose of renovating and otherwise improving energy conservation at the School District's facilities. The annual debt service payments are paid out of the permanent improvement capital projects fund.

The School District's compensated absences liability will mainly be retired from the general fund. Several other special revenue funds will be responsible for a portion of the liability.

The School District entered into two capital leases during fiscal year 2013. These leases will be paid out of the general fund. Further information is provided in Note 17.

See Note 13 for further information regarding Net Pension Liability.

NOTE 17: CAPITAL LEASES

The School District entered into two capital leases for various copiers and related equipment, in the total amount of \$287,691. These leases qualify as capital leases for accounting purposes and, therefore have been recorded at the present value of the future minimum lease payments as of the lease inception dates for the governmental activities in the statement of net position. Corresponding capital assets have been recorded for the same amount and a total annual depreciation expense of \$57,538 was charged during the fiscal year. These leases will be repaid from the general fund. For the governmental funds' statement of revenues, expenditures, and changes in fund balance, the lease payments have been reclassified from the functional expenditures to principal and interest expenditures.

The future minimum lease payments required under the remaining capital leases are as follows:

Year Ending June 30,	Governmental Activities
2017	\$ 58,584
2018	36,933
Total	95,517
Less: Amounts representing interest	(904)
Present value of minimum Lease payments	\$ 94,613

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS

A. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among one hundred twenty-one school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board meets monthly September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2016, the School District paid \$1,236 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the Council's prepaid natural gas program. The Council provides participating school districts the ability to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. There are currently 151 districts in the Program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

A. Ohio Schools' Council Association (Continued)

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at reduced rates if the school district committed to participating in either a thirty-six month (Cleveland Electric Illuminating Company) or a forty-four month (Ohio Edison and Toledo Edison) program beginning either May 1, 2005 or January 1, 2006 and ending December 31, 2009. Each month, the Council invoices participants based on estimated usage that was determined when the program was established. Each September, these estimated payments are compared to their actual usage for the year (July to June). Refund checks are issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced.

B. Lake Geauga Computer Association

The Lake Geauga Computer Association (the LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS, and other applications to its eighteen-member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$192,953 to LGCA during fiscal year 2016. The Executive Committee (Governing Board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. LGCA's continued existence is not dependent on the School District's continued participation. LGCA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information can be obtained by contacting the Treasurer at the Geauga County Educational Service Center, who serves as the fiscal agent, at 470 Center Street, Chardon, Ohio 44024.

C. Auburn Career Center

The Auburn Career Center is a joint vocational school district which is a jointly governed board appointment organization among eleven school districts. Each participating school district appoints one member to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Auburn Career Center is limited to its representation on the Board. The Auburn Career Center receives 1.5 mills of the School District's property tax, which is paid to the Auburn Career Center directly by Lake County. No other contribution by the School District is required. Continued existence of the Auburn Career Center is not dependent on the School District's continued participation. Financial information can be obtained from 8140 Auburn Road, Painesville, Ohio 44077.

NOTE 19: INSURANCE PURCHASING POOL

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 20: CLAIMS SERVICING POOL

The School District participates in the Lake County Council of Governments Health Care Benefits (HCBP) Self Insurance Program, a claims servicing pool comprised of thirteen Lake County school districts organized under Chapter 167 of the Ohio Revised Code. Each school district has a representative on the assembly (usually the superintendent or a designee). Each member pays an administrative fee to the pool. The plan's business and affairs are conducted by a five-member Board of Directors elected by the HCBP's assembly. The assembly elects officers for one-year terms to serve on the Board of Directors. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all members. The Council is a separate and independent entity governed by its own set of bylaws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than the monthly premiums) or risk to the School District. The Council shall pay the run out of all claims for a withdrawing member. Any member which withdraws from the Council pursuant to the program agreement shall have no claim to the Council's assets.

NOTE 21: CONTINGENCIES

A. Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2016, if applicable, cannot be determined at this time.

B. Litigation

The School District is not currently party to any legal proceedings.

C. State Foundation Funding

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

NOTE 22: INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2016, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental Funds	\$ 441,700

On the fund financial statements, the general fund reported an interfund receivable and the nonmajor governmental funds reported interfund payables of \$441,700. The general fund provided loans to the nonmajor governmental funds in the amount of \$365,651 to eliminate negative cash balances and \$76,049 to provide short-term funding of operations for federal grants. The general fund covered the cash deficits in the nonmajor governmental funds until funds are received from the grantor. The School District anticipates receiving reimbursements from the grantor shortly after year-end.

B. Interfund Transfers

During fiscal year 2016, the general fund transferred \$105,000 to the food services fund to subsidize the food service operations, \$110,000 to the district managed student activity fund to subsidize services provided, \$7,000 to the management information system fund to subsidize services provided and \$1,000,000 to the permanent improvement fund to assist in funding for capital improvements made throughout the School District.

NOTE 23: SET-ASIDE REQUIREMENTS

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. 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 year-end and carried forward to be used for the same purposes in future years.

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

	<u>Capital Improvements Reserve</u>
Set-Aside Reserve Balance, as of June 30, 2015	\$ -
Current Year Set-Aside Requirements	301,490
Qualifying Disbursements	(835,120)
Total	\$ (533,630)
 Set-Aside Balance, as of June 30, 2016, and carried forward to future fiscal years	 \$ -

Although the School District had qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, these extra amounts may not be used to reduce the set-aside requirement in future fiscal years.

NOTE 23: SET-ASIDE REQUIREMENTS (CONTINUED)

In addition to the above statutory reserves, the School District also received monies restricted for school bus purchases. As of June 30, 2016, the amount restricted for school bus purchases presented in the governmental funds was \$58,165.

NOTE 24: OTHER COMMITMENTS

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of June 30, 2016, the School District's commitments for encumbrances in the governmental funds were as follows:

	Encumbrances <u>Outstanding</u>
General	\$ 715,130
Permanent Improvement	119,400
Nonmajor Governmental	<u>76,697</u>
Total	<u><u>\$ 911,227</u></u>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1473570%	0.1533650%	0.1533650%
School District's Proportionate Share of the Net Pension Liability	\$ 8,408,333	\$ 7,761,715	\$ 9,120,124
School District's Covered-Employee Payroll	\$ 4,429,689	\$ 4,501,421	\$ 4,300,983
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	189.82%	172.43%	212.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.10066165%	0.10380390%	0.10380390%
School District's Proportionate Share of the Net Pension Liability	\$ 27,819,935	\$ 25,248,701	\$ 30,076,087
School District's Covered-Employee Payroll	\$ 10,790,707	\$ 10,501,238	\$ 10,326,315
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	257.81%	240.44%	291.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available.

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

**Required Supplementary Information
Schedule of School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually Required Contribution	\$ 613,695	\$ 583,833	\$ 623,897	\$ 595,256	\$ 573,262	\$ 487,024	\$ 552,401	\$ 391,567	\$ 404,032	\$ 490,762
Contributions in Relation to the Contractually Required Contribution	<u>(613,695)</u>	<u>(583,833)</u>	<u>(623,897)</u>	<u>(595,256)</u>	<u>(573,262)</u>	<u>(487,024)</u>	<u>(552,401)</u>	<u>(391,567)</u>	<u>(404,032)</u>	<u>(490,762)</u>
Contribution Deficiency (Excess)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
School District Covered-Employee Payroll	\$ 4,383,536	\$ 4,429,689	\$ 4,501,421	\$ 4,300,983	\$ 4,262,171	\$ 3,874,495	\$ 4,079,771	\$ 3,979,339	\$ 4,114,379	\$ 4,595,150
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

**Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually Required Contribution	\$ 1,449,038	\$ 1,510,699	\$ 1,365,161	\$ 1,342,421	\$ 1,288,066	\$ 1,257,051	\$ 1,262,544	\$ 1,250,217	\$ 1,329,860	\$ 1,422,768
Contributions in Relation to the Contractually Required Contribution	<u>(1,449,038)</u>	<u>(1,510,699)</u>	<u>(1,365,161)</u>	<u>(1,342,421)</u>	<u>(1,288,066)</u>	<u>(1,257,051)</u>	<u>(1,262,544)</u>	<u>(1,250,217)</u>	<u>(1,329,860)</u>	<u>(1,422,768)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered-Employee Payroll	\$ 10,350,271	\$ 10,790,707	\$ 10,501,238	\$ 10,326,315	\$ 9,908,200	\$ 9,669,623	\$ 9,711,877	\$ 9,617,054	\$ 10,229,692	\$ 10,944,369
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted or committed for specified purposes other than debt service or capital projects. A description of the School District's nonmajor special revenue funds follow:

Food Service - This fund accounts for the provision of food service to the School District.

Uniform School Supplies - This fund accounts for the purchase of necessary supplies, materials, or other school related items above those items provided for general instruction, paid for by students. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

Special Rotary – This fund accounts for field trip collections within the School District. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

Public School Support - This fund is used for the general support of the school building, staff, and students. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

Other Grants – This fund accounts for monies received to promote community involvement and to support activities between the School District and community.

Special Enterprise – This fund accounts for the operation of the Community Fitness Center funded through charges for services from families and corporations.

Special Levy – This fund accounts for the taxes levied by the Lake County School Financing District for the provision of the following specified educational programs and services by the school districts that are part of the Financing District: the provision of necessary personnel, materials, supplies, and transportation for instruction in language arts, social studies, mathematics, fine and practical arts, health and physical education, science, and business education.

Termination Benefits – This fund accumulates monies to pay termination benefits to eligible employees. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

District Managed Student Activity - This fund is used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund includes all athletic programs, except supplemental coaching contacts, and accounts for revenues and costs of the School District's athletic programs.

Management Information Systems - This fund is used to account for revenue provided by the State of Ohio to be used solely for costs associated with the requirements of the education management information system required by Senate Bill 140.

Entry Year Teachers - This fund is used to implement entry-year programs pursuant to Division (T) of Section 3317.024 of the Ohio Revised Code.

Data Communication - This fund is used to account for money appropriated for Ohio Educational Computer Network Connections.

School Net Professional Development - This fund was established to provide training for teachers to become practitioners. This fund is provided to account for a limited number of professional development subsidy grants.

Summer School Intervention - This fund accounts for summer intervention services satisfying criteria defined in Division (E) of Section 2318.608 of the Ohio Revised Code.

Miscellaneous State Grants - This fund is used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and approved by the Auditor of State.

IDEA, Part B Special Education of Handicapped Children - The purpose of this Federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title III – Limited English Proficiency – The purpose of this Federal program is to provide funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I - Disadvantaged Children/Targeted Assistance - This fund is used to provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

Drug-Free Schools Grant - This fund provides funds to local educational agencies and consortia of these agencies to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools, and to engage in development, training, technical assistance, and coordination activities.

IDEA – Preschool Grant for the Handicapped – The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Improving Teacher Quality - This fund is used to account for monies to hire additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants - This fund is used to account for various monies received through state agencies from the Federal government or directly from the Federal government. This program is to provide individual instructions to first and second grade students in the academic area of reading and math, with the assistance of a trained group of adult volunteers using appropriate service training activities.

Nonmajor Capital Projects Fund

Capital Projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). Following is a description of the nonmajor capital projects funds:

School Net - This fund is used to account for monies received by the State of Ohio for the purpose of purchasing computers for K-4 grades.

Fiduciary Funds

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

Private Purpose Trust Fund

Private Purpose Trust Scholarship - This fund accounts for scholarships provided to students.

Agency Funds

Student Activities Fund - This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Tournament Activities Fund - This fund is a clearing account to distribute tournament monies to other funds of the School District and to the Ohio High School Athletic Association (OHSAA).

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 1,577,768	\$ 139	\$ 1,577,907
Materials and Supplies Inventory	16,475	-	16,475
Intergovernmental Receivable	339,618	-	339,618
Property Taxes Receivable	1,063,035	-	1,063,035
Total Assets	<u><u>\$ 2,996,896</u></u>	<u><u>\$ 139</u></u>	<u><u>\$ 2,997,035</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 233,632	\$ -	\$ 233,632
Accrued Wages and Benefits	215,246	-	215,246
Intergovernmental Payable	43,127	-	43,127
Retainage Payable	6,400	-	6,400
Interfund Payable	441,700	-	441,700
Total Liabilities	<u>940,105</u>	<u>-</u>	<u>940,105</u>
Deferred Inflows of Resources:			
Property Taxes	956,587	-	956,587
Unavailable Revenues - Delinquent Property Taxes	55,586	-	55,586
Unavailable Revenues - Grants	294,108	-	294,108
Total Deferred Inflows of Resources	<u>1,306,281</u>	<u>-</u>	<u>1,306,281</u>
Fund Balances:			
Nonspendable	16,475	-	16,475
Restricted	1,454,940	139	1,455,079
Unassigned (Deficit)	(720,905)	-	(720,905)
Total Fund Balances	<u>750,510</u>	<u>139</u>	<u>750,649</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 2,996,896</u></u>	<u><u>\$ 139</u></u>	<u><u>\$ 2,997,035</u></u>

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 919,863	\$ -	\$ 919,863
Intergovernmental	1,486,403	-	1,486,403
Extracurricular Activities	146,396	-	146,396
Charges for Services	134,209	-	134,209
Contributions and Donations	67,669	-	67,669
Food Services	460,539	-	460,539
All Other Revenues	34,632	-	34,632
Total Revenues	<u>3,249,711</u>	<u>-</u>	<u>3,249,711</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular	1,076,344	-	1,076,344
Special	101,208	-	101,208
Other	331,513	-	331,513
Supporting Services:			
Pupils	112,106	-	112,106
Instructional Staff	411,489	-	411,489
Administration	148,165	-	148,165
Fiscal Services	34,114	-	34,114
Business	104	-	104
Pupil Transportation	49,861	-	49,861
Operation of Non-Instructional Services:			
Food Service Operations	925,381	-	925,381
Community Services	260,050	-	260,050
Extracurricular Activities	285,373	-	285,373
Debt Service:			
Principal Retirement	11,888	-	11,888
Interest and Fiscal Charges	335	-	335
Total Expenditures	<u>3,747,931</u>	<u>-</u>	<u>3,747,931</u>
Excess of Revenues Over (Under) Expenditures	<u>(498,220)</u>	<u>-</u>	<u>(498,220)</u>
 OTHER FINANCING SOURCES			
Transfers In	222,000	-	222,000
Total Other Financing Sources	<u>222,000</u>	<u>-</u>	<u>222,000</u>
Net Change in Fund Balances	(276,220)	-	(276,220)
 Fund Balances - Beginning of Year	1,026,730	139	1,026,869
Fund Balances - End of Year	<u>\$ 750,510</u>	<u>\$ 139</u>	<u>\$ 750,649</u>

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016**

	<u>Food Service</u>	<u>Other Grants</u>	<u>Special Enterprise</u>	<u>Special Levy</u>	<u>District Managed Student Activity</u>
ASSETS					
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ -	\$ 43,460	\$ 413,246	\$ 975,853	\$ 62,237
Materials and Supplies Inventory	16,475	-	-	-	-
Intergovernmental Receivable	-	-	-	-	-
Property Taxes Receivable	-	-	-	1,063,035	-
Total Assets	<u>\$ 16,475</u>	<u>\$ 43,460</u>	<u>\$ 413,246</u>	<u>\$ 2,038,888</u>	<u>\$ 62,237</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 10,739	\$ -	\$ 10,145	\$ -	\$ -
Accrued Wages and Benefits	39,221	-	1,559	104,428	-
Intergovernmental Payable	16,909	-	111	12,554	5,013
Retainage Payable	-	-	-	-	-
Interfund Payable	3,938	-	-	-	-
Total Liabilities	<u>70,807</u>	<u>-</u>	<u>11,815</u>	<u>116,982</u>	<u>5,013</u>
Deferred Inflows of Resources:					
Property Taxes	-	-	-	956,587	-
Unavailable Revenues - Delinquent Property Taxes	-	-	-	55,586	-
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,012,173</u>	<u>-</u>
Fund Balances:					
Nonspendable	16,475	-	-	-	-
Restricted	-	43,460	401,431	909,733	57,224
Unassigned (Deficit)	(70,807)	-	-	-	-
Total Fund Balances (Deficit)	<u>(54,332)</u>	<u>43,460</u>	<u>401,431</u>	<u>909,733</u>	<u>57,224</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,475</u>	<u>\$ 43,460</u>	<u>\$ 413,246</u>	<u>\$ 2,038,888</u>	<u>\$ 62,237</u>

Perry Local School District, Lake County

<u>Management Information Systems</u>	<u>Entry Year Teachers</u>	<u>Data Communication</u>	<u>School Net Professional Development</u>	<u>Summer School Intervention</u>	<u>Miscellaneous State Grants</u>	<u>IDEA, Part B Special Education of Handicapped Children</u>
\$ 1,693	\$ 5,500	\$ 10,800	\$ 4,371	\$ 15,493	\$ 1,531	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	54,956
-	-	-	-	-	-	-
<u>\$ 1,693</u>	<u>\$ 5,500</u>	<u>\$ 10,800</u>	<u>\$ 4,371</u>	<u>\$ 15,493</u>	<u>\$ 1,531</u>	<u>\$ 54,956</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	47,323
-	-	-	-	-	-	5,696
-	-	-	-	-	-	-
-	-	-	-	-	-	122,741
-	-	-	-	-	-	175,760
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	54,956
-	-	-	-	-	-	54,956
-	-	-	-	-	-	-
1,693	5,500	10,800	4,371	15,493	1,531	-
-	-	-	-	-	-	(175,760)
<u>1,693</u>	<u>5,500</u>	<u>10,800</u>	<u>4,371</u>	<u>15,493</u>	<u>1,531</u>	<u>(175,760)</u>
<u>\$ 1,693</u>	<u>\$ 5,500</u>	<u>\$ 10,800</u>	<u>\$ 4,371</u>	<u>\$ 15,493</u>	<u>\$ 1,531</u>	<u>\$ 54,956</u>

(Continued)

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2016**

	Title III - Limited English Proficiency	Title I, Disadvantaged Children/ Targeted Assistance	Drug Free Schools Grant
ASSETS			
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 11,158	\$ -	\$ 2,654
Materials and Supplies Inventory	-	-	-
Intergovernmental Receivable	-	62,412	-
Property Taxes Receivable	-	-	-
Total Assets	\$ 11,158	\$ 62,412	\$ 2,654
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	21,925	-
Intergovernmental Payable	-	2,556	-
Retainage Payable	-	-	-
Interfund Payable	13,793	51,683	-
Total Liabilities	13,793	76,164	-
Deferred Inflows of Resources:			
Property Taxes	-	-	-
Unavailable Revenues - Delinquent Property Taxes	-	-	-
Unavailable Revenues - Grants	-	62,412	-
Total Deferred Inflows of Resources	-	62,412	-
Fund Balances:			
Nonspendable	-	-	-
Restricted	-	-	2,654
Unassigned (Deficit)	(2,635)	(76,164)	-
Total Fund Balances (Deficit)	(2,635)	(76,164)	2,654
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,158	\$ 62,412	\$ 2,654

Perry Local School District, Lake County

<u>IDEA Preschool Grant for the Handicapped</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,050	\$ 28,722	\$ -	\$ 1,577,768
-	-	-	16,475
-	2,406	219,844	339,618
-	-	-	1,063,035
<u>\$ 1,050</u>	<u>\$ 31,128</u>	<u>\$ 219,844</u>	<u>\$ 2,996,896</u>
\$ -	\$ -	\$ 212,748	\$ 233,632
-	-	790	215,246
-	-	288	43,127
-	-	6,400	6,400
-	62,256	187,289	441,700
<u>-</u>	<u>62,256</u>	<u>407,515</u>	<u>940,105</u>
-	-	-	956,587
-	-	-	55,586
-	2,406	174,334	294,108
<u>-</u>	<u>2,406</u>	<u>174,334</u>	<u>1,306,281</u>
-	-	-	16,475
1,050	-	-	1,454,940
-	(33,534)	(362,005)	(720,905)
<u>1,050</u>	<u>(33,534)</u>	<u>(362,005)</u>	<u>750,510</u>
<u>\$ 1,050</u>	<u>\$ 31,128</u>	<u>\$ 219,844</u>	<u>\$ 2,996,896</u>

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016**

	<u>Food Service</u>	<u>Other Grants</u>	<u>Special Enterprise</u>	<u>Special Levy</u>	<u>District Managed Student Activity</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 919,863	\$ -
Intergovernmental	317,829	-	-	37,150	-
Extracurricular Activities	-	-	883	-	145,513
Charges for Services	-	-	134,209	-	-
Contributions and Donations	-	58,257	370	-	9,042
Food Services	460,539	-	-	-	-
All Other Revenues	-	-	32,339	-	2,293
Total Revenues	<u>778,368</u>	<u>58,257</u>	<u>167,801</u>	<u>957,013</u>	<u>156,848</u>
EXPENDITURES					
Current:					
Instruction:					
Regular	-	38,738	619	676,595	-
Special	-	-	-	-	-
Other	-	-	-	-	-
Supporting Services:					
Pupils	-	-	-	112,106	-
Instructional Staff	-	-	-	-	-
Administration	-	-	-	75,866	-
Fiscal Services	-	-	-	34,114	-
Business	-	-	-	104	-
Pupil Transportation	-	-	-	30,092	-
Operation of Non-Instructional Services:					
Food Service Operations	918,749	-	-	-	-
Community Services	-	500	259,550	-	-
Extracurricular Activities	-	-	-	-	285,373
Debt Service:					
Principal Retirement	-	-	11,888	-	-
Interest and Fiscal Charges	-	-	335	-	-
Total Expenditures	<u>918,749</u>	<u>39,238</u>	<u>272,392</u>	<u>928,877</u>	<u>285,373</u>
Excess of Revenues Over (Under) Expenditures	<u>(140,381)</u>	<u>19,019</u>	<u>(104,591)</u>	<u>28,136</u>	<u>(128,525)</u>
OTHER FINANCING SOURCES					
Transfers In	105,000	-	-	-	110,000
Total Other Financing Sources	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
Net Change in Fund Balances	(35,381)	19,019	(104,591)	28,136	(18,525)
Fund Balances (Deficit) - Beginning of Year	(18,951)	24,441	506,022	881,597	75,749
Fund Balances (Deficit) - End of Year	<u>\$ (54,332)</u>	<u>\$ 43,460</u>	<u>\$ 401,431</u>	<u>\$ 909,733</u>	<u>\$ 57,224</u>

Perry Local School District, Lake County

Management Information Systems	Entry Year Teachers	Data Communication	School Net Professional Development	Summer School Intervention	Miscellaneous State Grants
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	5,400	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>5,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,334	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(3,334)</u>	<u>-</u>	<u>5,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,000	-	-	-	-	-
<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,666	-	5,400	-	-	-
<u>(1,973)</u>	<u>5,500</u>	<u>5,400</u>	<u>4,371</u>	<u>15,493</u>	<u>1,531</u>
<u>\$ 1,693</u>	<u>\$ 5,500</u>	<u>\$ 10,800</u>	<u>\$ 4,371</u>	<u>\$ 15,493</u>	<u>\$ 1,531</u>

(Continued)

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2016**

	IDEA, Part B Special Education of Handicapped Children	Title III - Limited English Proficiency	Title I, Disadvantaged Children/ Targeted Assistance	Drug Free Schools Grant
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	317,165	13,793	113,804	-
Extracurricular Activities	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	-	-	-	-
Food Services	-	-	-	-
All Other Revenues	-	-	-	-
Total Revenues	<u>317,165</u>	<u>13,793</u>	<u>113,804</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	-	-	155,792	-
Special	69,621	-	-	-
Other	331,513	-	-	-
Supporting Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	-	-
Administration	-	-	-	-
Fiscal Services	-	-	-	-
Business	-	-	-	-
Pupil Transportation	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>401,134</u>	<u>-</u>	<u>155,792</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(83,969)</u>	<u>13,793</u>	<u>(41,988)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(83,969)	13,793	(41,988)	-
Fund Balances (Deficit) - Beginning of Year	(91,791)	(16,428)	(34,176)	2,654
Fund Balances (Deficit) - End of Year	<u>\$ (175,760)</u>	<u>\$ (2,635)</u>	<u>\$ (76,164)</u>	<u>\$ 2,654</u>

Perry Local School District, Lake County

IDEA Preschool Grant for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 919,863
10,248	31,128	639,886	1,486,403
-	-	-	146,396
-	-	-	134,209
-	-	-	67,669
-	-	-	460,539
-	-	-	34,632
<u>10,248</u>	<u>31,128</u>	<u>639,886</u>	<u>3,249,711</u>
-	-	204,600	1,076,344
-	-	31,587	101,208
-	-	-	331,513
-	-	-	112,106
-	2,406	405,749	411,489
-	-	72,299	148,165
-	-	-	34,114
-	-	-	104
-	-	19,769	49,861
-	-	6,632	925,381
-	-	-	260,050
-	-	-	285,373
-	-	-	11,888
-	-	-	335
<u>-</u>	<u>2,406</u>	<u>740,636</u>	<u>3,747,931</u>
<u>10,248</u>	<u>28,722</u>	<u>(100,750)</u>	<u>(498,220)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>222,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>222,000</u>
<u>10,248</u>	<u>28,722</u>	<u>(100,750)</u>	<u>(276,220)</u>
<u>(9,198)</u>	<u>(62,256)</u>	<u>(261,255)</u>	<u>1,026,730</u>
<u>\$ 1,050</u>	<u>\$ (33,534)</u>	<u>\$ (362,005)</u>	<u>\$ 750,510</u>

Perry Local School District, Lake County

**Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016**

	Balance 7/1/2015	Additions	Reductions	Balance 6/30/2016
<u>Student Activities</u>				
Assets				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 67,265	\$ 51,580	\$ 40,998	\$ 77,847
Liabilities				
Due to Students	\$ 67,265	\$ 51,580	\$ 40,998	\$ 77,847
 <u>Tournament Activities</u>				
Assets				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 5,293	\$ 21,565	\$ 26,858	\$ -
Accounts Receivable	-	7,090	-	7,090
Total Assets	\$ 5,293	\$ 28,655	\$ 26,858	\$ 7,090
Liabilities				
Deposits Held and Due to Others	\$ 5,293	\$ 21,565	\$ 26,858	\$ -
Due to School District	-	7,090	-	7,090
Total Liabilities	\$ 5,293	\$ 28,655	\$ 26,858	\$ 7,090
 <u>Total Agency Funds</u>				
Assets				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 72,558	\$ 73,145	\$ 67,856	\$ 77,847
Accounts Receivable	-	7,090	-	7,090
Total Assets	\$ 72,558	\$ 80,235	\$ 67,856	\$ 84,937
Liabilities				
Deposits Held and Due to Others	\$ 5,293	\$ 21,565	\$ 26,858	\$ -
Due to School District	-	7,090	-	7,090
Due to Students	67,265	51,580	40,998	77,847
Total Liabilities	\$ 72,558	\$ 80,235	\$ 67,856	\$ 84,937

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)**

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

General Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Revenues and Other Sources	\$ 23,649,868	\$ 23,649,868	\$ 24,907,570	\$ 1,257,702
Total Expenditures and Other Uses	26,870,000	26,870,000	24,752,099	2,117,901
Net Change in Fund Balance	(3,220,132)	(3,220,132)	155,471	3,375,603
Fund Balance - Beginning of Year	19,893,096	19,893,096	19,893,096	-
Prior Year Encumbrances Appropriated	431,482	431,482	431,482	-
Fund Balance - End of Year	\$ 17,104,446	\$ 17,104,446	\$ 20,480,049	\$ 3,375,603

Permanent Improvement Fund

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
	Amounts Final		
Total Revenues and Other Sources	\$ -	\$ 1,104,744	\$ 1,104,744
Total Expenditures and Other Uses	2,737,574	866,703	1,870,871
Net Change in Fund Balance	(2,737,574)	238,041	2,975,615
Fund Balance - Beginning of Year	12,616,506	12,616,506	-
Prior Year Encumbrances Appropriated	237,574	237,574	-
Fund Balance - End of Year	\$ 10,116,506	\$ 13,092,121	\$ 2,975,615

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Food Service Fund

	<u>Budgeted Amounts</u> Final	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 930,000	\$ 815,157	\$ (114,843)
Total Expenditures and Other Uses	<u>930,000</u>	<u>855,971</u>	<u>74,029</u>
Net Change in Fund Balance	-	(40,814)	(40,814)
Fund Balance - Beginning of Year	26,009	26,009	-
Fund Balance (Deficit) - End of Year	<u><u>\$ 26,009</u></u>	<u><u>\$ (14,805)</u></u>	<u><u>\$ (40,814)</u></u>

Uniform School Supplies Fund

	<u>Budgeted Amounts</u> Final	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 1,500	\$ 14,097	\$ 12,597
Total Expenditures and Other Uses	<u>42,428</u>	<u>16,552</u>	<u>25,876</u>
Net Change in Fund Balance	(40,928)	(2,455)	38,473
Fund Balance - Beginning of Year	36,546	36,546	-
Prior Year Encumbrances Appropriated	2,428	2,428	-
Fund Balance (Deficit) - End of Year	<u><u>\$ (1,954)</u></u>	<u><u>\$ 36,519</u></u>	<u><u>\$ 38,473</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Special Rotary Fund

	<u>Budgeted Amounts</u> Final	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Sources	\$ 85,500	\$ 74,426	\$ (11,074)
Total Expenditures and Other Uses	<u>90,000</u>	<u>80,399</u>	<u>9,601</u>
Net Change in Fund Balance	(4,500)	(5,973)	(1,473)
Fund Balance - Beginning of Year	12,814	12,814	-
Fund Balance - End of Year	<u><u>\$ 8,314</u></u>	<u><u>\$ 6,841</u></u>	<u><u>\$ (1,473)</u></u>

Public School Support Fund

	<u>Budgeted Amounts</u> Final	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Sources	\$ 55,000	\$ 87,196	\$ 32,196
Total Expenditures and Other Uses	<u>77,778</u>	<u>60,544</u>	<u>17,234</u>
Net Change in Fund Balance	(22,778)	26,652	49,430
Fund Balance - Beginning of Year	23,266	23,266	-
Prior Year Encumbrances Appropriated	2,278	2,278	-
Fund Balance - End of Year	<u><u>\$ 2,766</u></u>	<u><u>\$ 52,196</u></u>	<u><u>\$ 49,430</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Other Grants Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 24,500	\$ 58,257	\$ 33,757
Total Expenditures and Other Uses	<u>39,000</u>	<u>39,283</u>	<u>(283)</u>
Net Change in Fund Balance	(14,500)	18,974	33,474
Fund Balance - Beginning of Year	24,441	24,441	-
Fund Balance - End of Year	<u><u>\$ 9,941</u></u>	<u><u>\$ 43,415</u></u>	<u><u>\$ 33,474</u></u>

Special Enterprise Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 195,000	\$ 167,801	\$ (27,199)
Total Expenditures and Other Uses	<u>355,301</u>	<u>299,978</u>	<u>55,323</u>
Net Change in Fund Balance	(160,301)	(132,177)	28,124
Fund Balance - Beginning of Year	507,326	507,326	-
Prior Year Encumbrances Appropriated	5,301	5,301	-
Fund Balance - End of Year	<u><u>\$ 352,326</u></u>	<u><u>\$ 380,450</u></u>	<u><u>\$ 28,124</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Special Levy Fund

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 1,100,000	\$ 1,001,654	\$ (98,346)
Total Expenditures and Other Uses	<u>1,165,000</u>	<u>930,034</u>	<u>234,966</u>
Net Change in Fund Balance	(65,000)	71,620	136,620
Fund Balance - Beginning of Year	892,950	892,950	-
Fund Balance - End of Year	<u><u>\$ 827,950</u></u>	<u><u>\$ 964,570</u></u>	<u><u>\$ 136,620</u></u>

Termination Benefits Fund

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>600,000</u>	<u>310,884</u>	<u>289,116</u>
Net Change in Fund Balance	(600,000)	(310,884)	289,116
Fund Balance - Beginning of Year	888,710	888,710	-
Fund Balance - End of Year	<u><u>\$ 288,710</u></u>	<u><u>\$ 577,826</u></u>	<u><u>\$ 289,116</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

District Managed Student Activity Fund

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Total Revenues and Other Sources	\$ 235,000	\$ 269,953	\$ 34,953
Total Expenditures and Other Uses	<u>305,582</u>	<u>283,356</u>	<u>22,226</u>
Net Change in Fund Balance	(70,582)	(13,403)	57,179
Fund Balance - Beginning of Year	69,062	69,062	-
Prior Year Encumbrances Appropriated	3,582	3,582	-
Fund Balance - End of Year	<u><u>\$ 2,062</u></u>	<u><u>\$ 59,241</u></u>	<u><u>\$ 57,179</u></u>

Management Information Systems Fund

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Total Revenues and Other Sources	\$ 4,500	\$ 7,000	\$ 2,500
Total Expenditures and Other Uses	<u>6,000</u>	<u>3,834</u>	<u>2,166</u>
Net Change in Fund Balance	(1,500)	3,166	4,666
Fund Balance (Deficit) - Beginning of Year	(2,473)	(2,473)	-
Prior Year Encumbrances Appropriated	500	500	-
Fund Balance (Deficit)- End of Year	<u><u>\$ (3,473)</u></u>	<u><u>\$ 1,193</u></u>	<u><u>\$ 4,666</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Entry Year Teachers Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net Change in Fund Balance	(1,000)	-	1,000
Fund Balance - Beginning of Year	<u>5,500</u>	<u>5,500</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 4,500</u></u>	<u><u>\$ 5,500</u></u>	<u><u>\$ 1,000</u></u>

Data Communication Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 9,000	\$ 5,400	\$ (3,600)
Total Expenditures and Other Uses	<u>9,000</u>	<u>-</u>	<u>9,000</u>
Net Change in Fund Balance	-	5,400	5,400
Fund Balance - Beginning of Year	<u>5,400</u>	<u>5,400</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 5,400</u></u>	<u><u>\$ 10,800</u></u>	<u><u>\$ 5,400</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

School Net Professional Development Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>4,300</u>	<u>-</u>	<u>4,300</u>
Net Change in Fund Balance	(4,300)	-	4,300
Fund Balance - Beginning of Year	4,371	4,371	-
Fund Balance - End of Year	<u><u>\$ 71</u></u>	<u><u>\$ 4,371</u></u>	<u><u>\$ 4,300</u></u>

Summer School Intervention Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>15,493</u>	<u>-</u>	<u>15,493</u>
Net Change in Fund Balance	(15,493)	-	15,493
Fund Balance - Beginning of Year	15,493	15,493	-
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 15,493</u></u>	<u><u>\$ 15,493</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Miscellaneous State Grants Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>1,531</u>	<u>-</u>	<u>1,531</u>
Net Change in Fund Balance	(1,531)	-	1,531
Fund Balance - Beginning of Year	<u>1,531</u>	<u>1,531</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,531</u></u>	<u><u>\$ 1,531</u></u>

IDEA, Part B Special Education of Handicapped Children Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 416,000	\$ 317,165	\$ (98,835)
Total Expenditures and Other Uses	<u>415,000</u>	<u>405,578</u>	<u>9,422</u>
Net Change in Fund Balance	1,000	(88,413)	(89,413)
Fund Balance (Deficit) - Beginning of Year	<u>(39,062)</u>	<u>(39,062)</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u><u>\$ (38,062)</u></u>	<u><u>\$ (127,475)</u></u>	<u><u>\$ (89,413)</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Title III – Limited English Proficiency Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 12,500	\$ 13,793	\$ 1,293
Total Expenditures and Other Uses	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balance	(2,500)	13,793	16,293
Fund Balance (Deficit) - Beginning of Year	(2,635)	(2,635)	-
Fund Balance (Deficit) - End of Year	<u><u>\$ (5,135)</u></u>	<u><u>\$ 11,158</u></u>	<u><u>\$ 16,293</u></u>

Title I – Disadvantaged Children/Targeted Assistance Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 160,000	\$ 113,804	\$ (46,196)
Total Expenditures and Other Uses	<u>160,000</u>	<u>170,897</u>	<u>(10,897)</u>
Net Change in Fund Balance	-	(57,093)	(57,093)
Fund Balance (Deficit) - Beginning of Year	(9,650)	(9,650)	-
Fund Balance (Deficit) - End of Year	<u><u>\$ (9,650)</u></u>	<u><u>\$ (66,743)</u></u>	<u><u>\$ (57,093)</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Drug Free Schools Grant Fund

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	2,654	2,654	-
Fund Balance - End of Year	<u>\$ 2,654</u>	<u>\$ 2,654</u>	<u>\$ -</u>

IDEA Preschool Grant for the Handicapped Fund

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Total Revenues and Other Sources	\$ 13,200	\$ 10,248	\$ (2,952)
Total Expenditures and Other Uses	11,500	-	11,500
Net Change in Fund Balance	1,700	10,248	8,548
Fund Balance (Deficit) - Beginning of Year	(9,198)	(9,198)	-
Fund Balance (Deficit) - End of Year	<u>\$ (7,498)</u>	<u>\$ 1,050</u>	<u>\$ 8,548</u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

Improving Teacher Quality Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 50,500	\$ 31,128	\$ (19,372)
Total Expenditures and Other Uses	<u>50,500</u>	<u>2,406</u>	<u>48,094</u>
Net Change in Fund Balance	-	28,722	28,722
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ 28,722</u></u>	<u><u>\$ 28,722</u></u>

Miscellaneous Federal Grants Fund

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Sources	\$ 850,000	\$ 594,376	\$ (255,624)
Total Expenditures and Other Uses	<u>909,392</u>	<u>842,434</u>	<u>66,958</u>
Net Change in Fund Balance	(59,392)	(248,058)	(188,666)
Fund Balance (Deficit) - Beginning of Year	(262,444)	(262,444)	-
Prior Year Encumbrances Appropriated	59,392	59,392	-
Fund Balance (Deficit) - End of Year	<u><u>\$ (262,444)</u></u>	<u><u>\$ (451,110)</u></u>	<u><u>\$ (188,666)</u></u>

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2016**

School Net Fund

	Budgeted Amounts		Actual		Variance with Final Budget Positive (Negative)
	Final				
Total Revenues and Other Sources	\$ -		\$ -		\$ -
Total Expenditures and Other Uses	139		-		139
Net Change in Fund Balance	(139)		-		139
Fund Balance - Beginning of Year	139		139		-
Fund Balance - End of Year	\$ -		\$ 139		\$ 139

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position and well-being have changed over time.	S2-S11
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax.	S12-S18
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S19-S23
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S24-S25
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S26-S34

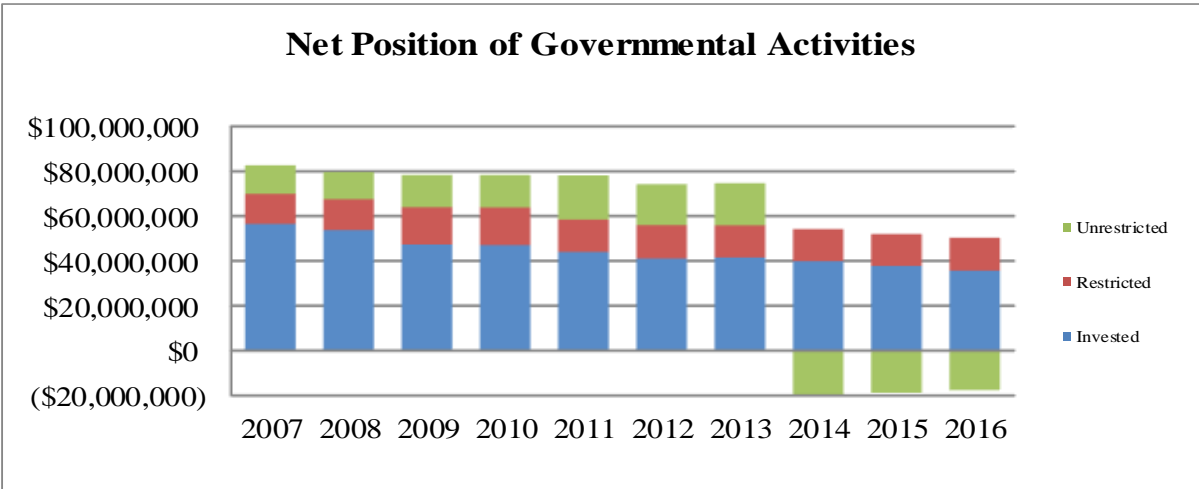
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014 *	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 56,511,384	\$ 53,751,215	\$ 47,342,570	\$ 47,091,662	\$ 44,047,353	\$ 41,064,747	\$ 41,578,953	\$ 39,907,134	\$ 37,773,599	\$ 35,633,136
Restricted for:										
Capital Projects	11,359,392	12,825,042	14,249,390	14,500,298	13,196,462	13,619,725	12,927,120	12,400,277	12,753,581	13,295,145
School Bus Purchase	-	-	58,165	58,165	58,165	58,165	58,165	58,165	58,165	58,165
Special Revenue	-	-	2,284,252	2,187,765	-	-	-	-	-	-
State Funded Programs	-	-	-	-	46,408	50,735	55,691	29,104	32,295	39,388
Federally Funded Programs	-	-	-	-	52,205	10,185	10,150	296,253	3,704	3,704
Student Activities	-	-	-	-	136,450	83,903	89,417	39,684	75,749	57,224
Community Fitness Center	-	-	-	-	834,525	806,146	789,061	692,148	502,286	397,328
Other Purposes	2,032,605	963,076	-	-	65,841	269,068	346,253	787,781	850,468	878,080
Unrestricted	12,758,157	12,143,089	14,383,278	14,479,765	19,745,660	18,241,569	18,808,051	(19,559,432)	(18,773,599)	(17,519,313)
Total Governmental Activities Net Position	<u>\$82,661,538</u>	<u>\$79,682,422</u>	<u>\$78,317,655</u>	<u>\$78,317,655</u>	<u>\$78,183,069</u>	<u>\$74,204,243</u>	<u>\$74,662,861</u>	<u>\$34,651,114</u>	<u>\$33,276,248</u>	<u>\$32,842,857</u>

* Restated

Note: In years 2010 and prior, the Restricted for State and Federally Funded Programs, Student Activities, Community Fitness Center, and Other Purposes were included with the Restricted for Special Revenue.



**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 15,184,441	\$ 15,294,055	\$ 14,536,488	\$ 14,254,974	\$ 14,105,672	\$ 14,775,452	\$ 11,877,613	\$ 13,947,973	\$ 14,197,691	\$ 13,083,802
Special	1,457,668	1,428,200	1,320,251	494,104	633,158	419,003	595,271	536,521	1,487,298	1,439,984
Vocational	114,297	121,250	120,587	158,137	62,497	214,312	128,344	87,530	53,133	43,057
Other	923,679	916,119	770,761	1,478,616	1,704,570	1,952,751	2,074,908	2,013,657	827,887	1,276,244
Support Services:										
Pupils	1,308,572	1,025,569	1,031,255	1,409,441	1,474,901	1,594,309	1,410,931	1,686,111	1,461,778	1,463,185
Instructional Staff	2,477,950	2,506,310	1,532,979	1,392,661	1,381,177	1,667,882	1,631,007	1,892,241	1,406,165	1,808,071
Board of Education	100,833	125,627	86,509	93,238	97,586	89,755	94,901	67,157	60,523	70,615
Administration	1,916,794	1,905,194	1,702,892	1,751,420	1,393,757	1,538,501	1,478,138	1,535,049	1,583,257	1,598,862
Fiscal Services	944,895	974,311	790,862	747,605	674,297	726,958	657,451	548,229	700,342	672,998
Business	39,441	278,977	115,727	200,165	207,607	252,428	123,969	207,453	139,060	150,913
Operation and Maintenance of Plant Services	5,713,758	4,527,545	4,255,754	4,287,297	4,185,579	4,181,347	3,479,365	4,043,650	4,020,021	3,594,086
Pupil Transportation	1,557,654	1,361,969	1,479,169	1,276,118	1,288,372	1,404,686	1,600,483	1,371,244	1,374,845	1,022,833
Central	48,985	50,928	37,888	24,042	20,091	22,819	23,572	23,084	23,573	26,164
Operation of Non-Instructional Services:										
Food Service Operations	269,861	995,261	968,702	934,833	883,893	1,016,111	958,831	983,201	929,638	832,593
Other	188,690	424,243	400,759	382,117	258,245	183,805	248,637	305,846	427,064	322,928
Extracurricular Activities	1,922,761	1,457,243	1,351,305	1,324,495	1,429,181	1,445,840	1,317,249	1,287,192	1,242,401	1,239,471
Interest and Fiscal Charges	81,952	90,102	83,295	61,448	51,004	41,893	35,878	26,966	30,175	19,481
Total Governmental Activities Expenses	34,252,231	33,482,903	30,585,183	30,270,711	29,851,587	31,527,852	27,736,548	30,563,104	29,964,851	28,665,287

(continued)

Perry Local School District, Lake County

**Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ -	\$ -	\$ 28,358	\$ 22,766	\$ 53,114	\$ 38,112	\$ 29,091	\$ 43,574	\$ 39,964	\$ 15,488
Special Instruction	-	-	3,604	12,237	28,523	20,311	10,039	1,888	17,477	7,674
Pupil Transportation	-	-	28,139	14,685	18,016	17,031	18,095	4,399	5,337	3,152
Operation of Food Service	602,693	706,296	640,039	638,696	634,529	643,619	552,560	537,697	536,169	460,539
Other	77,912	108,758	112,134	89,874	104,020	123,493	196,059	162,589	246,860	339,857
Extracurricular Activities	253,558	308,698	275,804	283,158	256,521	305,187	264,512	259,710	246,991	294,775
Operating Grants and Contributions:										
Regular Instruction	35,282	62,103	117,140	188,252	197,693	106,913	242,616	535,490	934,963	345,717
Special Instruction	48,541	300,270	313,273	157,431	215,780	59,688	18,737	10,283	20,704	293,349
Vocational Instruction	-	-	-	-	58,822	-	-	-	-	-
Other Instruction	-	-	-	275,987	215,508	180,089	342,763	302,646	110,398	89,719
Pupil Support	293,502	5,095	-	2,005	-	-	-	5,069	-	-
Staff Support	-	79,595	81,741	28,713	194,136	218,939	189,382	214,953	234,978	277,899
Administration	-	10,000	10,000	-	-	-	-	66,032	31,169	89,753
Pupil Transportation	-	9,440	-	3,540	-	7,648	19,395	14,681	17,659	21,542
Operation of Food Service	2,402	136,034	173,448	161,527	224,343	207,941	344,048	331,506	310,631	325,804
Other Operations	-	-	-	-	-	32	6,189	15	150	370
Operation of Maintenance of Plant Services	15,637	-	-	-	-	-	-	-	-	-
Extracurricular Activities	138,276	-	-	-	-	17,897	53,341	15,241	8,013	17,348
Capital Grants and Contributions:										
Pupil Transportation	-	-	-	73,100	-	-	-	-	-	-
Total Governmental Activities- Program Revenues	1,467,803	1,726,289	1,783,680	1,951,971	2,201,005	1,946,900	2,286,827	2,505,773	2,761,463	2,582,986
Net (Expense)/Revenue										
Governmental Activities	(32,784,428)	(31,756,614)	(28,801,503)	(28,318,740)	(27,650,582)	(29,580,952)	(25,449,721)	(28,057,331)	(27,203,388)	(26,082,301)

(continued)

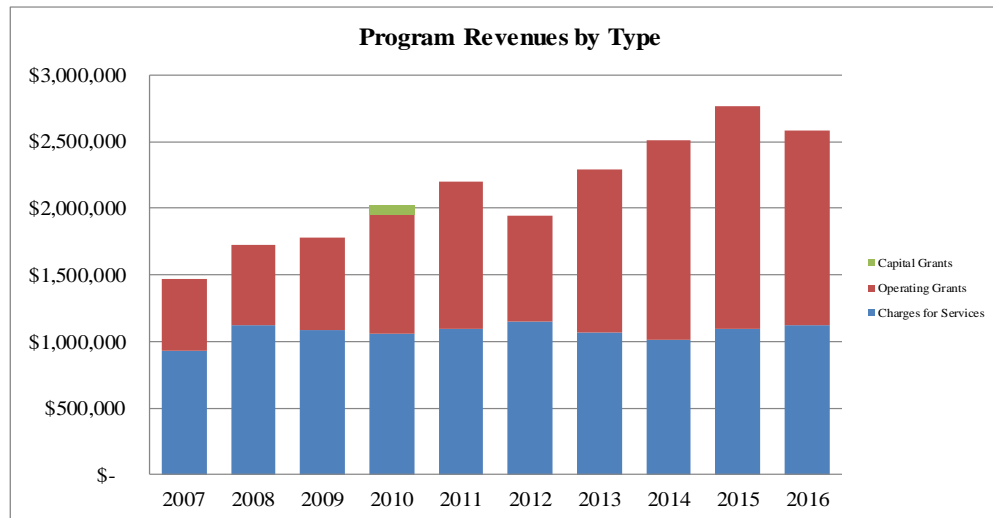
Perry Local School District, Lake County

**Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues and Other Changes in Net Position										
<u>Governmental Activities:</u>										
Property Taxes Levied for:										
General Purposes	\$ 15,046,416	\$ 14,965,281	\$ 14,455,059	\$ 14,805,151	\$ 13,699,919	\$ 12,880,846	\$ 13,872,789	\$ 12,643,540	\$ 13,464,035	\$ 13,095,018
Other Purposes	-	-	-	-	1,192,483	1,086,264	1,029,871	1,066,075	974,322	923,773
Grants and Entitlements not Restricted to Specific Programs	11,937,105	12,052,117	12,119,566	12,022,905	11,987,356	11,138,411	10,674,069	10,894,340	10,776,111	10,878,115
Investment Income	1,402,315	1,249,528	772,699	176,980	137,071	157,977	(87,578)	258,124	248,895	438,236
All Other Revenues	365,960	510,572	514,017	815,620	499,167	338,628	419,188	390,658	365,159	313,768
<i>Total Governmental Activities</i>	<u>28,751,796</u>	<u>28,777,498</u>	<u>27,861,341</u>	<u>27,820,656</u>	<u>27,515,996</u>	<u>25,602,126</u>	<u>25,908,339</u>	<u>25,252,737</u>	<u>25,828,522</u>	<u>25,648,910</u>
Change in Net Position										
Governmental Activities	<u>\$ (4,032,632)</u>	<u>\$ (2,979,116)</u>	<u>\$ (940,162)</u>	<u>\$ (498,084)</u>	<u>\$ (134,586)</u>	<u>\$ (3,978,826)</u>	<u>\$ 458,618</u>	<u>\$ (2,804,594)</u>	<u>\$ (1,374,866)</u>	<u>\$ (433,391)</u>

Program Revenues of Governmental Activities by Function
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Instruction:										
Regular	\$ 35,282	\$ 62,103	\$ 145,498	\$ 211,018	\$ 250,807	\$ 145,025	\$ 271,707	\$ 579,064	\$ 974,927	\$ 361,205
Special	48,541	300,270	316,877	169,668	244,303	79,999	28,776	12,171	38,181	301,023
Vocational	-	-	-	-	58,822	-	-	-	-	-
Other	-	-	-	275,987	215,508	180,089	342,763	302,646	110,398	89,719
Support Services:										
Pupils	293,502	5,095	-	2,005	-	-	-	5,069	-	-
Instructional Staff	-	79,595	81,741	28,713	194,136	218,939	189,382	214,953	234,978	277,899
Administration	-	10,000	10,000	-	-	-	-	66,032	31,169	89,753
Operation and Maintenance of Plant Services	15,637	-	-	-	-	-	-	-	-	-
Pupil Transportation	-	9,440	28,139	91,325	18,016	24,679	37,490	19,080	22,996	24,694
Operation of Non-Instructional Services:										
Operation of Food Service	605,095	842,330	813,487	800,223	858,872	851,560	896,608	869,203	846,800	786,343
Other	77,912	108,758	112,134	89,874	104,020	123,525	202,248	162,604	247,010	340,227
Extracurricular Activities	391,834	308,698	275,804	283,158	256,521	323,084	317,853	274,951	255,004	312,123
Total Program Revenues	\$1,467,803	\$1,726,289	\$1,783,680	\$1,951,971	\$2,201,005	\$1,946,900	\$2,286,827	\$2,505,773	\$2,761,463	\$2,582,986

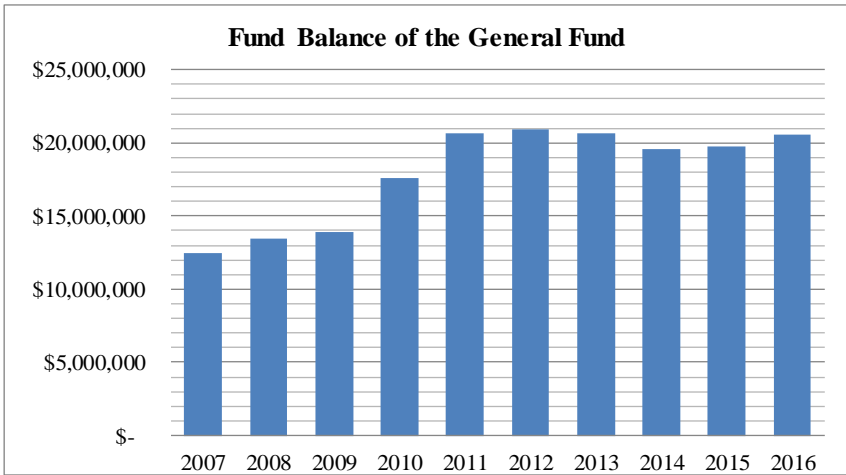


Perry Local School District, Lake County

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nondisposable	\$ -	\$ -	\$ -	\$ 155,453	\$ 186,430	\$ 298,119	\$ 212,007	\$ 236,028	\$ 209,169	\$ 212,583
Restricted	-	-	-	58,165	58,165	58,165	58,165	58,165	58,165	58,165
Committed	-	-	-	1,131,901	502,909	671,508	442,840	633,269	633,269	577,826
Assigned	-	-	-	321,664	368,715	918,126	2,127,200	3,594,699	3,568,617	2,570,338
Unassigned	-	-	-	15,944,702	19,569,680	18,983,543	17,813,011	15,093,286	15,302,371	17,120,341
Reserved	450,223	464,813	584,934	-	-	-	-	-	-	-
Unreserved	11,979,169	12,958,071	13,341,149	-	-	-	-	-	-	-
Total General Fund	12,429,392	13,422,884	13,926,083	17,611,885	20,685,899	20,929,461	20,653,223	19,615,447	19,771,591	20,539,253
All Other Governmental Funds										
Nondisposable	-	-	-	12,469	11,121	13,714	11,580	19,004	15,990	16,475
Restricted	-	-	-	1,072,697	1,032,585	1,430,615	1,477,646	1,803,312	1,522,897	1,455,079
Assigned	-	-	-	14,261,089	12,868,347	13,285,938	12,882,125	12,404,391	12,755,609	13,295,006
Unassigned (Deficit)	-	-	-	(117,643)	(135,305)	(651,236)	(616,875)	(95,377)	(512,018)	(720,905)
Reserved	638,136	95,940	64,495	-	-	-	-	-	-	-
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	441,381	976,868	3,158,487	-	-	-	-	-	-	-
Capital Projects Funds	11,359,392	12,689,452	13,129,352	-	-	-	-	-	-	-
Total All Other Governmental Funds	12,438,909	13,762,260	16,352,334	15,228,612	13,776,748	14,079,031	13,754,476	14,131,330	13,782,478	14,045,655
Total Governmental Funds	\$ 24,868,301	\$ 27,185,144	\$ 30,278,417	\$ 32,840,497	\$ 34,462,647	\$ 35,008,492	\$ 34,407,699	\$ 33,746,777	\$ 33,554,069	\$ 34,584,908

Note: The School District implemented GASB Statement No. 54 in fiscal year 2011.



**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	2007	2008	2009	2010
Revenues				
Taxes	\$17,547,414	\$17,400,098	\$14,466,126	\$ 14,763,706
Intergovernmental	12,489,225	12,647,424	12,636,433	12,921,816
Interest Income	1,402,315	1,249,528	772,699	176,980
Tuition	77,912	44,066	16,217	31,311
Transportation Fees	-	21,035	28,140	14,684
Extracurricular Activities	253,558	299,946	267,742	278,447
Charges for Services	602,693	101,310	112,134	89,873
Contributions and Donations	-	-	-	66,788
Food Services	-	657,214	571,348	567,862
Classroom Materials and Fees	-	16,395	13,951	8,404
All Other Revenues	537,102	448,467	864,005	483,529
<i>Total Revenues</i>	<u>32,910,219</u>	<u>32,885,483</u>	<u>29,748,795</u>	<u>29,403,400</u>
Expenditures				
Current:				
Instruction:				
Regular	12,037,677	11,260,700	10,580,613	10,550,274
Special	1,499,703	1,478,133	1,297,463	568,813
Vocational	108,223	108,115	109,693	145,425
Other	867,981	760,547	773,955	1,372,927
Support Services:				
Pupil	1,158,210	984,687	1,072,344	1,352,200
Instructional Staff	2,545,006	2,499,901	1,624,412	1,391,934
Board of Education	100,833	125,543	86,509	93,238
Administration	1,954,373	1,830,378	1,683,482	1,718,939
Fiscal Services	944,592	947,270	725,078	813,867
Business	39,741	278,348	115,727	199,467
Operation and Maintenance of Plant Services	4,381,060	4,459,596	4,126,267	3,973,674
Pupil Transportation	1,579,401	1,272,936	1,308,781	1,294,510
Central	56,059	50,928	37,888	24,042
Operation of Non-Instructional Services:				
Food Services Operations	1,202,080	989,954	938,928	893,521
Community Services	-	188,326	214,538	198,389
Other	12,766	235,917	194,898	183,728
Extracurricular Activities	1,215,304	1,289,702	1,224,804	1,192,674
Capital Outlay	2,320,402	1,571,292	142,859	544,374

Perry Local School District, Lake County

2011	2012	2013	2014	2015	2016
\$ 14,544,470	\$ 14,988,857	\$ 14,106,129	\$ 13,728,284	\$ 14,539,605	\$ 14,056,873
13,113,039	11,478,954	11,825,644	12,732,463	12,315,723	12,327,368
137,071	157,977	(87,578)	258,124	248,895	438,236
77,661	58,423	39,130	45,462	57,441	23,162
18,016	17,031	18,095	4,399	5,337	3,152
157,032	279,033	243,582	241,837	217,979	273,856
104,020	123,493	196,059	162,589	246,860	134,209
102,671	31,548	-	35,414	27,458	75,975
563,887	567,894	552,560	537,697	536,169	460,539
24,552	26,154	20,930	17,873	29,012	17,814
475,409	338,628	479,584	390,658	365,159	478,801
<u>29,317,828</u>	<u>28,067,992</u>	<u>27,394,135</u>	<u>28,154,800</u>	<u>28,589,638</u>	<u>28,289,985</u>

11,053,559	10,447,967	10,608,777	11,156,749	12,225,659	11,062,076
633,158	419,055	595,271	536,525	1,356,760	1,492,293
78,852	202,928	127,333	95,436	48,927	42,910
1,744,566	1,878,772	2,072,844	2,050,059	1,005,826	1,295,806
1,481,414	1,539,970	1,386,027	1,670,946	1,627,882	1,484,348
1,402,096	1,596,610	1,693,864	1,897,767	1,562,560	1,813,572
97,586	89,755	94,901	67,157	60,774	70,935
1,427,843	1,403,451	1,483,696	1,520,933	1,605,379	1,685,862
673,004	719,264	641,070	545,394	708,537	684,235
219,907	249,617	288,209	204,530	137,583	150,404
3,822,994	3,370,601	3,411,654	3,592,897	3,642,111	3,407,013
1,189,229	1,306,283	1,260,730	1,276,841	1,159,699	1,061,072
20,091	22,819	23,572	23,084	23,573	26,164
880,902	952,921	906,325	972,789	915,697	925,381
177,849	180,454	248,016	299,522	426,745	261,073
80,396	9,526	-	2,356	-	-
1,294,988	1,356,845	1,282,988	1,241,630	1,224,999	1,204,948
1,087,919	1,513,026	1,866,412	1,338,808	716,468	260,519

(continued)

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (Continued)
(modified accrual basis of accounting)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenditures (continued)				
Debt Service:				
Principal Retirement	\$ 180,331	\$ 187,396	\$ 194,737	\$ 265,136
Interest and Fiscal Charges	81,952	74,887	67,546	64,188
<i>Total Expenditures</i>	<u>32,285,694</u>	<u>30,594,556</u>	<u>26,520,522</u>	<u>26,841,320</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>624,525</u>	<u>2,290,927</u>	<u>3,228,273</u>	<u>2,562,080</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	2,516	-	-
Inception of Capital Leases	-	188,400	-	-
Transfers In	3,285,960	2,433,697	2,618,500	2,180,479
Transfers Out	<u>(3,285,960)</u>	<u>(2,598,697)</u>	<u>(2,753,500)</u>	<u>(2,180,479)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>25,916</u>	<u>(135,000)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u><u>\$624,525</u></u>	<u><u>\$2,316,843</u></u>	<u><u>\$3,093,273</u></u>	<u><u>\$2,562,080</u></u>
Debt Service as a Percentage of Noncapital Expenditures	0.88%	0.88%	1.00%	1.24%

Perry Local School District, Lake County

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 275,473	\$ 218,532	\$ 253,121	\$ 293,326	\$ 300,906	\$ 308,887
53,852	43,751	37,809	28,973	32,261	21,648
<u>27,695,678</u>	<u>27,522,147</u>	<u>28,282,619</u>	<u>28,815,722</u>	<u>28,782,346</u>	<u>27,259,146</u>
<u>1,622,150</u>	<u>545,845</u>	<u>(888,484)</u>	<u>(660,922)</u>	<u>(192,708)</u>	<u>1,030,839</u>
-	-	-	-	-	-
-	-	287,691	-	-	-
-	2,123,000	2,091,000	1,350,000	1,550,000	1,222,000
-	(2,123,000)	(2,091,000)	(1,350,000)	(1,550,000)	(1,222,000)
-	-	287,691	-	-	-
<u>\$1,622,150</u>	<u>\$545,845</u>	<u>(\$600,793)</u>	<u>(\$660,922)</u>	<u>(\$192,708)</u>	<u>\$1,030,839</u>
1.22%	0.99%	1.10%	1.15%	1.18%	1.23%

**Assessed and Estimated Actual Value of Taxable Property
Last Ten Years**

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2007	\$ 203,647,280	\$ 89,561,620	\$ 837,739,714	\$ 163,837,760	\$ 186,179,273
2008	207,911,800	90,901,040	853,750,971	152,113,140	172,855,841
2009	210,347,700	92,109,470	864,163,343	156,680,560	178,046,091
2010	193,466,610	103,551,650	848,623,600	166,246,910	188,916,943
2011	194,035,030	103,287,510	849,492,971	192,084,340	218,277,659
2012	194,696,430	87,966,330	807,607,886	159,661,790	181,433,852
2013	177,145,080	84,822,890	748,479,914	152,386,770	173,166,784
2014	176,995,970	83,452,400	744,138,200	138,522,220	157,411,614
2015	177,303,520	84,501,960	748,015,657	168,196,300	191,132,159
2016	188,063,740	86,498,400	784,463,257	152,954,510	173,811,943

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

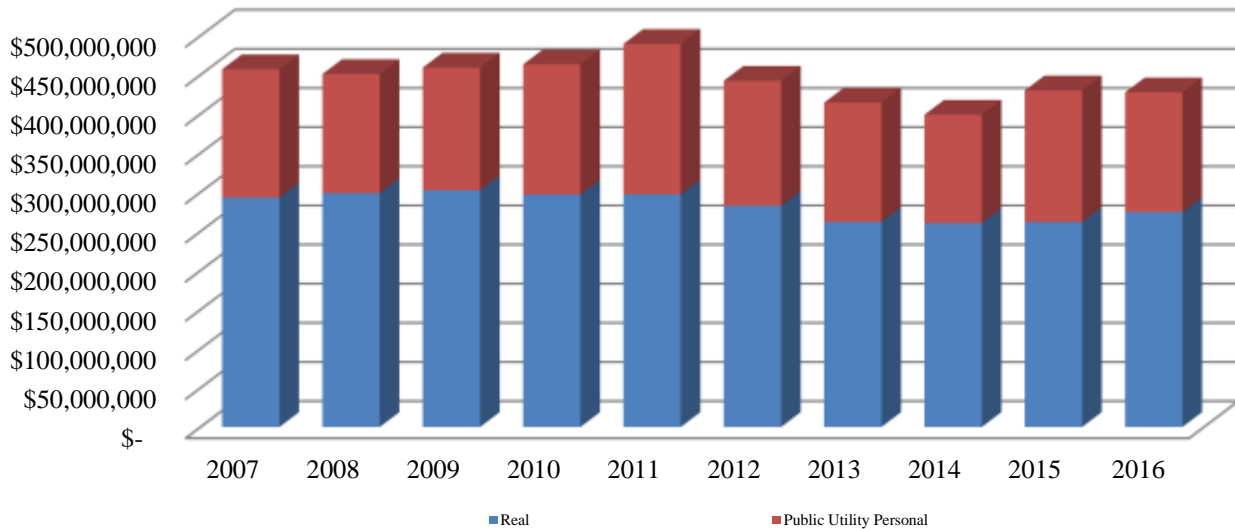
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Office of the County Auditor, Lake County, Ohio, Schedule A

Perry Local School District, Lake County

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
General Business		Assessed Value	Estimated Actual Value		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ 5,396,244	\$ 43,169,952	\$ 462,442,904	\$ 1,067,088,939	44.20	43.34%
4,218,120	67,489,920	455,144,100	1,094,096,732	44.20	41.60%
472,480	7,559,680	459,610,210	1,049,769,114	44.20	43.78%
236,240	3,779,840	463,501,410	1,041,320,383	44.20	44.51%
0	0	489,406,880	1,067,770,631	44.20	45.83%
0	0	442,324,550	989,041,738	44.20	44.72%
0	0	414,354,740	921,646,698	44.20	44.96%
0	0	398,970,590	901,549,814	44.20	44.25%
0	0	430,001,780	939,147,816	44.20	45.79%
0	0	427,516,650	958,275,200	44.20	44.61%

Assessed Value of Taxable Property



Perry Local School District, Lake County

**Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years**

Tax Year/ Collection Year	School Levy (1)	County Levy	Other Levies (2)	Total Levy	Debt Service Included in Total Levy (3)			
					School	County	Other	Total
2006/2007	\$ 44.20	\$ 10.30	\$ 26.30	\$ 80.80	\$ -	\$ -	\$ -	\$ -
2007/2008	44.20	10.40	26.30	80.90	-	-	-	-
2008/2009	44.20	10.40	26.30	80.90	-	-	-	-
2009/2010	44.20	10.40	29.10	83.70	-	-	-	-
2010/2011	44.20	10.40	28.40	83.00	-	-	-	-
2011/2012	44.20	10.40	28.40	83.00	-	-	-	-
2012/2013	44.20	9.40	28.90	82.50	-	-	-	-
2013/2014	44.20	9.40	28.90	82.50	-	-	-	-
2014/2015	44.20	9.40	26.60	80.20	-	-	-	-
2015/2016	44.20	9.30	25.55	79.05	-	-	-	-

Source: Office of the County Auditor, Lake County, Ohio - Data is presented on a calendar year basis consistent with the County Auditor's method of maintaining the information.

- (1) The total School levy is comprised of an unvoted levy (4.20) and a current expense levy (40.00)
- (2) Other levies are comprised of levies from the following overlapping governments: Auburn JVSD, Perry Corp., Perry Twp., Lakeland Community College, Metropolitan Park District, North Perry Corp., Lake County Joint Financing District, Perry Twp. Library District, Perry Joint Fire District, and Perry Twp. Exc. Perry & N. Perry
- (3) None of the levies had debt service levies

Perry Local School District, Lake County

**Property Tax Levies and Collections (1)
Last Ten Years**

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2006	\$ 14,345,921	\$ 14,226,667	99.17 %	\$ 2,608,008	\$ 16,834,675	117.35 % (4)
2007	14,393,154	14,028,888	97.47	5,190,914	19,219,802	133.53 (4)
2008	13,864,693	13,679,694	98.67	2,621,886	16,301,580	117.58 (4)
2009	14,063,652	13,864,858	98.59	177,778	14,042,636	99.85
2010	14,446,289	13,936,527	96.47	154,027	14,090,554	97.54
2011	15,763,977	14,012,620	88.89	136,883	14,149,503	89.76
2012	14,172,752	13,990,337	98.71	729,822	14,720,159	103.86
2013	13,689,043	13,559,388	99.05	152,920	13,712,308	100.17
2014	13,065,786	12,936,439	99.01	195,090	13,131,529	100.50
2015	13,757,386	13,647,484	99.20	179,621	13,827,105	100.51

Source: Office of the County Auditor, Lake County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2016 information cannot be presented because all collections have not been made by June 30, 2016.
- (3) The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.
- (4) A property tax settlement was reached with the Perry Power Plant. The proceeds from the settlement are included with delinquent taxes.

Perry Local School District, Lake County

**Principal Taxpayers
Real Estate Tax
2016 and 2008 (1)**

Name of Taxpayer	December 31, 2015	
	Assessed Value	Percent of Real Property Assessed Value
First Energy Nuclear	\$65,450,000	23.84%
A & L Nurseries LLC	1,441,460	0.53%
APSCO Properties LTD	1,415,940	0.52%
Losely Gertrude TR	1,384,950	0.50%
Fifth Third Bank	787,320	0.29%
Norshar Company	1,097,430	0.40%
Deming III LLC	907,560	0.33%
LCN Holdings Inc	744,750	0.27%
Cottage Gardens Inc	641,300	0.23%
Gerald K Klyn Inc.	641,040	0.22%
Totals	<u>\$74,511,750</u>	<u>27.13%</u>
Total Assessed Valuation	<u><u>\$274,562,140</u></u>	

Name of Taxpayer	December 31, 2007	
	Assessed Value	Percent of Real Property Assessed Value
First Energy Nuclear	\$69,686,910	23.77%
Lake County Nursery Inc.	2,341,760	0.80%
A & L Nurseries LLC	1,426,280	0.49%
Deming V LLC	1,389,200	0.47%
APSCO Properties LTD	1,351,540	0.46%
Loreto Development	1,332,210	0.45%
Deming III LLC	1,095,050	0.37%
Losely Eward	1,073,990	0.37%
Deming IX LLC	737,360	0.25%
Gerard K Klyn Inc.	716,440	0.24%
Totals	<u>\$81,150,740</u>	<u>27.68%</u>
Total Assessed Valuation	<u><u>\$293,208,900</u></u>	

Source: Office of the County Auditor, Lake County, Ohio

(1) The amounts presented represent the assessed values upon which 2007 and 2016 collections were based.

Perry Local School District, Lake County

**Principal Taxpayers
General Business Tangible Personal Property Tax
2016 and 2008 (1)**

<u>Name of Taxpayer</u>	<u>December 31, 2015 (2)</u>	
	<u>Assessed Value</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Total	<u>\$0</u>	<u>0.00%</u>
Total Assessed Valuation	<u>\$0</u>	

<u>Name of Taxpayer</u>	<u>December 31, 2007</u>	
	<u>Assessed Value</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Mid West Materials Inc	\$1,923,470	35.64%
APSCO Inc	1,156,810	21.44%
Windstream Western Reserve Inc	557,070	10.32%
Mackenzie Nursery Supply	277,590	5.14%
Lake County Parts Warehouse Inc	199,840	3.70%
Rideout Foods Inc	156,010	2.89%
Clark Rubber & Plastic Co	128,320	2.38%
Neff Perkins Company	121,760	2.26%
MMI Services Inc	95,160	1.76%
Great Lakes Power Services Co	89,530	1.66%
Total (3)	<u>\$4,705,560</u>	<u>87.19%</u>
Total Assessed Valuation (3)	<u>\$5,396,244</u>	

Source: Office of the County Auditor, Lake County, Ohio

- (1) The amounts presented represent the assessed values upon which 2007 and 2016 collections were based.
- (2) The tangible personal property tax for general business was completely phased out for collection year 2011.
- (3) The assessed personal property valuation total is the 2004 frozen abstract values depreciated by 25% a year until zero for 2009. The top ten values are the actual collected values for that year.

Perry Local School District, Lake County

**Principal Taxpayers
Public Utilities Tax
2016 and 2008 (1)**

	December 31, 2015	
Name of Taxpayer	Assessed Value	Percent of Public Utility Assessed Value
First Energy Nuclear	\$123,152,160	80.52%
CEI	8,531,260	5.58%
Ohio Edison	7,864,750	5.14%
American Transmission	12,190,330	7.97%
East Ohio Gas	909,870	0.59%
Total	\$152,648,370	99.80%
 Total Assessed Valuation	 \$152,954,510	

	December 31, 2007	
Name of Taxpayer	Assessed Value	Percent of Public Utility Assessed Value
First Energy Nuclear	\$128,589,180	78.48%
American Transmission	8,104,890	4.95%
Ohio Edison	8,087,760	4.94%
CEI	5,800,990	3.54%
Toledo Edison	588,190	0.36%
East Ohio Gas	491,260	0.30%
Total	\$151,662,270	92.57%
 Total Assessed Valuation	 \$163,837,760	

Source: Office of the County Auditor, Lake County, Ohio

(1) The amounts presented represent the assessed values upon which 2008 and 2016 collections were based.

**Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2016**

	<u>Debt Attributable to Governmental Activities</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Overlapping Debt:			
Payable from Property Taxes			
Lake County Bonds	\$11,325,000	7.49%	\$848,243
Perry Village Loans (2)	176,903	100.00%	176,903
Perry Township Bonds (3)	240,101	100.00%	240,101
Total Overlapping Debt	\$11,742,004		\$1,265,247
Direct Debt - Perry Local School District			
Capital Leases	94,613	100.00%	94,613
Total Direct Debt	94,613		94,613
Total Direct and Overlapping Debt	\$11,836,617		\$1,359,860

Source: Office of the Auditor, Lake County, Ohio; Perry Township & Perry Village

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2015 collection year.
- (2) Information provided as of the entity's most recent available financial audit (December 31, 2014).
- (3) Information provided as of the entity's most recent available financial audit (December 31, 2012).

**Ratio of General Debt to Estimated Actual Value,
Personal Income, and Debt per Capita
Last Ten Fiscal Years**

Fiscal Year	Population (1)	General Debt					
		Energy Conservation Note	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value (2)	Ratio of General Debt to Personal Income (3)	General Debt Per Capita
2007	6,596 (a)	\$ 1,976,487	\$ 496,395	\$ 2,472,882	0.23%	1.76%	\$ 374.91
2008	6,596 (a)	1,789,091	217,815	2,006,906	0.18%	1.43%	304.26
2009	6,596 (a)	1,594,354	127,949	1,722,303	0.16%	1.23%	261.11
2010	7,088 (b)	1,391,988	65,179	1,457,167	0.14%	0.81%	205.58
2011	7,088 (b)	1,181,694	-	1,181,694	0.11%	0.65%	166.72
2012	7,088 (b)	963,162	-	963,162	0.10%	0.53%	135.89
2013	7,088 (b)	736,068	261,664	997,732	0.11%	0.55%	140.76
2014	7,088 (b)	500,078	204,328	704,406	0.08%	0.39%	99.38
2015	7,088 (b)	254,842	148,658	403,500	0.04%	0.22%	56.93
2016	7,088 (b)	-	94,613	94,613	0.01%	0.05%	13.35

Sources: (1) U.S. Bureau of Census, Census of Population
(a) 2000 Federal Census
(b) 2010 Federal Census
(2) The Estimated Actual Value can be found on page S13.
(3) The Personal Income can be found on page S24.

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Perry Local School District, Lake County

**Computation of Legal Debt Margin
Last Ten Fiscal Years**

	2007	2008	2009	2010
Assessed Valuations	\$462,442,904	\$455,144,100	\$459,610,210	\$463,501,410
Debt Limit - 9% of Taxable Valuation (1)	\$41,619,861	\$40,962,969	\$41,364,919	\$41,715,127
Amount of Debt Applicable to Debt Limit Energy Conservation Notes	1,976,487	1,789,091	1,594,354	1,391,988
Exemptions: Energy Conservation Notes	(1,976,487)	(1,789,091)	(1,594,354)	(1,391,988)
Amount of Debt Subject to Limit	-	-	-	-
Legal Debt Margin	\$41,619,861	\$40,962,969	\$41,364,919	\$41,715,127
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$462,443	\$455,144	\$459,610	\$463,501
Amount of Debt Subject to Limit	-	-	-	-
Unvoted Legal Debt Margin	\$462,443	\$455,144	\$459,610	\$463,501
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Lake County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

Perry Local School District, Lake County

2011	2012	2013	2014	2015	2016
<u>\$489,406,880</u>	<u>\$442,324,550</u>	<u>\$414,354,740</u>	<u>\$398,970,590</u>	<u>\$430,001,780</u>	<u>\$427,516,650</u>
<u>\$44,046,619</u>	<u>\$39,809,210</u>	<u>\$37,291,927</u>	<u>\$35,907,353</u>	<u>\$38,700,160</u>	<u>\$38,476,499</u>
1,181,694	963,162	736,068	500,078	254,842	-
<u>(1,181,694)</u>	<u>(963,162)</u>	<u>(736,068)</u>	<u>(500,078)</u>	<u>(254,842)</u>	<u>-</u>
-	-	-	-	-	-
<u>\$44,046,619</u>	<u>\$39,809,210</u>	<u>\$37,291,927</u>	<u>\$35,907,353</u>	<u>\$38,700,160</u>	<u>\$38,476,499</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$489,407	\$442,325	\$414,355	\$398,971	\$430,002	\$427,517
-	-	-	-	-	-
<u>\$489,407</u>	<u>\$442,325</u>	<u>\$414,355</u>	<u>\$398,971</u>	<u>\$430,002</u>	<u>\$427,517</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Demographic and Economic Statistics
(includes North Perry Village, Perry Township and Perry Village)
Last Ten Years**

Year	Population (1)		Total Personal Income (3)	Per Capita Personal Income (1)	Unemployment Rate (2)
2007	6,596	(a)	\$ 140,461,820	\$ 21,295	5.60%
2008	6,596	(a)	140,461,820	21,295	5.70%
2009	6,596	(a)	140,461,820	21,295	8.80%
2010	7,088	(b)	180,899,936	25,522	8.40%
2011	7,088	(b)	180,899,936	25,522	7.40%
2012	7,088	(b)	180,899,936	25,522	6.50%
2013	7,088	(b)	180,899,936	25,522	7.10%
2014	7,088	(b)	180,899,936	25,522	6.70%
2015	7,088	(b)	180,899,936	25,522	5.70%
2016	7,088	(b)	180,899,936	25,522	4.90%

Sources: (1) U.S. Bureau of Census, Census of Population
 (a) 2000 Federal Census
 (b) 2010 Federal Census
 (2) Represents Lake County
 (3) Computation of Per Capita Personal Income multiplied by population.

Perry Local School District, Lake County

**Principal Employers
2016 and 2008**

Employer	Nature of Business	2016	
		Number of Employees (2)	Percentage of Total Employment
FirstEnergy Corporation (CEI)	Energy	720	20.38%
APSCO/Tt Electronics	Manufacturing	275	7.79%
Perry Local School District	Education	267	7.56%
Cottage Gardens	Agriculture	223	6.31%
Mid-West Materials	Manufacturing	62	1.76%
Rideout's IGA	Grocer	50	1.42%
Perry Joint Fire District	Safety	46	1.30%
Lake County Nursery	Agriculture	35	0.99%
Sheetz	Grocer	30	0.85%
NewGreen Legacy Services, Inc.	Energy	25	0.71%
Total		1,733	49.07%

Total Employment within the School District (1)

3,532

Employer	Nature of Business	2008 (3)	
		Number of Employees (2)	Percentage of Total Employment
FirstEnergy Corporation (CEI)	Energy	800	22.65%
Perry Local School District	Education	241	6.82%
APSCO	Manufacturing	187	5.29%
Cottage Gardens	Agriculture	126	3.57%
Mid-West Materials	Manufacturing	60	1.70%
Rideout's IGA	Grocer	50	1.42%
Perry Joint Fire District	Safety	46	1.30%
Lake County Nursery	Agriculture	30	0.85%
Total		1,540	43.60%

Total Employment within the School District (1)

3,532

Sources:

- (1) Obtained from the 2000 U.S. Census Bureau
- (2) Obtained from the various employer information

Perry Local School District, Lake County

Building Statistics Last Ten Fiscal Years

	2007	2008	2009	2010 (1)
Perry Elementary School				
Constructed in 1995				
Total Building Square Footage 83,000				
Enrollment Grades K-4	674	651	656	0
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	38	38	38	0
Regular Instruction Teachers	26	30	29	0
Special Instruction Classrooms	17	17	17	0
Special Instruction Teachers	11	12	12	0
Perry Primary Elementary School				
Enrollment Grades K-2	0	0	0	372
Regular Instruction Classrooms	0	0	0	20
Regular Instruction Teachers	0	0	0	17
Special Instruction Classrooms	0	0	0	10
Special Instruction Teachers	0	0	0	4
Perry Intermediate Elementary School				
Enrollment Grades 3-5	0	0	0	434
Regular Instruction Classrooms	0	0	0	28
Regular Instruction Teachers	0	0	0	20
Special Instruction Classrooms	0	0	0	10
Special Instruction Teachers	0	0	0	7
Perry Middle School				
Constructed in 1995				
Total Building Square Footage 113,000				
Enrollment Grades 5-8/ 6-8 (1)	588	598	625	456
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	34	34	34	24
Regular Instruction Teachers	30	26	25	18
Special Instruction Classrooms	14	14	14	11
Special Instruction Teachers	10.5	14.5	14.5	9.5
Perry High School				
Constructed in 1993				
Total Building Square Footage 271,000				
Enrollment Grades 9-12	644	649	598	602
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classrooms	30	30	30	30
Regular Instruction Teachers	26	22	20	20
Special Instruction Classrooms	18	18	18	18
Special Instruction Teachers	11	16	19	17.5

Source: District Records, Ohio Department of Education

- (1) Location of grade levels in buildings changed in August 2009 and a new building was created;
K-4 was split into Perry Primary School housing grades K-2, Perry Intermediate housing grades 3-5,
and Perry Middle housing grades 6-8
- (2) District provided enrollment at end of the 2011-2012 school year.

Perry Local School District, Lake County

2011	2012 (2)	2013	2014	2015	2016
0	0	0	595	568	561
1,200	1,200	1,200	1,200	1,200	1,200
0	0	0	38	38	38
0	0	0	33	28.5	26
0	0	0	17	17	17
0	0	0	8.5	8	9.5
367	313	331	0	0	0
20	20	20	0	0	0
18	15	15	0	0	0
10	10	10	0	0	0
3	5	7.5	0	0	0
420	418	399	0	0	0
28	28	28	0	0	0
18	18	18	0	0	0
10	10	10	0	0	0
6.5	6	4.5	0	0	0
456	438	452	593	582	565
1,200	1,200	1,200	1,200	1,200	1,200
24	24	24	24	24	24
19	19	18	24	24.5	24
11	11	11	11	11	11
11	13	10.5	14.5	11.5	12.5
606	600	596	574	593	596
1,200	1,200	1,200	1,200	1,200	1,200
30	30	29	29	29	29
23	21	21	22	29	22
18	18	19	19	19	19
17	15	19.5	16	20.5	18

Perry Local School District, Lake County

**Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Student Enrollment		General Government		Governmental Activities	
	Average Enrollment (1)	Percent of Change	Total Expenditures (2)	Per Pupil Cost	Total Expenses	Per Pupil Cost
2007	1,904	3.82%	\$ 32,023,411	\$ 16,819	\$ 34,252,231	\$ 17,990
2008	1,886	-0.95%	30,332,273	16,083	33,482,903	17,753
2009	1,879	-0.37%	26,258,239	13,975	33,482,903	17,820
2010	1,864	-0.80%	26,511,996	14,223	30,270,711	16,240
2011	1,849	-0.80%	27,366,353	14,801	29,851,587	16,145
2012 (3)	1,769	-4.33%	27,259,864	15,410	31,527,852	17,822
2013	1,778	0.51%	27,991,689	15,743	27,736,548	15,600
2014	1,762	-0.90%	28,493,423	16,171	30,563,104	17,346
2015	1,743	-1.08%	28,449,179	16,322	29,964,851	17,192
2016	1,722	-1.20%	26,928,611	15,638	28,665,287	16,647

Source: School District Records

- (1) Based upon EMIS information provided to the Ohio Department of Education
- (2) Debt Service expenditures and other financing uses have been excluded
- (3) The School District provided enrollment at the end of 2011-2012 school year.
Information from ODE was unavailable.

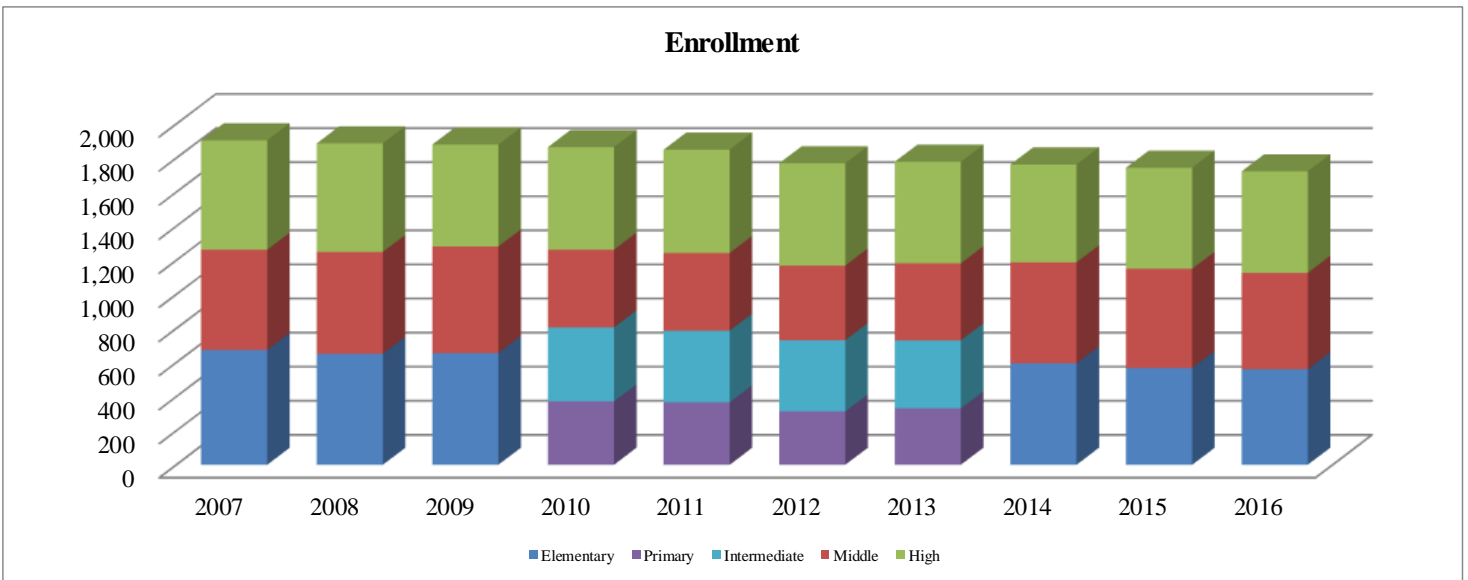
Perry Local School District, Lake County

Enrollment Statistics Last Ten Fiscal Years

Fiscal Year	Elementary School	Primary School	Intermediate School	Middle School	High School	Total
2007	674	0	0	588	642	1,904
2008	651	0	0	598	637	1,886
2009	656	0	0	625	598	1,879
2010	0	372	434	456	602	1,864
2011	0	367	420	456	606	1,849
2012 (1)	0	313	418	438	600	1,769
2013	0	331	399	452	596	1,778
2014 (2)	595	0	0	593	574	1,762
2015	568	0	0	582	593	1,743
2016	561	0	0	565	596	1,722

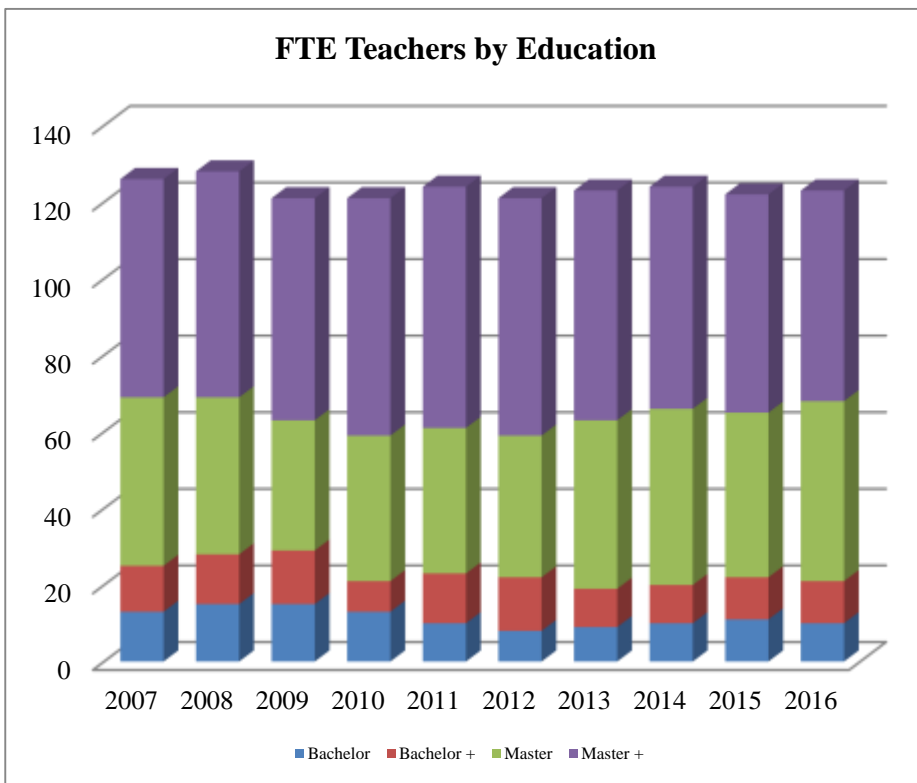
Source: Ohio Department of Education (ODE)

- (1) District provided enrollment at end of the 2011-2012 school year. Information from ODE was unavailable.
- (2) Information provided from State Report Card.



**Full-Time Equivalent Teachers by Education
Last Ten Fiscal Years**

Degree	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Bachelor's Degree	13	15	15	13	10	8	9	10	11	10
Bachelor + 15	4	6	5	2	5	5	2	3	4	5
Bachelor + 30	8	7	9	6	8	9	8	7	7	6
Master's Degree	44	41	34	38	38	37	44	46	43	47
Master + 15	57	59	58	62	63	62	60	58	57	55
Total	126	128	121	121	124	121	123	124	122	123



Source: School District Records

**Teachers' Salaries
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (2)</u>	<u>Average Salary Comparable Districts (3)</u>	<u>Statewide Average Salary (3)</u>
2007	\$ 32,846	\$ 70,882	\$ 52,435	\$ 53,534
2008	32,846	70,822	N/A	53,410
2009	32,846	70,822	N/A	54,656
2010	32,846	72,654	N/A	55,958
2011	32,846	72,654	N/A	56,715
2012	35,903	76,507	N/A	N/A
2013	35,903	83,772	N/A	N/A
2014	35,903	83,772	N/A	N/A
2015	35,903	83,772	N/A	N/A
2016	35,903	83,772	N/A	N/A

Source: (1) Starting teacher with no experience
 (2) Teacher with a Masters degree +15
 (3) Provided by the Ohio Department of Education
 N/A - The information is currently unavailable from the Ohio Department of Education.

**Attendance and Graduation Rates
Last Ten Fiscal Years**

Fiscal Year	Perry Attendance Rate	State Average	Perry Graduation Rate	State Average
2007	96.10%	94.10%	98.10%	86.90%
2008	96.00%	94.20%	94.90%	84.60%
2009	96.20%	94.30%	94.90%	84.60%
2010	95.60%	94.30%	96.40%	83.00%
2011	95.80%	94.50%	97.50%	84.30%
2012	95.79%	N/A	N/A	N/A
2013	N/A	N/A	93.60%	N/A
2014	94.80%	N/A	93.60%	82.20%
2015	95.79%	N/A	98.00%	N/A
2016	95.30%	N/A	95.70%	N/A

Source: Ohio Department of Education

N/A - The information is currently unavailable from the Ohio Department of Education and School District records.

Perry Local School District, Lake County

**School District Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Regular Instruction	76.00	78.00	74.00	75.00	78.00	73.00	72.00	79.00	82.00	78.00
Special Instruction	41.00	41.00	48.50	45.50	37.00	38.50	43.00	39.00	40.00	37.00
Pupil Support Services										
Special Education Supervisor	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Guidance Counselors	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	4.00	3.00
Librarians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Speech and Language Pathologists	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00
Nurses	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Educational/Media Associates	22.00	21.00	21.00	21.00	25.50	26.50	27.00	33.50	31.00	33.00
Media/Theatre Specialists	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00
Facilitators	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Dean of Students	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00
Athletic Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tutors	0.00	0.00	0.00	9.50	10.00	8.50	10.00	12.00	14.00	12.00
Recreational	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Administrators										
Elementary	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Middle	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
High	2.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00
District	6.00	4.00	5.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00
Operation of Plant										
Supervision	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Custodians	17.00	17.00	13.00	18.00	18.00	17.00	16.50	19.50	17.50	16.00
Maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Pupil Transportation										
Supervision	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Bus Operators	21.50	17.00	18.00	16.00	17.00	17.00	17.00	16.00	17.00	18.00
Bus Aides	5.50	2.00	3.00	2.00	2.00	1.50	2.00	3.00	1.00	1.00
Van Drivers	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00
Bus Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	1.50	2.00	2.00	3.00
Food Service Program	12.00	13.00	13.00	13.00	13.00	13.00	13.00	11.00	13.00	15.00
Administrative Support Services										
Secretary/Administrative Support	20.00	20.00	19.00	19.00	20.00	20.00	18.00	19.00	19.00	19.00
Information Technology	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.50	2.50

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Source: District Records

Perry Local School District, Lake County

Free or Reduced Lunch Program Percentages Last Ten Fiscal Years

School Year	Students	Students Applicable for Free Lunch	Percentage of Applicable Students for the Free Lunch Program	Students Applicable for Reduced Lunch	Percentage of Applicable Students for the Reduced Lunch Program	Total Students Applicable for the Free and Reduced Lunch Program	Total Percentage of Applicable Students for the Free and Reduced Lunch Programs
2007	1,834	105	5.73%	224	12.21%	329	17.94%
2008	1,904	109	5.72%	130	6.83%	239	12.55%
2009	1,876	238	12.69%	89	4.74%	327	17.43%
2010	1,882	328	17.43%	90	4.78%	418	22.21%
2011	1,941	386	19.89%	60	3.09%	446	22.98%
2012	1,900	379	19.95%	72	3.79%	451	23.74%
2013	1,790	354	19.78%	82	4.58%	436	24.36%
2014	1,798	400	22.25%	89	4.95%	489	27.20%
2015	1,767	363	20.54%	90	5.09%	453	25.64%
2016	1,722	367	21.31%	88	5.11%	455	26.42%

Source: "Lunch MR 81 Report for October" obtained from the Ohio Department of Education.



Dave Yost • Auditor of State

PERRY LOCAL SCHOOL DISTRICT

LAKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 17, 2017**