



Dave Yost • Auditor of State

OHIO AUDITOR OF STATE KEITH FABER



January 15, 2019

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

Ohio Auditor of State

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

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SYCAMORE
COMMUNITY SCHOOLS

Our students. Our future.

EMPOWERING



ACCOUNTABLE

#SYCAMORESTRONG

RELATIONSHIP-DRIVEN

INNOVATIVE

INCLUSIVE

COMPREHENSIVE

**ANNUAL
FINANCIAL
REPORT**

For the fiscal year ended June 30, 2018

Sycamore Community Schools • Cincinnati, Ohio

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Sycamore Community School District

Cincinnati, Ohio


Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018



Prepared by:
Office of the Treasurer
Beth A. Weber, Treasurer

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SYCAMORE
COMMUNITY SCHOOLS
Our students. Our future.



Paul Balent
President



Melissa Weiss
Vice President



Diane Adamec
Board Member



David Evans
Board Member



John Mercurio
Board Member



Frank Forsthoefel
Superintendent



Beth Weber
Treasurer

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INTRODUCTORY

SECTION



SYCAMORE
COMMUNITY SCHOOLS

Our students. Our future.

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District Offices

Frank A. Forsthoefel, Superintendent
Karen Naber, Assistant Superintendent
Beth A. Weber, Treasurer

December 18, 2018

To the Citizens and Board of Education of the Sycamore Community Schools:

The Comprehensive Annual Financial Report [CAFR] of the Sycamore Community School District [District] for the fiscal year ended June 30, 2018, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from Dave Yost, Ohio Auditor of State and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both, the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the Sycamore Community School District with comprehensive financial data including management's analysis and discussion in a format which will enable them to gain an understanding of the District's financial affairs.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

Copies of this report will be widely available through the district's website. Notification of availability will be forwarded to school buildings, the Greater Cincinnati Chamber of Commerce, major businesses located within the District, other governments in Hamilton County, the branches of the Hamilton County Public Library located within the District, Moody's and Standard and Poor's financial rating services, major banks, realtors, the Sycamore Advisory Commission and any other interested parties upon request. It is located at www.sycamoreschools.org, in the Treasurer's section.

THE REPORTING ENTITY AND SERVICES PROVIDED

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advanced placement, gifted, special education and vocational levels; a broad range of co-curricular and extra-curricular activities and community recreation activities.

The District receives pass through grants from the State and distributes these grants to parochial/private schools located within the District. This activity is included in the entity as the Auxiliary Services Special Revenue Fund, because of the District's administrative involvement in the program. The parochial/private schools served are: Cincinnati Hills Christian Academy, Ursuline Academy, and Archbishop Moeller High School. While these organizations share operational and service similarity with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, a suburb of Cincinnati in the Northeast part of Hamilton County. Approximately 62.9% of the District's tax base consists of agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains stable with moderate unemployment rates and low inflationary pressures.

The District is continually challenged by the responsibility bestowed upon it by the community at large. We always strive to provide the very best opportunities to every student, while carefully guarding the District's resources.

THE DISTRICT AND ITS FACILITIES

Located in Hamilton County, north of Cincinnati, the Sycamore Community School District serves a population of approximately 37,000 people. Within the District boundaries are the Cities of Blue Ash and Montgomery, portions of Sycamore and Symmes Townships and small portions of the Cities of Evendale and Loveland. These growing and thriving communities are a blend of residential, business, high technology, medical services and light industrial areas. Convenient access to interstate highways I-71, I-75 and interstate connector I-275 has helped in the growth of the area during the last thirty years. The greater Cincinnati area has long been known as an attractive area to live and work in the United States.

The District has a strong corporate base in Blue Ash, along with a stable tax base in Symmes and Sycamore Townships and the City of Montgomery. The diversity of the tax base has protected the District during unstable economic times. A strength cited is the sizeable and affluent tax base with residential employment access to the Cincinnati metropolitan area.

In 2017-2018, the District housed 5,481 students in one high school, one junior high, one middle school, and four elementary schools. Student enrollment has been stable for several years and is projected to remain so in future years. Enrollment listed below includes pre-kindergarten at Maple Dale Elementary of 88 students and 26 joint vocational students at Sycamore High School who are educated at the Great Oaks Institute of Technology and Career Development.

<u>Constructed</u>	<u>School Address</u>	<u>Enrollment (as of May 2018)</u>
2002	Blue Ash Elementary 9541 Plainfield Road	511
2014	Maple Dale Elementary 6100 Hagewa Drive	641
2003	Montgomery Elementary 9609 Montgomery Road	481
1989	Symmec Elementary 11820 Enyart Road	501
1964	E.H. Greene Intermediate 5200 Aldine Drive	828
1926	Sycamore Junior High 5757 Cooper Road	843
1974	Sycamore High School 7400 Cornell Road	1,676

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education is a five member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all the general laws of the State of Ohio are followed in the expenditures of the District's tax dollars and approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions in the community. Board members on June 30, 2018, were as follows:

<u>Board Member</u>	<u>Began Service</u>	<u>Term Expires</u>	<u>Profession</u>
Paul Balent	May, 2015	December, 2019	Global Technical Director
Melissa Weiss	January, 2016	December, 2019	Former Health Care Management Consultant
Diane Adamec	January, 2006	December, 2021	Former P & G Manager
David Evans	January, 2018	December, 2021	President & CEO
John Mercurio	January, 2010	December, 2021	Environmental Engineering Consultant

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Frank Forsthoefel joined the District in 2006, first as Assistant Superintendent and beginning in July 2015 as Superintendent. He has served students in the public school setting for 30 years as a classroom teacher, assistant principal, and principal prior to his tenure in the District. He received an undergraduate degree in education from Miami University and a master's degree in Educational Administration from Xavier University.

The Treasurer of the District is Beth Weber. Mrs. Weber joined the District in January 1999 with eight years of experience as a public school Treasurer in other Ohio school districts. As Treasurer her duties include overseeing the budgeting process, financial planning and analysis, payroll, purchasing, and the accounts payable process. Mrs. Weber also coordinates financial matters between the District and state, local, and federal authorities. Mrs. Weber earned undergraduate degrees in finance and business economics, as well as a Masters in Business Administration, from Miami University in Oxford, Ohio. She is a member of the Ohio Association of Business Officials and the Government Finance Officers Association.

EMPLOYEE RELATIONS

In 2017-2018 the District employed 480 full time equivalent certified personnel and 280 full time equivalent non-certified personnel. The starting salary for a teacher with a bachelor's degree for the period beginning August 1, 2017 is \$42,054. The maximum teacher salary in 2017-2018 is \$94,969.

The Sycamore Education Association (SEA), an affiliate of the Ohio Education Association (OEA), represents certificated employees of the District. In 2017, the District and the SEA entered into a collective bargaining agreement covering August 1, 2017 – July 31, 2020.

Classified employees are represented by the Ohio Association of Public School Employees (OAPSE). In 2016, the District and OAPSE entered into a three-year collective bargaining agreement which expires June 30, 2019.

SERVICES PROVIDED

The District provides a wide variety of educational and support services, as mandated by the Ohio Revised Code or Board directives.

Child Nutrition Services operates in all seven schools and has on-site preparation kitchens. In addition to catering District-sponsored events, school cafeterias served 336,249 plate lunches and 67,793 breakfasts in 2017-18. Child Nutrition Services is a self-supporting District department, meaning no tax dollars fund the CNS department and all CNS costs (equipment, supplies and salaries) are paid via students or staff purchasing a school meal, as well as federal reimbursement from the National School Lunch and Breakfast Program.

As a shared service, Child Nutrition Services provided 17,414 lunches to students at a local parochial school, Nativity of Our Lord, for the 2017-18 school year. In addition, 35,478 lunches and 13,684 breakfast meals were provided to students at St. Cecilia School for the 2017-18 school year.

Although the State of Ohio does not mandate the transportation of all students, the District is fortunate to be able to offer transportation to most families. The District utilizes 51 buses for the daily transportation of over 3,600 students. The District has an additional 15 buses for field trips and spares. In the 2017-2018 school year, the District's buses drove 739,584 miles to transport students to 19 different public, private and parochial schools, as well as field trips and athletic events.

In addition to transportation and school lunch support services, students in the District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education and gifted programs. Health services are provided by licensed nurses at each of the seven school sites.

The District offers regular instructional programs daily to students in grades K-12. Nearly 600 students receive special services, due to physical or mental disability conditions. Gifted services are provided in grades three through six in the areas of math and language arts. Accelerated offerings are available in English, Math, Science and Social Studies in grades seven and eight. Advanced placement classes are provided at the high school in the areas of English, Math, Science, Social Studies, Art, Global Languages, and Computer Science. The District presented 422 high school diplomas in May 2018.

CURRENT INITIATIVES

Strategic Planning Priorities

The strategic planning process supports review of the District's priorities, assesses its effectiveness and determines the need for re-direction on an annual basis. As a result of the process, five priorities are a focus for the 2018-19 year. They are:

- **EMPOWERING:** Provide rigorous and relevant learning and growth opportunities for students and staff.
- **ACCOUNTABLE:** Respect the investment of taxpayers and demonstrate responsible management of resources.
- **INNOVATIVE:** Sustain a safe and supportive learning environment for every individual.
- **INCLUSIVE:** Respect the diversity of our community through culturally responsive practices.
- **RELATIONSHIP-DRIVEN:** Engage all shareholders in ongoing conversations about our students' future and the future of the District.

District and building initiatives mirror the strategic priorities with specific action plans written to address student achievement.

Facilities

In 2017 the district updated its Capital Improvement plan to maintain more than one million square feet of facilities as well as athletic facilities and fields. A comprehensive assessment was conducted with recommendations addressing two major categories, Architectural/Structural and Mechanical/Electrical and Plumbing (MEP). Estimated costs and priority of the improvements was determined. Recommendations were then categorized in three levels, immediate needs, permanent improvement, and future expenses and investment. The administration utilized the assessment to produce a detailed maintenance and funding plan through 2021. In Summer 2018 paving and roof replacement as well as renovations to science classrooms were completed. The turf field at the Sycamore Junior High stadium was replaced. Recommendations categorized as future investments are discussed in the future initiative section.

Curriculum

Sycamore High School's Synnovation Lab was implemented in Fall, 2018. Approximately 100 freshmen and sophomore students are participating. The Synnovation Lab provides an innovative approach to secondary instruction utilizing personalized and project-based learning. Using the Flex Blended model, this school aims to provide a modern, self-paced, engaging and authentic learning experience housed inside Sycamore High School. The guiding functions of the program are as follows:

- Every child deserves a personalized learning path that supports their individuality and fosters meaningful relationships.
- Motivation and engagement are the cornerstones of personalized learning. Staff and students will share an ignited passion for the learning they are leading.
- Authentic learning is a gateway to real-world experiences which deepen understanding; encouraging students to create tangible, useful products to answer real-world problems.
- Design thinking is an innovative strategy to approach learning and problem-solving to move staff and students towards an action-oriented mindset.

FUTURE INITIATIVES

Facilities

As a result of an assessment of the district's buildings, the superintendent recommended a process to engage the community in planning the future of its facilities. In Spring, 2018, the district engaged multiple stakeholders to review current conditions and to participate in an educational visioning process with a goal is to create a plan addressing long term facility needs. As a result, the Board will determine plan options to be presented to the community for additional input in early 2019. The Board has engaged SHP Leading Design to facilitate this process and anticipate the completion of a facilities master plan including funding in 2019. A bond issue will likely be presented to the community for consideration in November, 2019.

Curriculum

The district continues its work toward completion of action steps recommended by the the Culturally Responsive Practices (CRP) Task Force . The team began its work in 2016 with 10 members including representatives from each building who were charged with taking a deep

dive into identifying current institutional cultural knowledge, overall cultural competencies, and culturally responsive practices. Since that time, the team has expanded to include administrators and parents and has 31 members. Action steps address the district priority to increase culturally responsive practices in response to our steadily growing ESL and minority populations.

The CRP team creates opportunities for staff to gain knowledge around cultural differences, awareness of implicit biases and barriers to change, and implemented engagement activities centered on understanding poverty and the importance of various cultural holidays and observances. Activities include book studies, data analysis, curriculum review, expansion of community outreach and an equity context analysis process for 2019-20.

RELEVANT FINANCIAL POLICIES

In June 2017, the Ohio Legislature approved House Bill 49, the fiscal year 2018 and fiscal year 2019 biennium budget. The impact of the new budget is a \$3 million loss of state funds in the 2017-18 school year and \$4 million less than 2016-17 in the 2018-19 school year. The Board and administration worked with Legislators to restore funds from the loss of local tangible personal property tax and received a TPP supplement that restored \$500 thousand each year of the biennium. This supplement will be eliminated in the 2019-20 school year.

The loss in State funding was identified as an issue when Sycamore's residents were asked to approve a 6.5 mill operating levy in November, 2016. Fortunately, the Sycamore community approved it with nearly 61% of votes cast in favor of the issue. The levy provides approximately \$11 million per year.

The Board of Education committed to at least a five year span before the next operating levy and to continue utilization of financial parameters. The Board approved the following guidelines to meet these goals:

WHEREAS, on February 16, 2005 the Sycamore Board of Education approved resolution #05-033 to adopt a 5-year General Operating Fund budget forecast targeting limits on expenditure growth; and;

WHEREAS, the Sycamore Board of Education monitored the use of parameters and the impact on expenditures, and continued utilization of parameters through fiscal year 2016 (2015-16 school year), and;

WHEREAS, the administration and staff of the Sycamore Community Schools outperformed the financial parameters since 2005 and therefore reduced the expenditure trend of the district, averaging less than 1% per year through this time period and;

WHEREAS, the Sycamore Board of Education has not requested an additional tax levy for operations since 2004, a twelve year span between requests for additional taxes for the day-to-day operations of our schools, and;

WHEREAS, the Sycamore Board of Education has requested approval of a 6.5 mill operating levy on November 8, 2016 and has committed that the levy will last five years, and

WHEREAS, the use of parameters has been a cornerstone of the Board's financial practices,

THEREFORE, the Sycamore Board of Education resolves to:

- Continue the utilization of financial parameters
- Continue its commitment to academic excellence
- Evaluate the condition of its facilities to maintain the community's investment in them, as well as, the need for technology infrastructure and equipment to provide tools to teach 21st century skills to Sycamore's students, utilizing cash reserve as prudent to meet identified needs in these areas

And FURTHER, the Sycamore Board of Education resolves to commit to new financial parameters as follows:

The Sycamore Community School General Operating Fund budget targets will be no more than an average of 2.5% growth of the budget for Fiscal Years FY17 through FY21. Annual deviation from the % growth may occur but in all cases the General Operating Fund Budget (Total Expenditures not including Other Financing Uses) will be capped at \$82 million for FY21 with a minimum ending cash balance for FY21 of not less than 25% of the General Operating Fund Budget. Deviations from these parameters must be approved by Board action.

For 2018, the District implemented GASBs, see Note 20 for more information.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statement in conformity with GAAP. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) 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: (1) the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

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

At the beginning of each fiscal year, the Board adopts a temporary appropriation measure. The Board then adopts a permanent appropriation measure in September.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board'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 and functions require appropriation authority from the Board. Budgets are controlled at the function level within a fund. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the District allows on-line immediate financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. The financial statements are available to each approved District user and budget authority.

As an additional safeguard, all employees involved with receiving and depositing funds are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher bond.

The basis of accounting and the various funds utilized by the District are fully described in the notes to the general purpose financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the general purpose financial statements.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The State of Ohio Auditor's Office unmodified opinion rendered on the District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio: The District adopted and has been in conformance with that system.

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. The Certificate of Achievement for Excellence in Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to School Districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by all expert panel of certified public accountants and practicing school business officials.

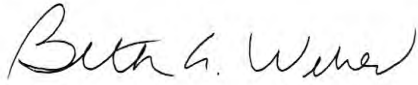
The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2017. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2018, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

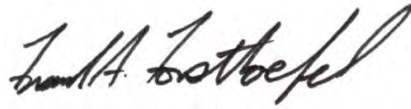
The preparation of the 2018 Comprehensive Annual Financial Report of the Sycamore Community School District was made possible by the dedicated service of Kathy Neuner, Haley Rust and Kelly Kramer. Special recognition is given to Plattenburg and Associates, Incorporated, Certified Public Accountants for their assistance in the preparation of the CAFR, and the State of Ohio Auditor's Office for their audit of the CAFR. Finally, this report would not have been possible without the leadership and support of the District's Board of Education and the Sycamore Schools community.

The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,



Beth A. Weber,
Treasurer



Frank A. Forsthoefel,
Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Sycamore Community School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Sycamore Community School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director

**SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO
CONSULTANTS, ADVISORS AND LEGAL COUNSEL AS OF JUNE 30, 2018**

CONSULTANTS AND ADVISORS

Architects/Engineers:

CMTA Energy Solutions
110411 Meeting Street
Prospect, KY 40059

SHP Leading Design
4805 Montgomery Road, Suite 400
Cincinnati, OH 45212

VSWC Architects, Inc.
414 Reading Road
Mason, OH 45040

Asbestos:

Environmental Enterprises
10163 Cincinnati-Dayton Rd.
Cincinnati, OH 45241

Bond Counsel:

Dinsmore & Shohl
191 W. Nationwide Blvd., Suite 300
Columbus, OH 43215

Bond Underwriter:

Bradley Payne Advisors
300 E. Business Way, Suite 200
Cincinnati, OH 45241

Data Processing:

Hamilton Clermont Cooperative
1007 Cottonwood Drive
Loveland, OH 45140

Financial Reporting:

Plattensburg & Associates
8260 Northcreek Drive, Suite 330
Cincinnati, OH 45236

**SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO
CONSULTANTS, ADVISORS AND LEGAL COUNSEL AS OF JUNE 30, 2018**

CONSULTANTS AND ADVISORS

Auditor:

Dave Yost, Ohio Auditor of State
11117 Kenwood Road
Blue Ash, OH 45242

LEGAL COUNSEL

Legal Counsel:

John Podgurski
9155 Chillicothe Road
Kirtland, OH 44094

Bricker & Eckler LLP
100 South Third Street
Columbus, OH 43215-4291

Ennis Britton
1714 W. Galbraith Road
Cincinnati, OH 45239

**SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2018**

Elected Officials

President, Board of Education	Paul Balent
Vice President, Board of Education	Melissa Weiss
Board Member	Diane Adamec
Board Member	David Evans
Board Member	John Mercurio

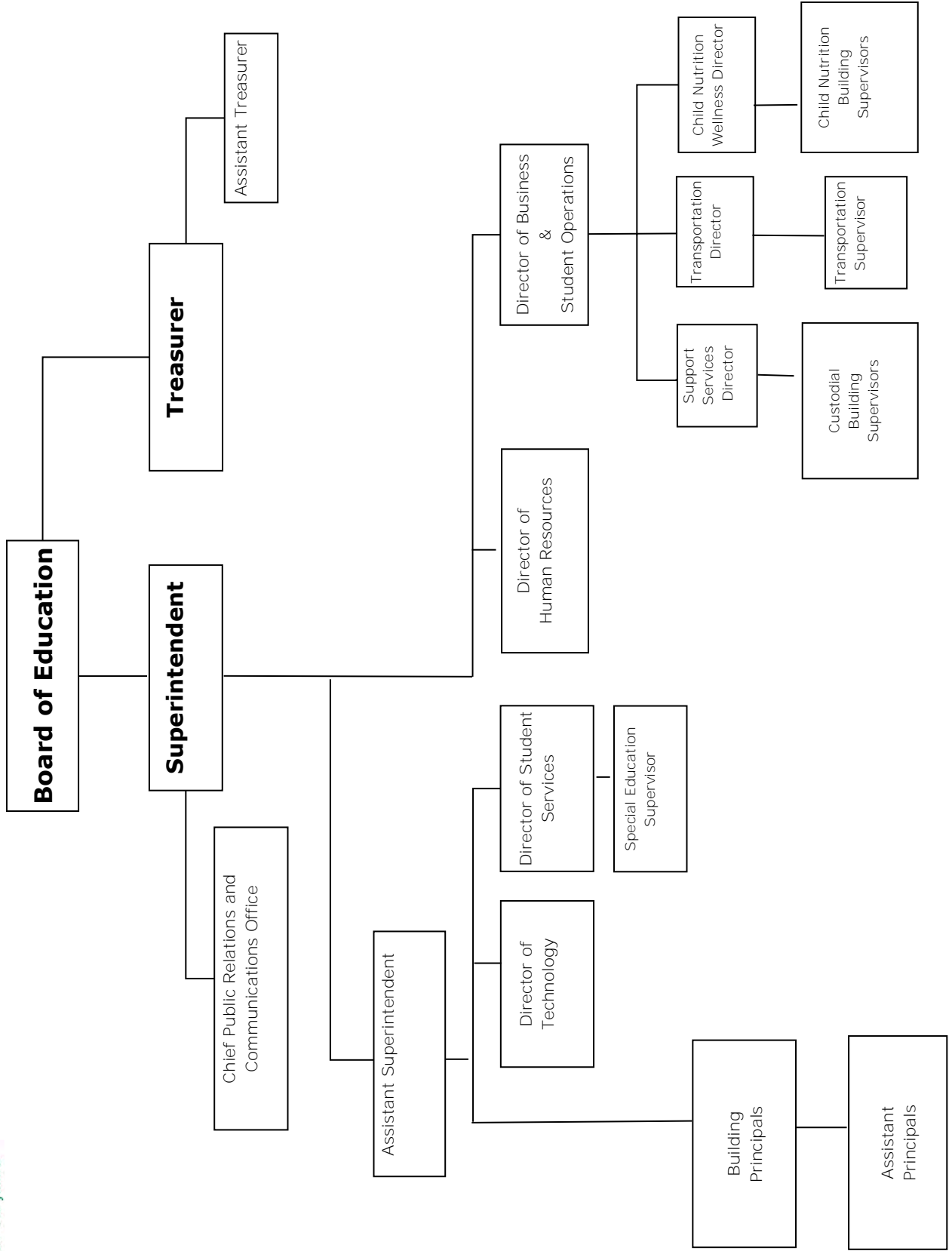
Administrative Officials

Superintendent	Frank Forsthoefel
Treasurer	Beth Weber
Assistant Superintendent	Karen Naber



Sycamore Community Schools

Leadership Organizational Chart
2017-2018



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FINANCIAL SECTION



SYCAMORE
COMMUNITY SCHOOLS

Our students. Our future.

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Sycamore Community City School District
Hamilton County
5959 Hagewa Drive
Cincinnati, Ohio 45242

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 Sycamore Community City School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note 20 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

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

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

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2018

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Sycamore Community School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

The discussion and analysis of Sycamore Community School District's ("the District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- Net position of governmental activities increased \$54,994,550 which represents a 93% increase from 2017.
- General revenues accounted for \$91,834,612 in revenue or 91% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,798,288 or 9% of total revenues of \$100,632,900.
- The District had \$45,638,350 in expenses related to governmental activities; \$8,798,288 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$91,834,612 were also used to provide for these programs.

Overview of the Financial Statements

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund, the Debt Service Fund, and the Permanent Improvement Fund are the major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2018?" The *Government-wide Financial Statements* answers this question. These statements include *all assets and deferred outflows of resources, and 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.

Sycamore Community School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

These two statements report the District's *net position* and changes in the net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the District presents:

- **Governmental Activities** – The District's programs and services are reported here and include instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

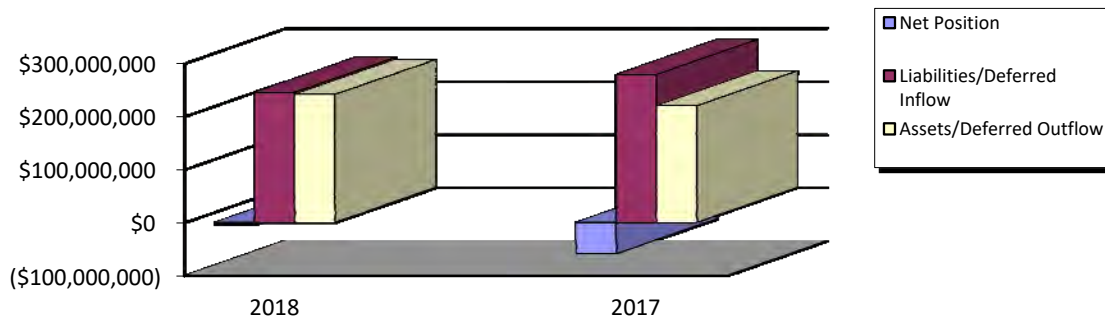
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2018 compared to 2017:

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Sycamore Community School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2018	2017-Restated
Assets:		
Current and Other Assets	\$139,445,381	\$126,545,081
Capital Assets	71,483,802	67,638,605
Total Assets	210,929,183	194,183,686
Deferred Outflows of Resources:		
Deferred Charge on Refunding	261,234	304,773
OPEB	954,539	162,085
Pension	28,815,488	24,887,389
Total Deferred Outflows of Resources	30,031,261	25,354,247
Liabilities:		
Other Liabilities	10,615,703	8,600,431
Long-Term Liabilities	178,397,738	223,548,125
Total Liabilities	189,013,441	232,148,556
Deferred Inflows of Resources:		
Property Taxes	42,453,972	41,113,000
Revenue in Lieu of Taxes	3,186,241	2,521,682
OPEB	3,032,572	0
Pension	7,296,463	2,771,490
Total Deferred Inflows of Resources	55,969,248	46,406,172
Net Position:		
Net Investment in Capital Assets	23,048,854	19,295,370
Restricted	16,487,691	14,189,234
Unrestricted	(43,558,790)	(92,501,399)
Total Net Position	(\$4,022,245)	(\$59,016,795)



Sycamore Community School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

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

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

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

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

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

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

Sycamore Community School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

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

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

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from (\$30,923,477) to (\$59,016,795).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$4,022,245.

At year-end, capital assets represented 34% of total assets. Capital assets include land, construction in progress, land improvements, buildings, buildings and improvements, and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2018, were \$23,048,854. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$16,487,691 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets increased mainly due to the start of multiple construction projects. Long-Term Liabilities decreased due to the decrease in the District's net pension liability.

Table 2 shows the changes in net position for fiscal years 2018 and 2017.

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Sycamore Community School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2018	2017
Revenues:		
Program Revenues		
Charges for Services	\$3,552,550	\$3,214,374
Operating Grants, Contributions	5,245,738	5,326,205
General Revenues:		
Property Taxes	72,080,851	74,953,853
Grants and Entitlements, Not Restricted	15,277,633	17,455,424
Investment Earnings	434,558	241,781
Revenue in Lieu of Taxes	3,186,241	2,521,682
Other	855,329	391,421
Total Revenues	<u>100,632,900</u>	<u>104,104,740</u>
Expenses:		
Instruction	25,517,595	51,267,101
Support Services:		
Pupil and Instructional Staff	3,978,680	7,822,865
School Administration, General		
Administration, Fiscal and Business	2,459,739	7,864,731
Operations and Maintenance	4,945,424	7,641,774
Pupil Transportation	2,821,018	4,723,385
Central	304,911	608,001
Operation of Non-Instructional Services	2,442,801	5,036,605
Extracurricular Activities	1,215,650	1,681,890
Interest and Fiscal Charges	1,952,532	2,219,264
Total Expenses	<u>45,638,350</u>	<u>88,865,616</u>
Change in Net Position	54,994,550	15,239,124
Net Position - Beginning of Year, Restated	<u>(59,016,795)</u>	<u>N/A</u>
Net Position - End of Year	<u>(\$4,022,245)</u>	<u>(\$59,016,795)</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$162,085 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$3,514,822. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Sycamore Community School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Total 2018 operating expenses under GASB 75	\$45,638,350
Negative OPEB expense under GASB 75	3,514,822
2018 contractually required contribution	219,378
Adjusted 2018 operating expenses	49,372,550
Total 2017 operating expenses under GASB 45	88,865,616
Change in operating expenses not related to OPEB	(\$39,493,066)

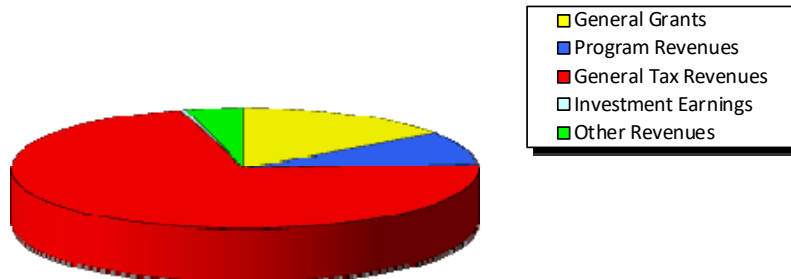
The District revenues came from mainly two sources. Property taxes levied for general purposes, debt service and grants and entitlements comprised 87% of the District’s revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts dependent upon property taxes are 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 72% of revenue for governmental activities for Sycamore Community School District in fiscal year 2018. The District’s reliance upon tax revenues is demonstrated in the following graph:

Governmental Activities
Revenue Sources

<u>Revenues</u>	<u>2018</u>	<u>Percentage</u>
General Grants	\$15,277,633	15.30%
Program Revenues	8,798,288	8.70%
General Tax Revenues	72,080,851	71.60%
Investment Earnings	434,558	0.40%
Other Revenues	4,041,570	4.00%
Total Revenue Sources	\$100,632,900	100.00%



Sycamore Community School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Instruction comprises 56% of governmental program expenses. Support services expenses were 32% of governmental program expenses. All other expenses including interest and fiscal charges were 12%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Total revenues decreased due to a decrease in total general revenues. Total expenses decreased in 2018 due to changes related to net pension liability and other post employment benefits liability.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services 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		Net Cost of Services	
	2018	2017	2018	2017
Instruction	\$25,517,595	\$51,267,101	(\$22,167,729)	(\$48,071,265)
Support Services:				
Pupil and Instructional Staff	3,978,680	7,822,865	(3,754,743)	(7,604,347)
School Administrative, General				
Administration, Fiscal and Business	2,459,739	7,864,731	(2,406,389)	(7,797,251)
Operations and Maintenance	4,945,424	7,641,774	(4,765,781)	(7,543,364)
Pupil Transportation	2,821,018	4,723,385	(2,677,981)	(4,617,750)
Central	304,911	608,001	(300,726)	(599,235)
Operation of Non-Instructional Services	2,442,801	5,036,605	1,875,137	(707,074)
Extracurricular Activities	1,215,650	1,681,890	(689,318)	(1,165,487)
Interest and Fiscal Charges	1,952,532	2,219,264	(1,952,532)	(2,219,264)
Total Expenses	\$45,638,350	\$88,865,616	(\$36,840,062)	(\$80,325,037)

The District’s Funds

The District has three major governmental funds: the General Fund, the Debt Service Fund, and the Permanent Improvement Fund. Assets of these funds comprised \$137,842,250 (99%) of the total \$139,459,433 governmental funds’ assets.

General Fund: Fund balance at June 30, 2018 was \$64,890,879 including \$63,663,567 of unassigned fund balance. The fund balance increased mainly due to an increase in taxes revenue.

Debt Service Fund: Fund balance at June 30, 2018 was \$15,478,948. The fund balance increased by \$1,712,193 due to a decrease in the debt service payments in 2018 compared to 2017.

Permanent Improvement Funds: Fund balance at June 30, 2018 was (\$310,661). The fund balance decreased \$877,608 from 2017. The decrease in fund balance is due to an increase in capital outlay expenditures in 2018 compared to 2017.

Sycamore Community School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

General Fund Budgeting Highlights

The District’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal 2018, the District amended its budget several times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues.

For the General Fund, original budget basis revenue was \$82,666,352 and final budget basis revenue was \$88,444,195. The \$5,777,843 difference was due to underestimating tax and intergovernmental revenues. This is due to tax payers paying the full obligation in the first-half. Actual instruction expenditures were higher than the final budgeted amount due to underestimates of these expenditures for the year.

The District’s ending unobligated actual fund balance for the General Fund was \$46,732,595.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$71,483,802 invested in capital assets. Table 4 shows fiscal year 2018 balances compared to fiscal year 2017:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2018	2017
Land	\$1,602,371	\$1,602,371
Land Improvements	1,782,510	1,927,275
Construction in Progress	5,737,174	0
Buildings	34,752,937	35,937,061
Buildings and Improvements	24,197,165	25,376,647
Equipment and Vehicles	3,411,645	2,795,251
Total Net Capital Assets	<u>\$71,483,802</u>	<u>\$67,638,605</u>

Overall, capital assets increased mainly due to the start of multiple construction projects.

See Note 6 in the Notes to the Basic Financial Statements for further details on the District’s capital assets.

Sycamore Community School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
(Unaudited)

Debt

At fiscal year end, the District had \$48,774,447 in bonds and capital leases payable, of which \$4,029,221 is due within one year. Table 5 summarizes bonds and capital leases outstanding at year end.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2018	2017
General Obligation Bonds:		
2018 Energy Conservation Bonds	\$4,018,000	\$0
2010 HB264 Build America Bonds	4,015,000	4,015,000
2010 HB264 Tax Exempt Bonds	625,000	1,250,000
Premium on Bonds	7,823	23,470
2010 Qualified School Construction Bonds	17,500,000	17,500,000
Premium on Bonds	112,904	123,657
2013 High School Turf Improvement Bonds	365,000	430,000
2016 Unlimited Tax School Refunding Bonds	14,695,000	16,725,000
Premium on Bonds	1,941,940	2,265,597
Subtotal Bonds	<u>43,280,667</u>	<u>42,332,724</u>
Capital Lease Payable:		
Sycamore High School COPs	1,220,000	1,795,000
District Office COPs	2,100,000	2,100,000
Premium on District Office COPs	19,635	22,253
2013 Refunding of 2001 COPs	2,125,000	2,365,000
Premium on Refunding of 2001 COPs	29,145	33,031
Subtotal Capital Leases Payable	<u>5,493,780</u>	<u>6,315,284</u>
Total Outstanding Debt at Year End	<u><u>\$48,774,447</u></u>	<u><u>\$48,648,008</u></u>

See Note 7 in the Notes to the Basic Financial Statements for further details on the District's outstanding debt.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Sycamore Community School District, 5959 Hagewa Drive, Cincinnati, Ohio 45242.

Sycamore Community School District, Ohio
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$55,679,948
Restricted Cash and Investments	561,626
Cash and Investments with Fiscal Agent	8,132,720
Receivables:	
Taxes	71,320,516
Accounts	235,607
Interest	36,357
Intergovernmental	3,434,373
Prepays	38,931
Inventory	5,303
Nondepreciable Capital Assets	7,339,545
Depreciable Capital Assets, Net	64,144,257
Total Assets	<u>210,929,183</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding	261,234
Pension	28,815,488
OPEB	954,539
Total Deferred Outflows of Resources	<u>30,031,261</u>
Liabilities:	
Accounts Payable	302,851
Accrued Wages and Benefits	8,628,296
Contracts Payable	1,406,923
Retainage Payable	92,668
Accrued Interest Payable	184,965
Long-Term Liabilities:	
Due Within One Year	4,810,302
Due In More Than One Year	
Net Pension Liability	98,886,181
Net OPEB Liability	22,281,085
Other Amounts	52,420,170
Total Liabilities	<u>189,013,441</u>
Deferred Inflows of Resources:	
Property Taxes	42,453,972
Revenue in Lieu of Taxes	3,186,241
Pension	7,296,463
OPEB	3,032,572
Total Deferred Inflows of Resources	<u>55,969,248</u>
Net Position:	
Net Investment in Capital Assets	23,048,854
Restricted for:	
Debt Service	15,394,661
Food Service	235,823
Extracurricular Student Activities	170,702
Federal Grants	50,154
Auxiliary Services	475,798
Other Purposes	160,553
Unrestricted	<u>(43,558,790)</u>
Total Net Position	<u><u>(\$4,022,245)</u></u>

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$19,825,414	\$1,111,831	\$760,314	(\$17,953,269)
Special	5,651,751	188	1,213,261	(4,438,302)
Vocational	0	0	2,444	2,444
Other	40,430	241,448	20,381	221,399
Support Services:				
Pupil	2,605,411	0	197,981	(2,407,430)
Instructional Staff	1,373,269	2,863	23,093	(1,347,313)
General Administration	28,287	0	0	(28,287)
School Administration	1,125,199	50,211	0	(1,074,988)
Fiscal	1,264,504	2,137	1,002	(1,261,365)
Business	41,749	0	0	(41,749)
Operations and Maintenance	4,945,424	160,615	19,028	(4,765,781)
Pupil Transportation	2,821,018	0	143,037	(2,677,981)
Central	304,911	2,849	1,336	(300,726)
Operation of Non-Instructional Services	2,442,801	1,454,076	2,863,861	1,875,136
Extracurricular Activities	1,215,650	526,332	0	(689,318)
Interest and Fiscal Charges	1,952,532	0	0	(1,952,532)
Total Governmental Activities	\$45,638,350	\$3,552,550	\$5,245,738	(36,840,062)

General Revenues:

Property Taxes Levied for:

General Purposes	68,010,778
Debt Service Purposes	4,070,073
Grants and Entitlements, Not Restricted	15,277,633
Revenue in Lieu of Taxes	3,186,241
Unrestricted Contributions	210,670
Investment Earnings	434,558
Other Revenues	644,659

Total General Revenues 91,834,612

Change in Net Position 54,994,550

Net Position - Beginning of Year, Restated (59,016,795)

Net Position - End of Year (\$4,022,245)

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2018

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$46,774,432	\$6,469,513	\$1,079,914	\$1,356,089	\$55,679,948
Restricted Cash and Investments	468,958	0	92,668	0	561,626
Cash and Investments with Fiscal Agent	613,285	7,519,435	0	0	8,132,720
Receivables:					
Taxes	67,623,409	3,697,107	0	0	71,320,516
Accounts	218,201	0	0	17,406	235,607
Interest	36,357	0	0	0	36,357
Intergovernmental	3,191,993	0	0	242,380	3,434,373
Interfund	14,052	0	0	0	14,052
Prepays	37,623	0	0	1,308	38,931
Inventory	5,303	0	0	0	5,303
Total Assets	118,983,613	17,686,055	1,172,582	1,617,183	139,459,433
Liabilities:					
Accounts Payable	272,888	0	0	29,963	302,851
Accrued Wages and Benefits	8,299,111	0	0	329,185	8,628,296
Compensated Absences	348,352	0	0	6,110	354,462
Contracts Payable	16,348	0	1,390,575	0	1,406,923
Retainage Payable	0	0	92,668	0	92,668
Interfund Payable	0	0	0	14,052	14,052
Total Liabilities	8,936,699	0	1,483,243	379,310	10,799,252
Deferred Inflows of Resources:					
Property Taxes	41,948,949	2,207,107	0	0	44,156,056
Grants	0	0	0	74,428	74,428
Revenue in Lieu of Taxes	3,186,241	0	0	0	3,186,241
Investment Earnings	20,845	0	0	0	20,845
Total Deferred Inflows of Resources	45,156,035	2,207,107	0	74,428	47,437,570
Fund Balances:					
Nonspendable	42,926	0	0	1,308	44,234
Restricted	613,285	15,478,948	0	1,164,842	17,257,075
Assigned	571,101	0	0	0	571,101
Unassigned	63,663,567	0	(310,661)	(2,705)	63,350,201
Total Fund Balances	64,890,879	15,478,948	(310,661)	1,163,445	81,222,611
Total Liabilities, Deferred Inflows and Fund Balances	\$118,983,613	\$17,686,055	\$1,172,582	\$1,617,183	\$139,459,433

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2018

Total Governmental Fund Balance		\$81,222,611
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.		
Capital assets used in the operation of Governmental Funds		71,483,802
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Delinquent Property Taxes	1,702,084	
Interest	20,845	
Intergovernmental	<u>74,428</u>	
		1,797,357
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(184,965)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(8,101,563)
Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.		
		261,234
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	28,815,488	
Deferred inflows of resources related to pensions	(7,296,463)	
Deferred outflows of resources related to OPEB	954,539	
Deferred inflows of resources related to OPEB	<u>(3,032,572)</u>	
		19,440,992
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net Pension Liability	(98,886,181)	
Net OPEB Liability	(22,281,085)	
Other Amounts	<u>(48,774,447)</u>	
		<u>(169,941,713)</u>
Net Position of Governmental Activities		<u><u>(\$4,022,245)</u></u>

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$68,223,216	\$4,073,621	\$0	\$0	\$72,296,837
Tuition and Fees	1,335,769	0	0	7,903	1,343,672
Investment Earnings	417,837	2,036	0	10,051	429,924
Intergovernmental	14,596,400	1,469,097	0	4,592,022	20,657,519
Extracurricular Activities	7,587	0	0	522,544	530,131
Charges for Services	77,417	0	55,158	1,481,215	1,613,790
Revenue in Lieu of Taxes	3,186,241	0	0	0	3,186,241
Other Revenues	249,211	77,671	389,864	100,181	816,927
Total Revenues	88,093,678	5,622,425	445,022	6,713,916	100,875,041
Expenditures:					
Current:					
Instruction:					
Regular	34,703,906	0	875,105	537,801	36,116,812
Special	11,106,457	0	0	1,034,575	12,141,032
Other	132,368	0	0	0	132,368
Support Services:					
Pupil	5,592,080	0	0	209,208	5,801,288
Instructional Staff	2,098,300	0	226,876	32,892	2,358,068
General Administration	36,762	0	0	0	36,762
School Administration	5,997,393	0	0	0	5,997,393
Fiscal	1,598,734	54,127	0	7,714	1,660,575
Business	94,363	0	0	0	94,363
Operations and Maintenance	6,743,522	0	36,000	27,791	6,807,313
Pupil Transportation	4,109,394	0	725,699	0	4,835,093
Central	550,958	0	0	10,285	561,243
Operation of Non-Instructional Services	13,098	0	0	3,751,426	3,764,524
Extracurricular Activities	944,669	0	0	691,746	1,636,415
Capital Outlay	33,850	0	7,938,950	0	7,972,800
Debt Service:					
Principal Retirement	815,000	2,720,000	0	0	3,535,000
Interest and Fiscal Charges	105,613	2,122,905	0	0	2,228,518
Bond Issuance Cost	0	0	38,000	0	38,000
Total Expenditures	74,676,467	4,897,032	9,840,630	6,303,438	95,717,567
Excess of Revenues Over (Under) Expenditures	13,417,211	725,393	(9,395,608)	410,478	5,157,474
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	3,149	0	0	1,669	4,818
Issuance of Long-Term Capital-Related Debt	0	0	4,018,000	0	4,018,000
Transfers In	0	986,800	4,500,000	128,055	5,614,855
Transfers (Out)	(5,614,855)	0	0	0	(5,614,855)
Total Other Financing Sources (Uses)	(5,611,706)	986,800	8,518,000	129,724	4,022,818
Net Change in Fund Balance	7,805,505	1,712,193	(877,608)	540,202	9,180,292
Fund Balance - Beginning of Year	57,085,374	13,766,755	566,947	623,243	72,042,319
Fund Balance - End of Year	\$64,890,879	\$15,478,948	(\$310,661)	\$1,163,445	\$81,222,611

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2018

Net Change in Fund Balance - Total Governmental Funds \$9,180,292

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

Governmental funds report capital asset additions 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 of the difference between capital
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	8,594,089	
Depreciation Expense	(4,541,228)	
		4,052,861

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (207,664)

Governmental funds report district pension and OPEB contributions as
 expenditures. However in the Statement of Activities, the cost
 of pension and OPEB benefits earned net of employee contributions is
 reported as pension and OPEB expense.

District pension contributions	6,840,022	
Pension expense	32,140,427	
District OPEB contributions	219,378	
OPEB expense	3,514,822	
		42,714,649

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

Delinquent Property Taxes	(215,986)	
Interest	4,634	
Intergovernmental	(30,789)	
		(242,141)

Repayment of bond principal, capital lease principal and current refunding bonds
 (principal, premium and deferred charge) are an expenditure in the governmental
 funds, but the repayment reduces long-term liabilities in the statement of net position. 3,535,000

In the statement of activities interest expense is accrued when incurred;
 whereas, in governmental funds an interest expenditure is reported
 when due. 964

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	(334,433)	
Amortization of Bond Premium	356,561	
Amortization of Deferred Charge on Refunding	(43,539)	
		(21,411)

Proceeds from debt issues are an other financing source in the funds,
 but a debt issue increases long-term liabilities in the statement
 of net position. (4,018,000)

Change in Net Position of Governmental Activities \$54,994,550

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$30,276	\$432,812
Receivables:		
Accounts	<u>0</u>	<u>34,869</u>
Total Assets	<u>30,276</u>	<u>467,681</u>
Liabilities:		
Accounts Payable	0	867
Other Liabilities	<u>0</u>	<u>466,814</u>
Total Liabilities	<u>0</u>	<u>\$467,681</u>
Net Position:		
Held in Trust	<u>30,276</u>	
Total Net Position	<u>\$30,276</u>	

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2018

	<u>Private Purpose Trust</u>
Additions:	
Donations	\$13,480
Investment Earnings	<u>234</u>
Total Additions	<u>13,714</u>
Deductions:	
Scholarships	<u>14,980</u>
Total Deductions	<u>14,980</u>
Change in Net Position	(1,266)
Net Position - Beginning of Year	<u>31,542</u>
Net Position - End of Year	<u><u>\$30,276</u></u>

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Note 1 - Description of the District

The District was chartered by the Ohio State Legislature in 1949. In 1863 State laws were enacted to create the local Boards of Education. Today, the Sycamore Community School District ("District") operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 199.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 280 full time equivalent non-certified personnel and 480 full time equivalent certificated personnel to provide services to students and other community members.

The District is the 6th largest in Hamilton County in terms of enrollment. It currently operates 4 elementary schools, 1 intermediate school (grades 5-6), 1 junior high school (grades 7-8), and 1 high school (grades 9-12).

Reporting Entity

In accordance with Governmental Accounting Standards Board [GASB] Statement 14 as amended by GASB statement 61, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

The District is associated with three jointly governed organizations and one insurance purchasing pool. These organizations are:

Jointly Governed Organizations:

Great Oaks Career Campuses

Hamilton Clermont Cooperative Information Technology Center

Learn 21

Insurance Purchasing Pool:

Butler Health Plan

These organizations are presented in Notes 13 and 14.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the 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 most significant of the District's accounting policies are described below.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Measurement Focus

Government-wide Financial Statements

The District's basic 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.

The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The District allocates certain indirect costs. The indirect costs are included as part of the program expense reported for individual functions and activities. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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 District.

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, deferred outflows of resources, 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.

All assets, deferred outflows of resources, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. The statement of changes in fund balance presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

The private purpose trust is reported using the economic resources measurement focus.

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary. The focus of government fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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, deferred outflows of resources, liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

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

Debt Service Fund – The debt service fund is used for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long term obligations from governmental resources when the District is obligated in some manner for the payment.

Permanent Improvement Fund – The permanent improvement fund is used to account for all transactions relating to acquiring, constructing or improving permanent improvements other than those authorized by special bond funds.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary funds are a private purpose trust which accounts for scholarship programs for students, and three agency funds which accounts for assets and liabilities generated by student managed activities, Learn 21 and OHSAA Tournaments.

Basis of Accounting

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

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Revenues – Exchange and Non-exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and other taxes.

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, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources includes pension, a deferred charge on refunding, and other post employment benefit plans. These amounts are reported on government-wide statement of net position. The deferred outflows of resources related to a deferred charge on refunding, OPEB, and pension are explained in Notes 9 and 10.

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 District, deferred inflows of resources include property taxes, pension, OPEB revenue in lieu of taxes (which includes tax incremental financing 'TIF'), grants, and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance year 2019 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. TIF's have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and investment earnings are recorded as deferred inflows only on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 9 and 10.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Expenses/Expenditures

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 in the operating statement as an expense with a like amount reported as donated commodities 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.

Equity in Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The District measures 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 an NAV per share that approximates fair value.

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2018 credited to the General Fund amounted to \$417,837, \$2,036, to the Debt Service Fund and \$10,051 to Other Governmental Funds.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the purchase method on the fund level statements and using the consumption method on the government-wide statements.

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

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure/expense is reported in the year in which services are consumed.

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of two thousand dollars (\$2,000). The District does not possess any infrastructure. Improvements that add to the value of an asset or materially extend an asset's life 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.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings	45 years
Building Improvements	20 years
Equipment and Vehicles	5-20 years

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other government or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for budget stabilization and for retainage payable.

Cash with Fiscal Agent

The District has cash and investments with fiscal agent in the general fund and the debt service fund for the District's certificates of participation and principal payments made to a sinking fund.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for 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 District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

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Sick leave benefits are accrued as a liability using the termination method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount due to the employee at year end. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured. The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	25-30 days per year or 2.08-2.50 per month	10-25 days for each service year depending on length of service
Maximum Accumulation	Not Applicable	30 days Payoff up to 10 days/yr. unused earned	Double the annual accumulation
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	325 days	325 days	325 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	1/3 paid upon retirement	1/3 paid upon retirement	1/3 paid upon retirement

Pensions/Other Postemployment Benefits (OPEB)

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

Sycamore Community School District, Ohio
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Net Position

Net position represents the difference between assets and deferred outflows of resources, and 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 its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the District's \$16,487,691 in restricted net position, \$0 was restricted by enabling legislation.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Non-spendable – resources that are not in spendable form or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District's formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from incurred expenditures for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The 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.

Interfund Activity

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

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables". These amounts are eliminated on the governmental activities columns of the statement of net position.

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Estimates

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

Note 3 - Equity in Pooled Cash and Investments

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.

Sycamore Community School District, Ohio
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- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement 40, "Deposit and Investment Risk Disclosures".

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2018, \$24,809,060 of the District's bank balance of \$25,510,166 was exposed to custodial credit risk because it was uninsured and collateralized.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS

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requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Investments

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

Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Fannie Mae	\$3,566,318	Level 2	1.89
Freddie Mac	7,601,874	Level 2	3.33
Federal Home Loan Bank	1,734,960	Level 2	3.52
Federal Farm Credit Bank	2,392,538	Level 2	2.50
STAROhio	11,443,348	N/A	0.13
Negotiable CDs	4,791,472	Level 2	1.94
Money Market Funds	344,233	N/A	0.00
Total Fair Value	\$31,874,743		
Portfolio Weighted Average Maturity			1.73

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2018. STAR Ohio is reported at its share price (Net Asset value per share).

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in Freddie Mac, Fannie Mae, Federal Farm Credit Bank, and Federal Home Loan Bank were rated AAA by Standard & Poor's and Fitch ratings and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. The Money Market Funds and Negotiable CD's were not rated.

Concentration of Credit Risk – The District's investment policy requires investments to be diversified to reduce the risk of loss. The District's policy allows investments in Federal Agencies or Instrumentalities. The District has invested 7.5% Federal Farm Credit Bank, 11.2% in Fannie Mae, 23.8% in Freddie Mac, 35.9% in STAR Ohio, 15% in Negotiable CD's, 1.1% in Money Market Funds and 5.5% in Federal Home Loan Bank.

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Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District's securities are either insured and registered in the name of the District or at least registered in the name of the District.

Note 4 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20th; 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. The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2019 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2018. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2018, was \$25,010,000 in the General Fund and \$1,490,000 in the Debt Service Fund.

The assessed value, by property classification, upon which taxes collected in 2018 were based as follows:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,784,960,940
Public Utility	<u>49,902,430</u>
Total	<u><u>\$1,834,863,370</u></u>

Note 5 – Receivables

Receivables at June 30, 2018, consisted of taxes, accounts, intergovernmental, interest and interfund. 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.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,602,371	\$0	\$0	\$1,602,371
Construction in Progress	0	5,737,174	0	5,737,174
<i>Capital Assets, being depreciated:</i>				
Land Improvements	5,296,855	32,910	0	5,329,765
Buildings	55,339,412	0	0	55,339,412
Building Improvements	56,334,191	1,297,722	0	57,631,913
Equipment and Vehicles	11,908,932	1,526,283	1,178,001	12,257,214
Totals at Historical Cost	<u>130,481,761</u>	<u>8,594,089</u>	<u>1,178,001</u>	<u>137,897,849</u>
Less Accumulated Depreciation:				
Land Improvements	3,369,580	177,675	0	3,547,255
Buildings	19,402,351	1,184,124	0	20,586,475
Building Improvements	30,957,544	2,477,204	0	33,434,748
Equipment and Vehicles	9,113,681	702,225	970,337	8,845,569
Total Accumulated Depreciation	<u>62,843,156</u>	<u>4,541,228</u>	<u>970,337</u>	<u>66,414,047</u>
Governmental Activities Capital Assets, Net	<u>\$67,638,605</u>	<u>\$4,052,861</u>	<u>\$207,664</u>	<u>\$71,483,802</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$3,270,896
Special	15,707
Support Services:	
Pupil	2,134
Instructional Staff	19,652
School Administration	60,538
Fiscal	2,178
Business	217
Operations and Maintenance	626,640
Pupil Transportation	358,483
Central	22,948
Operation of Non-Instructional Services	59,984
Extracurricular Activities	101,851
Total Depreciation Expense	<u>\$4,541,228</u>

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Note 7 - Long-Term Liabilities

	Maturity Date	Restated Beginning Principal Balance	Additions	Deductions	Ending Principal Balance	Due In One Year
Governmental Activities:						
General Obligation Bonds:						
2018 Energy Conservation Bonds		\$0	\$4,018,000	\$0	\$4,018,000	\$229,221
HB 264 Build America Bonds						
2010 4.85%-5.55% - \$4,015,000	12/01/25	4,015,000	0	0	4,015,000	0
HB 264 - Tax Exempt Bonds						
2010 2.00%-4.00% - \$5,000,000	12/01/18	1,250,000	0	625,000	625,000	625,000
Premium on 2010 HB 264 Bonds		23,470	0	15,647	7,823	0
2010 Qualified School Construction Bonds						
2010 5.85% - \$17,500,000 **	12/01/28	17,500,000	0	0	17,500,000	0
Premium on 2010 Qualified School Construction Bonds		123,657	0	10,753	112,904	0
2013 High School Turf Improvement Bonds 1.80%	6/1/23	430,000	0	65,000	365,000	70,000
2016 Unlimited Tax School Refunding Bonds		16,725,000	0	2,030,000	14,695,000	2,255,000
Premium on 2016 Unlimited Tax School Refunding Bonds		2,265,597	0	323,657	1,941,940	0
Subtotal Bonds		42,332,724	4,018,000	3,070,057	43,280,667	3,179,221
Capital Leases:						
Sycamore High School COPs - \$11,975,000		1,795,000	0	575,000	1,220,000	600,000
District Office COPs - \$2,100,000		2,100,000	0	0	2,100,000	0
Premium on District Office COPs		22,253	0	2,618	19,635	0
2013 Refunding of 2001 COPs		2,365,000	0	240,000	2,125,000	250,000
Premium on Refunding of 2001 COPs		33,031	0	3,886	29,145	0
Subtotal Capital Leases		6,315,284	0	821,504	5,493,780	850,000
Compensated Absences		8,181,210	1,082,401	807,586	8,456,025	781,081
Subtotal Bonds, Capital Leases and Other Amounts		56,829,218	5,100,401	4,699,147	57,230,472	4,810,302
Net Pension Liability:						
STRS		111,624,235	0	34,084,894	77,539,341	0
SERS		26,839,269	0	5,492,429	21,346,840	0
Total Net Pension Liability		138,463,504	0	39,577,323	98,886,181	0
Net OPEB Liability:						
STRS		17,834,346	0	5,099,041	12,735,305	0
SERS		10,421,057	0	875,277	9,545,780	0
Total Net OPEB Liability		28,255,403	0	5,974,318	22,281,085	0
Total Long-Term Obligations		\$223,548,125	\$5,100,401	\$50,250,788	\$178,397,738	\$4,810,302

** - In fiscal year 2011, the District issued \$17,500,000 in Qualified School Construction Bonds. In fiscal year 2012, the District started to make principal payments to a bond sinking fund and will continue to make payments to the sinking fund until the bonds mature on December 1, 2028. The District will then make a \$17,500,000 principal payment from the bond sinking fund to the lending institution. The sinking fund balance will be reported as cash and investments with fiscal agent in the Debt Service fund on the face of the financial statements.

In fiscal year 2018, the District issued \$4,018,000 in Energy Conservation Bonds at a 2.187% interest rate. The bonds will mature on December 1, 2032 and will be paid out of the Debt Service Fund.

In fiscal year 2013, the District issued \$680,000 in High School Turf Improvement Bonds at a 1.80% interest rate. The bonds will mature on June 1, 2023 and will be paid out of the Debt Service Fund.

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the general fund and special revenue funds. Capital lease obligations will be paid from the general

Sycamore Community School District, Ohio
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For The Fiscal Year Ended June 30, 2018

fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	Current Interest Bonds		
	Principal	Interest	Total
2019	\$3,179,221	\$1,926,339	\$5,105,560
2020	3,229,234	1,801,489	5,030,723
2021	3,349,356	1,661,631	5,010,987
2022	3,484,591	1,503,810	4,988,401
2023	3,354,940	1,353,315	4,708,255
2024-2028	5,634,124	5,550,615	11,184,739
2029-2033	18,986,534	594,556	19,581,090
Total	<u>\$41,218,000</u>	<u>\$14,391,755</u>	<u>\$55,609,755</u>

Note 8 - Leases

Capital Leases

On February 8, 2011, the District issued \$2,100,000 in Certificate of Participation Qualified School Construction Bonds at a premium of \$39,270 at an interest rate of 6.70% throughout the life of the bonds. The bonds will mature on December 1, 2025. The District set up the bond proceeds in a separate escrow account and will make draws from this account as needed. The District drew the remainder from this account during the current fiscal year.

The District is leasing a site (land) from the University of Cincinnati and is leasing the land to PS&W Holding Company. PS&W Holding Company has constructed a building and has assigned the land and building to US Bank, which is leasing the building to the District. US Bank, sold certificates of participation in the building lease. The District will make repayment every six months to US Bank. Interest rates range between 3.250% and 5.125%. The lease is renewable annually and expires in 2025. The intention of the District is to renew the lease annually.

The leases for Sycamore High School, Blue Ash Elementary and the District Offices meet the criteria of capital lease as defined by GAAP which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee. Capital lease payments for the high school, elementary school will be made from the General fund. Capital lease payments for the District Offices will be made out of the Building fund. The gross amount of assets that will be acquired under capital leases is \$22,161,123 in buildings.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of fiscal year end.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30,	Capital Lease
2019	\$1,080,631
2020	1,071,631
2021	426,006
2022	430,806
2023	430,456
2024-2026	3,312,890
Total Minimum Lease Payments	6,752,420
Less: Amount Representing Interest	(1,307,420)
Present Value of Minimum Lease Payments	<u>\$5,445,000</u>

Operating Leases

As described in the capital lease footnote above, the District has one operating lease involving the lease of District land to PS&W Holding Company for \$1 per year.

Note 9 - Defined Benefit Pension Plans

Net Pension Liability

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

The net pension liability represents the employer’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 obligation for this liability to annually required payments. The employer cannot control benefit terms or the manner in which pensions are financed; however, the employer 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.

Sycamore Community School District, Ohio
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For The Fiscal Year Ended June 30, 2018

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 accrued wages and benefits on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – 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 65 with 5 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; 2.20% for the first thirty years of service and 2.50% for years of service credit over 30 or \$86.00 multiplied by the years of service credit. Final average salary is the average of the highest three years of salary.

Post-Retirement Increases – Before January 1, 2018; on each anniversary of the initial date of retirement, the allowances of all retirees and survivors are increased by 3% of the base benefit. On or after January 1, 2018; on each anniversary of the initial retirement, the allowance of all retirees and survivors are increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0% nor greater than 2.5%. COLA’s shall be suspended for calendar years 2018, 2019, and 2020.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the employer is required to contribute 14% 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% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% was allocated to the Health Care Fund.

Sycamore Community School District, Ohio
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The contractually required contribution to SERS was \$1,516,786 for fiscal year 2018. Of this amount \$219,572 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS Ohio 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 Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options in the GASB 68 schedules of employer allocations and pension amounts by employer.

Sycamore Community School District, Ohio
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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 10 years of qualifying service credit to 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, 2018, plan members were required to contribute 14% of their annual covered salary. The employer was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The contractually required contribution to STRS was \$5,323,236 for fiscal year 2018. Of this amount \$916,044 is reported as accrued wages and benefits.

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

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$21,346,840	\$77,539,341	\$98,886,181
Proportion of the Net Pension Liability:			
Current Measurement Date	0.35728250%	0.32640977%	
Prior Measurement Date	0.36670290%	0.33347530%	
Change in Proportionate Share	-0.00942040%	-0.00706553%	
Pension Expense	(\$1,393,158)	(\$30,747,269)	(\$32,140,427)

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

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$918,694	\$2,994,205	\$3,912,899
Changes of assumptions	1,103,861	16,958,706	18,062,567
Contributions subsequent to the measurement date	1,516,786	5,323,236	6,840,022
Total Deferred Outflows of Resources	\$3,539,341	\$25,276,147	\$28,815,488
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$624,937	\$624,937
Net difference between projected and actual earnings on pension plan investments	101,329	2,558,889	2,660,218
Changes in employer proportionate share of net pension liability	970,428	3,040,880	4,011,308
Total Deferred Inflows of Resources	\$1,071,757	\$6,224,706	\$7,296,463

\$6,840,022 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year			
Ending June 30:	SERS	STRS	Total
2019	\$302,660	\$2,603,549	\$2,906,209
2020	941,441	5,645,429	6,586,870
2021	204,336	4,124,655	4,328,991
2022	(497,639)	1,354,572	856,933
Total	\$950,798	\$13,728,205	\$14,679,003

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.

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

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

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% - 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumptions Experience Study Date	5 year period ended June 30, 2015

Prior to 2017, an assumption of 3.0% was used for COLA or Ad Hoc COLA.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from 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%	0.50%
US Stocks	22.50%	4.75%
Non-US Stocks	22.50%	7.00%
Fixed Income	19.00%	1.50%
Private Equity	10.00%	8.00%
Real Assets	15.00%	5.00%
Multi-Asset Strategies	10.00%	3.00%
Total	100.00%	

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Discount Rate

The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return 7.50%. 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.50%, or one percentage point higher 8.50% than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$29,623,867	\$21,346,840	\$14,413,142

Changes in Benefit Terms

The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	July 1, 2017	July 1, 2016
Inflation	2.50%	2.75%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.25% at age 20 to 2.75% at age 70
Investment Rate of Return	7.45%, net of investment expenses, including inflation	7.75%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.50%
Cost-of-Living Adjustments (COLA)	0%, effective July 1, 2017	2% simple applied as follows: for members retiring before August 1, 2013, 2% per year; for members retiring August 1 2013, or later, 2% COLA commences on fifth anniversary of retirement date.

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

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

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.45% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of

Sycamore Community School District, Ohio
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7.45% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table represents the net pension liability as of June 30, 2017, calculated using the current period discount rate assumption of 7.45%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.45% or one percentage point higher 8.45% than the current assumption:

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$111,150,006	\$77,539,341	\$49,227,393

Changes in Assumptions

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms

Effective July 1, 2017, the COLA was reduced to zero.

Note 10 - Post Employment Benefits

Net Other Postemployment Benefits (OPEB) Liability

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at year-end is included in accrued liabilities on the accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes

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provide that 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 2018, the surcharge obligation was \$163,201.

The surcharge, added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District’s contractually required contribution to SERS was \$219,378 for fiscal year 2018. Of this amount \$163,201 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

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

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$9,545,780	\$12,735,305	\$22,281,085
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.35568980%	0.32640977%	
Prior Measurement Date	0.36560367%	0.33347530%	
Change in Proportionate Share	<u>-0.00991387%</u>	<u>-0.00706553%</u>	
OPEB Expense	\$425,288	(\$3,940,110)	(\$3,514,822)

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

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$735,161	\$735,161
Contributions subsequent to the measurement date	<u>219,378</u>	<u>0</u>	<u>219,378</u>
Total Deferred Outflows of Resources	<u>\$219,378</u>	<u>\$735,161</u>	<u>\$954,539</u>
Deferred Inflows of Resources			
Changes of assumptions	\$905,845	\$1,025,869	\$1,931,714
Net difference between projected and actual earnings on pension plan investments	25,208	544,337	569,545
Changes in employer proportionate share of net pension liability	<u>207,428</u>	<u>323,885</u>	<u>531,313</u>
Total Deferred Inflows of Resources	<u>\$1,138,481</u>	<u>\$1,894,091</u>	<u>\$3,032,572</u>

\$219,378 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year			
Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	(\$409,662)	(\$238,516)	(\$648,178)
2020	(409,662)	(238,516)	(648,178)
2021	(312,855)	(238,518)	(551,373)
2022	(6,302)	(238,516)	(244,818)
2023	0	(102,432)	(102,432)
Thereafter	<u>0</u>	<u>(102,432)</u>	<u>(102,432)</u>
Total	<u>(\$1,138,481)</u>	<u>(\$1,158,930)</u>	<u>(\$2,297,411)</u>

Actuarial Assumptions - SERS

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

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

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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 OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
Investment Rate of Return	7.50% net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56%
Prior Measurement Date	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	3.63%
Prior Measurement Date	2.98%
Medical Trend Assumption	
Medicare	5.50% to 5.00%
Pre-Medicare	7.50% to 5.00%

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

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

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

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

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease 2.63%	Current Discount Rate 3.63%	1% Increase 4.63%
Proportionate share of the net OPEB liability	\$11,527,744	\$9,545,780	\$7,975,558
	1% Decrease 6.50% decreasing to 4.00%	Current Trend Rate 7.50% decreasing to 5.00%	1% Increase 8.50% decreasing to 6.00%
Proportionate share of the net OPEB liability	\$7,745,685	\$9,545,780	\$11,928,236

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Actuarial Assumptions - STRS

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

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017
Blended Discount Rate of Return	4.13%
Health Care Cost Trends	6.00% to 11.00% initial, 4.5% ultimate

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

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

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

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

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

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

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

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

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

Discount Rate

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

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Proportionate share of the net OPEB liability	\$17,096,942	\$12,735,305	\$9,288,186

	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$8,847,944	\$12,735,305	\$17,851,527

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

Note 11 - Contingent Liabilities

School District 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 school districts, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2018 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2018.

Litigation

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

Note 12 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2018, the District contracted with USI Insurance Services for general liability, property, boiler and machinery insurance.

The District maintains an umbrella liability policy with limits of \$10,000,000 each occurrence, \$10,000,000 aggregate.

Boiler and machinery coverage has a \$2,500 deductible with a \$50,000,000 limit of liability per accident. School leader's errors and omissions liability is protected by USI Insurance Services with a \$1,000,000 each occurrence, \$1,000,000 aggregate limit.

Vehicles are covered by USI Insurance Services with a \$500 deductible for comprehensive and a \$500 deductible for collision.

Public officials' bond insurance is provided by Backus Insurance Company. The Treasurer, Superintendent and Board President are covered by bonds in the amounts \$100,000, \$50,000 and \$50,000 respectively. Honesty Blanket Position Coverage is \$25,000 per employee.

The District has not experienced any reductions in insurance coverage from coverage in the prior year. The amounts of settlements did not exceed insurance coverage for any of the past three fiscal years.

Note 13 - Jointly Governed Organizations

Great Oaks Career Campuses - The Great Oaks Career Campuses is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative each of the participating school districts' elected board. The Great Oaks Career Campuses possesses its own budgeting and taxing authority. All member districts are obligated to pay all fees, charges or other assessments as established by Great Oaks Career Campuses. To obtain financial information write to the Great Oaks Career Campuses, the Treasurer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Hamilton Clermont Cooperative Information Technology Center (HCC), formerly known as HCCA – The HCC is one of 23 regional Information Technology Centers (ITC) established by the state of Ohio. HCC is a member of the Ohio Educational Computer Network. HCC provides data and Internet services for public and non-public schools in the Greater Cincinnati Metropolitan Area. This includes collection and distribution of data for financial, student and media services. HCC also provides technical and networking services to affiliated schools.

The Site Director and his staff manage the day-to-day affairs of HCC. A Board of Directors composed of member school's superintendents approves the long term path for the site, as determined by the Site Director and an Executive Committee composed of five superintendents and two treasurers from member schools. HCC is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Financial information can be obtained from the HCC, Executive Director, at 1007 Cottonwood Drive, Loveland, Ohio 45140.

Learn21 - Learn21 is a nonprofit organization started in 2008 and operated under the direction of a nine member board of directors elected by participating school districts. Learn21 provides member organizations innovative technology contracted solutions and services. All member districts are obligated to pay all fees, charges or other assessments as established by the organization. Fiscal agent services are provided by Sycamore Community Schools. Learn21 offers CTO leadership and consulting, learning management tools, data integration services and consulting, professional development for instructional technology and personalized learning, instructional software solutions, data hosting, online course content, delivery and support. To obtain financial information write to Learn21, Executive Director, at 5959 Hagewa Drive, Cincinnati, Ohio 45242.

Note 14 – Public Entity Risk Pool

Butler Health Plan (BHP) - The District has elected to provide employee health and dental benefits through Butler Health Plan (BHP), a public entity risk pool currently operating as a common risk management and insurance program. Butler Health Plan has provided competitive health and dental benefits to school districts in southwest Ohio for over 30 years. Building on that success, Butler Health Plan looked to the future and helped create a multi-state consortium, Optimal Health Initiatives that now includes over 80 public employers and represents more than 40,000 employees and their families. Anthem provides claims review and processing services for BHP. The District pays a monthly premium to the pool for its general insurance coverage. The employees share the cost of the monthly premium for the coverage with the Board. The risk of loss transfers entirely to BHP. To obtain financial information write to Butler Health Plan, 400 North Erie Blvd. Suite B., Hamilton, Ohio 45011.

Note 15 – Required Set-Asides

The 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 year-end 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.

For fiscal year ended June 30, 2018, the District was no longer required to set aside funds in the budget reserve set-aside, with the exception of refund monies received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

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

	Capital Acquisition	Budget Stabilization
Set Aside Reserve Balance as of June 30, 2017	\$0	\$468,958
Current Year Set Aside Requirements	942,705	0
Qualified Disbursements	(764,236)	0
Current Year Offsets	(178,469)	
Set Aside Reserve Balance as of June 30, 2018	<u>\$0</u>	<u>\$468,958</u>
Restricted Cash as of June 30, 2018	<u>\$0</u>	<u>\$468,958</u>

Offset credits for capital activity during the year exceeded the amount required for the set-aside, resulting in offset credits of \$59,382,931 available for carryover to offset capital reserve requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the capital acquisition set-aside.

Note 16 - Interfund Balances/Transfers

Interfund transactions at June 30, 2018, consisted of the following individual fund receivables and payables and transfers:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$14,052	\$0	\$0	\$5,614,855
Debt Service Fund	0	0	986,800	0
Permanent Improvement Fund	0	0	4,500,000	0
Other Governmental Funds	0	14,052	128,055	0
Total All Funds	<u>\$14,052</u>	<u>\$14,052</u>	<u>\$5,614,855</u>	<u>\$5,614,855</u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed and to fund debt service.

All interfund balances are expected to be paid within one year.

Note 17 – Accountability

The following individual funds had a deficit in fund balance at year end:

Fund	Deficit
Major Fund:	
Permanent Improvement	\$310,661
Other Governmental Funds:	
Title III	2,655
Vocational Education	10

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

The deficit in fund balance was primarily due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

Note 18 - Fund Balances

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

Fund Balances	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total
Nonspendable:					
Inventory	\$5,303	\$0	\$0	\$0	\$5,303
Prepays	37,623	0	0	1,308	38,931
Total Nonspendable	42,926	0	0	1,308	44,234
Restricted for:					
Other Grants	0	0	0	89,168	89,168
Extracurricular Student Activities	0	0	0	170,702	170,702
Auxiliary Services	0	0	0	488,411	488,411
Title I	0	0	0	4,383	4,383
School Conflict Grant	0	0	0	2,500	2,500
IDEA/Preschool	0	0	0	420	420
Title II-A	0	0	0	4,118	4,118
Food Service Operations	0	0	0	335,882	335,882
Community School	0	0	0	69,258	69,258
Debt Service Payments	613,285	15,478,948	0	0	16,092,233
Total Restricted	613,285	15,478,948	0	1,164,842	17,257,075
Assigned to:					
Permanent Improvement	0	0	0	0	0
Public School Support	126,915	0	0	0	126,915
Encumbrances	444,186	0	0	0	444,186
Total Assigned	571,101	0	0	0	571,101
Unassigned (Deficit)	63,663,567	0	(310,661)	(2,705)	63,350,201
Total Fund Balance	\$64,890,879	\$15,478,948	(\$310,661)	\$1,163,445	\$81,222,611

Encumbrances (assigned) will be used for \$62,580 for books, \$10,308 for furniture, \$27,930 for electronics, \$7,885 for mileage reimbursement, \$22,700 for repairs, \$3,655 for parts, \$13,282 for supplies, \$27,212 for tuition, \$209,687 for utilities, \$28,937 for the School Resource Officer, and \$30,010 for other purposes.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

Note 19 – Tax Abatements entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, Symmes Township and The City of Blue Ash have entered into such an agreement. Under this agreement the District’s property taxes were reduced by approximately \$168,548. The District received a \$20,046 company donation in association with part of the forgone property tax revenue in Symmes Township.

Note 20 – Implementation of New Accounting Principles and Restatement of Net Position

For the fiscal year ended June 30, 2018, the District has implemented GASB Statement No. 81, Irrevocable Split-Interest Agreements, and GASB No. 86, Certain Debt Extinguishment Issues, and GASB Statement No. 85, Omnibus 2017, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, and related guidance from (GASB) Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).

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

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the District’s fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 86 sets out to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. One of the criteria for determining an in-substance defeasance is that the trust hold only monetary assets that are essentially risk-free. If the substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, governments should disclose that fact in the period in which the debt is defeased in substance. In subsequent periods, governments should disclose the amount of debt defeased in substance that remains outstanding for which that risk of substitution exists. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

Sycamore Community School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2018

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

Net position June 30, 2017	(\$30,923,477)
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Adjustments:

Net OPEB Liability	(28,255,403)
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Deferred Outflow - Payments Subsequent to Measurement Date	<u>162,085</u>
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Restated Net Position June 30, 2017	<u><u>(\$59,016,795)</u></u>
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Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.32640977%	0.33347530%	0.34121534%	0.34178472%	0.34178472%
District's Proportionate Share of the Net Pension Liability	\$77,539,341	\$111,624,235	\$94,301,939	\$83,133,872	\$98,819,805
District's Covered Payroll	\$36,727,800	\$35,831,571	\$34,957,200	\$37,607,185	\$35,165,546
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	211.12%	311.52%	269.76%	221.06%	281.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

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

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.35728250%	0.36670290%	0.38057540%	0.39149400%	0.39149400%
District's Proportionate Share of the Net Pension Liability	\$21,346,840	\$26,839,269	\$21,716,001	\$19,813,288	\$23,685,544
District's Covered Payroll	\$11,428,671	\$11,388,429	\$15,129,651	\$11,490,938	\$11,523,562
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.78%	235.67%	143.53%	172.43%	205.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

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Sycamore Community School District, Ohio
 Required Supplementary Information
 Schedule of District Contributions
 for Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$5,323,236	\$5,141,892	\$5,016,420	\$4,894,008	\$4,888,934
Contributions in Relation to the Contractually Required Contribution	<u>(5,323,236)</u>	<u>(5,141,892)</u>	<u>(5,016,420)</u>	<u>(4,894,008)</u>	<u>(4,888,934)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$38,023,114	\$36,727,800	\$35,831,571	\$34,957,200	\$37,607,185
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to the required supplementary information.

2013	2012	2011	2010	2009
\$5,038,956	\$5,150,460	\$5,171,388	\$5,107,176	\$4,997,556
(5,038,956)	(5,150,460)	(5,171,388)	(5,107,176)	(4,997,556)
\$0	\$0	\$0	\$0	\$0
\$35,165,546	\$36,521,580	\$37,620,294	\$36,265,106	\$35,482,754
14.33%	14.10%	13.75%	14.08%	14.08%

Sycamore Community School District, Ohio
 Required Supplementary Information
 Schedule of District Contributions
 for Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,516,786	\$1,600,014	\$1,594,380	\$1,994,088	\$1,592,644
Contributions in Relation to the Contractually Required Contribution	<u>(1,516,786)</u>	<u>(1,600,014)</u>	<u>(1,594,380)</u>	<u>(1,994,088)</u>	<u>(1,592,644)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$11,235,452	\$11,428,671	\$11,388,429	\$15,129,651	\$11,490,938
Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%	13.86%

See accompanying notes to the required supplementary information.

2013	2012	2011	2010	2009
\$1,965,696	\$1,963,944	\$1,947,720	\$1,756,632	\$1,724,604
(1,965,696)	(1,963,944)	(1,947,720)	(1,756,632)	(1,724,604)
\$0	\$0	\$0	\$0	\$0
\$11,523,562	\$11,577,513	\$11,744,954	\$11,756,149	\$11,398,424
17.06%	16.96%	16.58%	14.94%	15.13%

Sycamore Community School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability
 State Teachers Retirement System of Ohio
 Last Two Fiscal Years (1)

	2018	2017
District's Proportion of the Net OPEB Liability	0.32640977%	0.33347530%
District's Proportionate Share of the Net OPEB Liability	\$12,735,305	\$17,834,346
District's Covered Payroll	\$36,727,800	\$35,831,571
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	34.67%	49.77%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Sycamore Community School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share
 of the Net Postemployment Benefits Other Than Pension (OPEB) Liability
 School Employees Retirement System of Ohio
 Last Two Fiscal Years (1)

	2018	2017
District's Proportion of the Net OPEB Liability	0.35568980%	0.36560367%
District's Proportionate Share of the Net OPEB Liability	\$9,545,780	\$10,421,057
District's Covered Payroll	\$11,428,671	\$11,388,429
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	83.52%	91.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Sycamore Community School District, Ohio
 Required Supplementary Information
 Schedule of District Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 State Teachers Retirement System of Ohio
 Last Three Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution to OPEB	\$0	\$0	\$0
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$38,023,114	\$36,727,800	\$35,831,571
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Sycamore Community School District, Ohio
 Required Supplementary Information
 Schedule of District Contributions to
 Postemployment Benefits Other Than Pension (OPEB)
 School Employees Retirement System of Ohio
 Last Three Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution to OPEB (2)	\$219,378	\$189,169	\$159,208
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(219,378)</u>	<u>(189,169)</u>	<u>(159,208)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered Payroll	\$11,235,452	\$11,428,671	\$11,388,429
Contributions to OPEB as a Percentage of Covered Payroll	1.95%	1.66%	1.40%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) - Includes Surcharge.

See accompanying notes to the required supplementary information.

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$64,080,676	\$68,559,501	\$68,598,756	\$39,255
Revenue in lieu of taxes	2,976,387	3,184,418	3,186,241	1,823
Tuition and Fees	1,128,272	1,207,131	1,207,822	691
Investment Earnings	599,140	641,016	641,383	367
Intergovernmental	13,645,360	14,599,082	14,607,441	8,359
Charges for Services	46,904	50,182	50,211	29
Other Revenues	189,612	202,865	202,981	116
Total Revenues	82,666,351	88,444,195	88,494,835	50,640
Expenditures:				
Current:				
Instruction:				
Regular	34,424,796	34,424,796	34,308,381	116,415
Special	11,179,399	11,179,399	11,141,593	37,806
Other	136,297	136,297	135,836	461
Support Services:				
Pupil	5,524,355	5,524,355	5,505,673	18,682
Instructional Staff	2,075,172	2,075,172	2,068,154	7,018
General Administration	42,496	42,496	42,352	144
School Administration	6,035,357	6,035,357	6,014,947	20,410
Fiscal	1,599,891	1,599,891	1,594,481	5,410
Business	98,922	98,922	98,587	335
Operations and Maintenance	7,005,559	7,005,559	6,981,868	23,691
Pupil Transportation	4,124,902	4,124,902	4,110,953	13,949
Central	566,707	566,707	564,791	1,916
Operation of Non-Instructional Services	3,721	3,721	3,708	13
Extracurricular Activities	961,290	961,290	958,039	3,251
Capital Outlay	17,561	17,561	17,502	59
Debt Service:				
Principal Retirement	817,765	817,765	815,000	2,765
Interest and Fiscal Charges	105,971	105,971	105,613	358
Total Expenditures	74,720,161	74,720,161	74,467,478	252,683
Excess of Revenues Over (Under) Expenditures	7,946,190	13,724,034	14,027,357	303,323
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	4,992	5,341	5,344	3
Advances In	80,257	85,867	85,916	49
Advances (Out)	(51,023)	(51,023)	(50,850)	173
Transfers (Out)	(5,628,835)	(5,628,835)	(5,609,800)	19,035
Total Other Financing Sources (Uses)	(5,594,609)	(5,588,650)	(5,569,390)	19,260
Net Change in Fund Balance	2,351,581	8,135,384	8,457,967	322,583
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	38,274,628	38,274,628	38,274,628	0
Fund Balance - End of Year	\$40,626,209	\$46,410,012	\$46,732,595	\$322,583

See accompanying notes to the required supplementary information.

Sycamore Community School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2018

Note 1 – Budgetary Process

All funds, except trust and agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund and function level within each individual fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be 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 on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2018.

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

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

Sycamore Community School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2018

The following table summarizes the adjustments necessary to reconcile the GAAP basis to the budgetary basis for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$7,805,505
Revenue Accruals	401,157
Expenditure Accruals	924,243
Proceeds of Capital Assets	2,195
Transfer (Out)	5,055
Advances In	85,916
Advances (Out)	(50,850)
Encumbrances	(684,391)
Funds Budgeted Elsewhere	(30,863)
Budget Basis	<u><u>\$8,457,967</u></u>

Note 2 - SERS Change in Assumptions-Net Pension Liability

The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Note 3 - STRS Change in Assumptions and Benefit Terms-Net Pension Liability

Changes in Assumptions

The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms

Effective July 1, 2017, the COLA was reduced to zero.

Note 4 - SERS Change in Assumptions-Net OPEB Liability

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Sycamore Community School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2018

Note 5 - STRS Change in Assumptions-Net OPEB Liability

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

Debt Service Fund – The Debt Service Fund is used for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Permanent Improvement Fund – The Permanent Improvement Fund is used to account for all transactions relating to acquiring, constructing or improving permanent improvements other than those authorized by special bond funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,033,487	\$4,033,621	\$134
Investment Earnings	1,217	1,217	0
Intergovernmental	1,469,048	1,469,097	49
Other Revenues	77,668	77,671	3
Total Revenues	5,581,420	5,581,606	186
Expenditures:			
Current:			
Support Services:			
Fiscal	57,341	54,127	3,214
Debt Service:			
Principal Retirement	3,933,863	3,713,400	220,463
Interest and Fiscal Charges	2,249,206	2,123,155	126,051
Total Expenditures	6,240,410	5,890,682	349,728
Excess of Revenues Over (Under) Expenditures	(658,990)	(309,076)	349,914
Other Financing Sources (Uses):			
Issuance of Long Term Debt	250	250	0
Transfers In	986,767	986,800	33
Total Other Financing Sources (Uses)	987,017	987,050	33
Net Change in Fund Balance	328,027	677,974	349,947
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	5,791,545	5,791,545	0
Fund Balance - End of Year	\$6,119,572	\$6,469,519	\$349,947

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	199,706	199,706	0
Total Revenues	199,706	199,706	0
Expenditures:			
Current:			
Instruction:			
Regular	973,994	972,464	1,530
Support Services:			
Instructional Staff	227,233	226,876	357
Operations and Maintenance	36,057	36,000	57
Pupil Transportation	726,841	725,699	1,142
Capital Outlay	7,487,029	7,475,269	11,760
Debt Service:			
Bond Issuance Cost	37,809	37,750	59
Total Expenditures	9,488,963	9,474,058	14,905
Excess of Revenues Over (Under) Expenditures	(9,289,257)	(9,274,352)	14,905
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	247,816	247,816	0
Issuance of Long Term Debt	4,017,750	4,017,750	0
Transfers In	4,500,000	4,500,000	0
Total Other Financing Sources (Uses)	8,765,566	8,765,566	0
Net Change in Fund Balance	(523,691)	(508,786)	14,905
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	622,549	622,549	0
Fund Balance - End of Year	\$98,858	\$113,763	\$14,905

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Sycamore Community School District, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

	Nonmajor Special Revenue Funds
Assets:	
Equity in Pooled Cash and Investments	\$1,356,089
Receivables:	
Accounts	17,406
Intergovernmental	242,380
Prepays	<u>1,308</u>
Total Assets	<u>1,617,183</u>
Liabilities:	
Accounts Payable	29,963
Accrued Wages and Benefits	329,185
Compensated Absences	6,110
Interfund Payable	<u>14,052</u>
Total Liabilities	<u>379,310</u>
Deferred Inflows of Resources:	
Grants	<u>74,428</u>
Total Deferred Inflows of Resources	<u>74,428</u>
Fund Balances:	
Nonspendable	1,308
Restricted	1,164,842
Unassigned	<u>(2,705)</u>
Total Fund Balances	<u>1,163,445</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u><u>\$1,617,183</u></u>

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds
Revenues:	
Tuition and Fees	\$7,903
Investment Earnings	10,051
Intergovernmental	4,592,022
Extracurricular Activities	522,544
Charges for Services	1,481,215
Other Revenues	100,181
	<hr/>
Total Revenues	6,713,916
	<hr/>
Expenditures:	
Current:	
Instruction:	
Regular	537,801
Special	1,034,575
Support Services:	
Pupil	209,208
Instructional Staff	32,892
Fiscal	7,714
Operations and Maintenance	27,791
Central	10,285
Operation of Non-Instructional Services	3,751,426
Extracurricular Activities	691,746
	<hr/>
Total Expenditures	6,303,438
	<hr/>
Excess of Revenues Over (Under) Expenditures	410,478
	<hr/>
Other Financing Sources (Uses):	
Proceeds from Sale of Capital Assets	1,669
Transfers In	128,055
	<hr/>
Total Other Financing Sources (Uses)	129,724
	<hr/>
Net Change in Fund Balance	540,202
	<hr/>
Fund Balance - Beginning of Year	623,243
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Fund Balance - End of Year	\$1,163,445
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NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Other Grants – Fund used to account for local grants, i.e. Neediest Kids of All.

Extracurricular Student Activities – Fund used to account for student activity programs that do not have student management of the program, i.e. athletics, band, etc.

Auxiliary Services – Fund used to account for state funds used to provide services and materials to students attending non-public schools within the boundaries of the District.

Entry Year Programs – Fund used to account for state monies provided to support training programs for beginning teachers.

OneNet Network – State grant used to support technology used for non-instructional purposes, i.e. networking.

School Conflict Grant – A fund 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.

IDEA / Pre-School – Fund used to account for federal monies provided to support programs for students with disabilities.

Vocational Education – Federal grant used to present various career opportunities to students.

Title III – Federal grant used to account for federal monies provided to support the District's ESL population.

Title I – Fund used to account for federal monies provided to support programs for educationally deprived students.

EHA Pre-School – Fund used to account for federal monies provided to support programs for pre-school aged students with disabilities.

Title II-A – Fund used to account for federal monies provided to reduce student/teacher ratios.

Miscellaneous Federal Grants – Fund used to account for federal monies that are legally restricted to expenditures for specified purposes.

Food Service – Fund used to record financial transactions related to the food service operation.

Community School – Fund used to account for student recreation program.

Sycamore Community School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Other Grants	Extracurricular Student Activities	Auxiliary Services	Entry Year Programs	OneNet Network
Assets:					
Equity in Pooled Cash and Investments	\$89,168	\$182,164	\$502,247	\$0	\$0
Receivables:					
Accounts	0	0	363	0	0
Intergovernmental	0	0	0	0	0
Prepays	0	0	64	0	0
Total Assets	89,168	182,164	502,674	0	0
Liabilities:					
Accounts Payable	0	11,462	0	0	0
Accrued Wages and Benefits	0	0	14,199	0	0
Compensated Absences	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Total Liabilities	0	11,462	14,199	0	0
Deferred Inflows of Resources:					
Grants	0	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0	0
Fund Balances:					
Nonspendable	0	0	64	0	0
Restricted	89,168	170,702	488,411	0	0
Unassigned	0	0	0	0	0
Total Fund Balances	89,168	170,702	488,475	0	0
Total Liabilities, Deferred Inflows and Fund Balances	\$89,168	\$182,164	\$502,674	\$0	\$0

School Conflict Grant	IDEA/ Pre-School	Vocational Education	Title III	Title I	EHA Pre-School	Title II-A	Miscellaneous Federal Grants
\$71	\$1,491	\$0	\$10,813	\$0	\$0	\$0	\$0
122	3,515	0	223	0	0	0	0
9,542	158,347	0	26,404	4,772	0	31,886	11,429
22	624	0	40	0	0	0	0
<u>9,757</u>	<u>163,977</u>	<u>0</u>	<u>37,480</u>	<u>4,772</u>	<u>0</u>	<u>31,886</u>	<u>11,429</u>
0	0	0	10,323	0	0	0	0
4,773	137,578	0	8,744	0	0	0	0
0	0	0	0	0	0	0	0
2,462	0	10	11,580	0	0	0	0
<u>7,235</u>	<u>137,578</u>	<u>10</u>	<u>30,647</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	25,355	0	9,488	388	0	27,768	11,429
0	25,355	0	9,488	388	0	27,768	11,429
22	624	0	40	0	0	0	0
2,500	420	0	0	4,384	0	4,118	0
0	0	(10)	(2,695)	0	0	0	0
<u>2,522</u>	<u>1,044</u>	<u>(10)</u>	<u>(2,655)</u>	<u>4,384</u>	<u>0</u>	<u>4,118</u>	<u>0</u>
<u>\$9,757</u>	<u>\$163,977</u>	<u>\$0</u>	<u>\$37,480</u>	<u>\$4,772</u>	<u>\$0</u>	<u>\$31,886</u>	<u>\$11,429</u>

Continued

Sycamore Community School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Food Service	Community School	Total Nonmajor Special Revenue Funds
Assets:			
Equity in Pooled Cash and Investments	\$510,428	\$59,707	\$1,356,089
Receivables:			
Accounts	3,632	9,551	17,406
Intergovernmental	0	0	242,380
Prepays	558	0	1,308
Total Assets	514,618	69,258	1,617,183
Liabilities:			
Accounts Payable	8,178	0	29,963
Accrued Wages and Benefits	163,891	0	329,185
Compensated Absences	6,110	0	6,110
Interfund Payable	0	0	14,052
Total Liabilities	178,179	0	379,310
Deferred Inflows of Resources:			
Grants	0	0	74,428
Total Deferred Inflows of Resources	0	0	74,428
Fund Balances:			
Nonspendable	558	0	1,308
Restricted	335,881	69,258	1,164,842
Unassigned	0	0	(2,705)
Total Fund Balances	336,439	69,258	1,163,445
Total Liabilities, Deferred Inflows and Fund Balances	\$514,618	\$69,258	\$1,617,183

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Sycamore Community School District, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended June 30, 2018

	Other Grants	Extracurricular Student Activities	Auxiliary Services	Entry Year Programs	OneNet Network
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	6,492	0	0
Intergovernmental	15,381	0	1,892,041	0	12,600
Extracurricular Activities	521	500,555	0	0	0
Charges for Services	30,500	0	0	0	0
Other Revenues	43,350	52,307	0	0	0
Total Revenues	89,752	552,862	1,898,533	0	12,600
Expenditures:					
Current:					
Instruction:					
Regular	79,192	0	0	0	0
Special	678	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	10,083	0	0	250	12,600
Fiscal	7,714	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Central	10,285	0	0	0	0
Operation of Non-Instructional Services	3,190	0	1,462,633	0	0
Extracurricular Activities	0	672,268	0	0	0
Total Expenditures	111,142	672,268	1,462,633	250	12,600
Excess of Revenues Over (Under) Expenditures	(21,390)	(119,406)	435,900	(250)	0
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	0	0	0	0	0
Transfers In	4,636	123,419	0	0	0
Total Other Financing Sources (Uses)	4,636	123,419	0	0	0
Net Change in Fund Balance	(16,754)	4,013	435,900	(250)	0
Fund Balance - Beginning of Year	105,922	166,689	52,575	250	0
Fund Balance - End of Year	\$89,168	\$170,702	\$488,475	\$0	\$0

School Conflict Grant	IDEA/ Pre-School	Vocational Education	Title III	Title I	EHA Pre-School	Title II-A	Miscellaneous Federal Grants
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
30,892	1,255,469	0	92,588	398,772	15,693	100,692	16,066
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	1,500	0	0	0	0	0	1,934
<u>30,892</u>	<u>1,256,969</u>	<u>0</u>	<u>92,588</u>	<u>398,772</u>	<u>15,693</u>	<u>100,692</u>	<u>18,000</u>
0	0	263	0	373,426	0	84,920	0
2,462	961,732	0	69,703	0	0	0	0
26,560	133,087	0	33,868	0	15,693	0	0
0	9,947	0	12	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	17,159	0	0	0
0	0	0	0	0	0	0	0
0	170,514	0	0	0	0	14,807	0
0	0	0	0	0	0	0	0
<u>29,022</u>	<u>1,275,280</u>	<u>263</u>	<u>103,583</u>	<u>390,585</u>	<u>15,693</u>	<u>99,727</u>	<u>0</u>
<u>1,870</u>	<u>(18,311)</u>	<u>(263)</u>	<u>(10,995)</u>	<u>8,187</u>	<u>0</u>	<u>965</u>	<u>18,000</u>
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
1,870	(18,311)	(263)	(10,995)	8,187	0	965	18,000
652	19,355	253	8,340	(3,803)	0	3,153	(18,000)
<u>\$2,522</u>	<u>\$1,044</u>	<u>(\$10)</u>	<u>(\$2,655)</u>	<u>\$4,384</u>	<u>\$0</u>	<u>\$4,118</u>	<u>\$0</u>

Continued

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Food Service	Community School	Total Nonmajor Special Revenue Funds
Revenues:			
Tuition and Fees	\$0	\$7,903	\$7,903
Investment Earnings	3,559	0	10,051
Intergovernmental	761,828	0	4,592,022
Extracurricular Activities	0	21,468	522,544
Charges for Services	1,408,028	42,687	1,481,215
Other Revenues	1,090	0	100,181
Total Revenues	2,174,505	72,058	6,713,916
Expenditures:			
Current:			
Instruction:			
Regular	0	0	537,801
Special	0	0	1,034,575
Support Services:			
Pupil	0	0	209,208
Instructional Staff	0	0	32,892
Fiscal	0	0	7,714
Operations and Maintenance	10,632	0	27,791
Central	0	0	10,285
Operation of Non-Instructional Services	2,080,896	19,386	3,751,426
Extracurricular Activities	0	19,478	691,746
Total Expenditures	2,091,528	38,864	6,303,438
Excess of Revenues Over (Under) Expenditures	82,977	33,194	410,478
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	1,669	0	1,669
Transfers In	0	0	128,055
Total Other Financing Sources (Uses)	1,669	0	129,724
Net Change in Fund Balance	84,646	33,194	540,202
Fund Balance - Beginning of Year	251,793	36,064	623,243
Fund Balance - End of Year	\$336,439	\$69,258	\$1,163,445

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$14,551	\$14,551	\$0
Extracurricular Activities	521	521	0
Charges for Services	30,500	30,500	0
Other Revenues	44,430	44,430	0
Total Revenues	90,002	90,002	0
Expenditures:			
Current:			
Instruction:			
Regular	118,176	79,791	38,385
Special	1,004	678	326
Support Services:			
Instructional Staff	15,304	10,333	4,971
Fiscal	11,425	7,714	3,711
Central	15,847	10,700	5,147
Operation of Non-Instructional Services	4,725	3,190	1,535
Total Expenditures	166,481	112,406	54,075
Excess of Revenues Over (Under) Expenditures	(76,479)	(22,404)	54,075
Other Financing Sources (Uses):			
Transfers In	4,636	4,636	0
Total Other Financing Sources (Uses)	4,636	4,636	0
Net Change in Fund Balance	(71,843)	(17,768)	54,075
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	106,499	106,499	0
Fund Balance - End of Year	\$34,656	\$88,731	\$54,075

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Extracurricular Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$500,401	\$500,590	\$189
Other Revenues	52,287	52,307	20
Total Revenues	552,688	552,897	209
Expenditures:			
Current:			
Instruction:			
Extracurricular Activities	748,101	702,658	45,443
Total Expenditures	748,101	702,658	45,443
Excess of Revenues Over (Under) Expenditures	(195,413)	(149,761)	45,652
Other Financing Sources (Uses):			
Transfers In	123,372	123,419	47
Transfers (Out)	0	0	0
Total Other Financing Sources (Uses)	123,372	123,419	47
Net Change in Fund Balance	(72,041)	(26,342)	45,699
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	178,416	178,416	0
Fund Balance - End of Year	\$106,375	\$152,074	\$45,699

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$6,489	\$6,492	\$3
Intergovernmental	1,891,226	1,892,041	815
Total Revenues	1,897,715	1,898,533	818
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,037,225	1,546,656	490,569
Total Expenditures	2,037,225	1,546,656	490,569
Net Change in Fund Balance	(139,510)	351,877	491,387
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	145,187	145,187	0
Fund Balance - End of Year	\$5,677	\$497,064	\$491,387

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	250	250	0
Total Expenditures	250	250	0
Net Change in Fund Balance	(250)	(250)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	250	250	0
Fund Balance - End of Year	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	OneNet Network Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$12,600	\$12,600	\$0
Total Revenues	12,600	12,600	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	12,600	12,600	0
Total Expenditures	12,600	12,600	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	School Conflict Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$25,395	\$25,395	\$0
Total Revenues	25,395	25,395	0
Expenditures:			
Current:			
Instruction:			
Special	2,462	2,462	0
Support Services:			
Pupil	26,474	26,474	0
Total Expenditures	28,936	28,936	0
Excess of Revenues Over (Under) Expenditures	(3,541)	(3,541)	0
Other Financing Sources (Uses):			
Advances In	2,462	2,462	0
Advances (Out)	0	0	0
Total Other Financing Sources (Uses)	2,462	2,462	0
Net Change in Fund Balance	(1,079)	(1,079)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,150	1,150	0
Fund Balance - End of Year	\$71	\$71	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	IDEA / Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,232,090	\$1,232,090	\$0
Other Revenues	1,500	1,500	0
Total Revenues	1,233,590	1,233,590	0
Expenditures:			
Current:			
Instruction:			
Special	905,664	918,438	(12,774)
Support Services:			
Pupil	130,719	132,563	(1,844)
Instructional Staff	9,809	9,947	(138)
Operation of Non-Instructional Services	168,142	170,514	(2,372)
Total Expenditures	1,214,334	1,231,462	(17,128)
Excess of Revenues Over (Under) Expenditures	19,256	2,128	(17,128)
Other Financing Sources (Uses):			
Advances In	11,000	11,000	0
Advances (Out)	(28,130)	(28,527)	(397)
Total Other Financing Sources (Uses)	(17,130)	(17,527)	(397)
Net Change in Fund Balance	2,126	(15,399)	(17,525)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	16,900	16,900	0
Fund Balance - End of Year	\$19,026	\$1,501	(\$17,525)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$900	\$900	\$0
Total Revenues	900	900	0
Expenditures:			
Current:			
Instruction:			
Regular	571	943	(372)
Total Expenditures	571	943	(372)
Excess of Revenues Over (Under) Expenditures	329	(43)	(372)
Other Financing Sources (Uses):			
Advances (Out)	(373)	(616)	(243)
Total Other Financing Sources (Uses)	(373)	(616)	(243)
Net Change in Fund Balance	(44)	(659)	(615)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	659	659	0
Fund Balance - End of Year	\$615	\$0	(\$615)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$97,766	\$97,766	\$0
Total Revenues	97,766	97,766	0
Expenditures:			
Current:			
Instruction:			
Special	67,631	74,972	(7,341)
Support Services:			
Pupil	30,997	34,362	(3,365)
Instructional Staff	11	12	(1)
Total Expenditures	98,639	109,346	(10,707)
Excess of Revenues Over (Under) Expenditures	(873)	(11,580)	(10,707)
Other Financing Sources (Uses):			
Advances In	12,780	12,780	0
Advances (Out)	(11,907)	(13,200)	(1,293)
Total Other Financing Sources (Uses)	873	(420)	(1,293)
Net Change in Fund Balance	0	(12,000)	(12,000)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	12,000	12,000	0
Fund Balance - End of Year	\$12,000	\$0	(\$12,000)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$459,020	\$459,020	\$0
Total Revenues	459,020	459,020	0
Expenditures:			
Current:			
Instruction:			
Regular	441,861	441,861	0
Support Services:			
Pupil Transportation	17,160	17,160	0
Total Expenditures	459,021	459,021	0
Excess of Revenues Over (Under) Expenditures	(1)	(1)	0
Other Financing Sources (Uses):			
Advances In	7,408	7,408	0
Advances (Out)	(7,408)	(7,408)	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(1)	(1)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1	1	0
Fund Balance - End of Year	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$15,693	\$15,693	\$0
Total Revenues	15,693	15,693	0
Expenditures:			
Current:			
Support Services:			
Pupil	15,693	15,693	0
Total Expenditures	15,693	15,693	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Title II-A Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$100,692	\$100,692	\$0
Total Revenues	100,692	100,692	0
Expenditures:			
Current:			
Instruction:			
Regular	84,124	84,920	(796)
Operation of Non-Instructional Services	14,668	14,807	(139)
Total Expenditures	98,792	99,727	(935)
Excess of Revenues Over (Under) Expenditures	1,900	965	(935)
Other Financing Sources (Uses):			
Advances In	2,200	2,200	0
Advances (Out)	(3,135)	(3,165)	(30)
Total Other Financing Sources (Uses)	(935)	(965)	(30)
Net Change in Fund Balance	965	0	(965)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$965	\$0	(\$965)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,066	\$16,066	\$0
Other Revenues	1,934	1,934	0
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>7,577</u>	<u>16,066</u>	<u>(8,489)</u>
Total Expenditures	<u>7,577</u>	<u>16,066</u>	<u>(8,489)</u>
Excess of Revenues Over (Under) Expenditures	<u>10,423</u>	<u>1,934</u>	<u>(8,489)</u>
Other Financing Sources (Uses):			
Advances (Out)	<u>(8,489)</u>	<u>(18,000)</u>	<u>(9,511)</u>
Total Other Financing Sources (Uses)	<u>(8,489)</u>	<u>(18,000)</u>	<u>(9,511)</u>
Net Change in Fund Balance	1,934	(16,066)	(18,000)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>16,066</u>	<u>16,066</u>	<u>0</u>
Fund Balance - End of Year	<u>\$18,000</u>	<u>\$0</u>	<u>(\$18,000)</u>

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$3,558	\$3,559	\$1
Intergovernmental	636,551	636,805	254
Charges for Services	1,408,896	1,409,457	561
Other Revenues	600	600	0
Total Revenues	<u>2,049,605</u>	<u>2,050,421</u>	<u>816</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	12,427	11,058	1,369
Operation of Non-Instructional Services	2,223,066	1,978,138	244,928
Total Expenditures	<u>2,235,493</u>	<u>1,989,196</u>	<u>246,297</u>
Excess of Revenues Over (Under) Expenditures	<u>(185,888)</u>	<u>61,225</u>	<u>247,113</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	1,668	1,669	1
Total Other Financing Sources (Uses)	<u>1,668</u>	<u>1,669</u>	<u>1</u>
Net Change in Fund Balance	(184,220)	62,894	247,114
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>423,697</u>	<u>423,697</u>	<u>0</u>
Fund Balance - End of Year	<u>\$239,477</u>	<u>\$486,591</u>	<u>\$247,114</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2018

	Community School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$7,903	\$7,903	\$0
Extracurricular Activities	11,917	11,917	0
Charges for Services	42,687	42,687	0
Total Revenues	62,507	62,507	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	71,555	56,584	14,971
Extracurricular Activities	25,254	19,970	5,284
Total Expenditures	96,809	76,554	20,255
Net Change in Fund Balance	(34,302)	(14,047)	20,255
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	70,017	70,017	0
Fund Balance - End of Year	\$35,715	\$55,970	\$20,255

OTHER GENERAL FUND

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

Fund Description

Public School Support - Fund used to account for specific local revenue sources generated by individual school buildings. Expenditures include field trips, items to support co-curricular and extra-curricular programs, and recognition programs.

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2018

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$128,930	\$128,873	(\$57)
Extracurricular Activities	7,723	7,720	(3)
Charges for Services	29,176	29,163	(13)
Other Revenues	38,998	38,981	(17)
Total Revenues	<u>204,827</u>	<u>204,737</u>	<u>(90)</u>
Expenditures:			
Current:			
Instruction:			
Regular	217,184	168,264	48,920
Support Services:			
Instructional Staff	9,555	7,403	2,152
School Administration	187	145	42
Operations and Maintenance	49	38	11
Pupil Transportation	996	772	224
Operation of Non-Instructional Services	15,056	11,665	3,391
Total Expenditures	<u>243,027</u>	<u>188,287</u>	<u>54,740</u>
Excess of Revenues Over (Under) Expenditures	<u>(38,200)</u>	<u>16,450</u>	<u>54,650</u>
Net Change in Fund Balance	(38,200)	16,450	54,650
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>105,699</u>	<u>105,699</u>	<u>0</u>
Fund Balance - End of Year	<u>\$67,499</u>	<u>\$122,149</u>	<u>\$54,650</u>

(1) This fund is combined with the General fund in GAAP Statements.

NONMAJOR FUNDS

Fiduciary funds

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

Fund Description

Student Activity (Agency Fund) – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Learn 21 (Agency Fund) – Fund used to account for fiscal services with Learn 21.

Ohio High School Athletic Association Tournaments (Agency Fund) – Fund used to account for assets and liabilities of OHSAA athletic events of the District.

Sycamore Community School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$80,660	\$136,861	\$136,657	\$80,864
Receivables:				
Accounts	10,000	10,000	10,000	10,000
Total Assets	90,660	146,861	146,657	90,864
Liabilities:				
Other Liabilities	90,660	146,861	146,657	90,864
Total Liabilities	90,660	146,861	146,657	90,864
	Learn 21			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$241,983	\$980,825	\$879,876	\$342,932
Receivables:				
Accounts	143,275	24,869	143,275	24,869
Total Assets	385,258	1,005,694	1,023,151	367,801
Liabilities:				
Accounts Payable	0	867	0	867
Other Liabilities	385,258	1,004,827	1,023,151	366,934
Total Liabilities	\$385,258	\$1,005,694	\$1,023,151	\$367,801
	OHSAA Tournaments			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$4,856	\$20,571	\$16,411	\$9,016
Total Assets	4,856	20,571	16,411	9,016
Liabilities:				
Other Liabilities	4,856	20,571	16,411	9,016
Total Liabilities	\$4,856	\$20,571	\$16,411	\$9,016
	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in Pooled Cash and Investments	\$327,499	\$1,138,257	\$1,032,944	\$432,812
Receivables:				
Accounts	153,275	34,869	153,275	34,869
Total Assets	480,774	1,173,126	1,186,219	467,681
Liabilities:				
Accounts Payable	0	867	0	867
Other Liabilities	480,774	1,172,259	1,186,219	466,814
Total Liabilities	\$480,774	\$1,173,126	\$1,186,219	\$467,681

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STATISTICAL
SECTION



SYCAMORE
COMMUNITY SCHOOLS
Our students. Our future.

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STATISTICAL SECTION

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

Contents

Financial Trends - These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

Revenue Capacity - These schedules contain information to help the reader understand and assess the District's most significant local revenue source, the property tax.

Debt Capacity - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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

Sycamore Community School District, Ohio
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year			
	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets	\$17,197,510	\$17,457,330	\$17,124,680	\$17,376,933
Restricted	8,730,936	8,738,262	8,976,957	10,652,176
Unrestricted	46,304,948	46,672,080	47,343,857	47,974,291
Total Net Position	<u>\$72,233,394</u>	<u>\$72,867,672</u>	<u>\$73,445,494</u>	<u>\$76,003,400</u>

Source: District Records

- (a) Restated for implementation of GASB 68, Accounting and Reporting for Pensions
- (b) Restated for implementation of GASB 75, Accounting and Reporting for OPEB

Fiscal Year					
2013	2014	2015 (a)	2016	2017 (b)	2018
\$17,374,965	\$19,372,888	\$19,634,499	\$19,095,197	\$19,295,370	\$23,048,854
11,143,290	11,112,333	12,130,908	12,898,500	14,189,234	16,487,691
44,015,075	43,679,035	(72,196,181)	(78,156,298)	(92,501,399)	(43,558,790)
<u>\$72,533,330</u>	<u>\$74,164,256</u>	<u>(\$40,430,774)</u>	<u>(\$46,162,601)</u>	<u>(\$59,016,795)</u>	<u>(\$4,022,245)</u>

Sycamore Community School District, Ohio
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 2

	Fiscal Year			
	2009	2010	2011	2012
Expenses				
Governmental Activities:				
Instruction	\$44,430,060	\$44,450,316	\$45,153,815	\$43,685,129
Pupil and Instructional Staff	9,924,369	10,255,879	9,853,147	9,883,291
School Administration, General Administration, Fiscal and Business	7,202,991	7,172,776	7,006,680	7,350,797
Operation and Maintenance	7,536,864	8,063,191	8,140,622	7,201,240
Pupil Transportation	4,233,190	5,507,976	4,917,619	5,405,086
Central	1,825,772	2,361,606	1,998,275	2,106,257
Operation of Non-Instructional Services	4,288,321	3,688,982	4,419,031	3,729,700
Extracurricular Activities	1,680,070	1,624,915	1,672,367	1,731,577
Interest and Fiscal Charges	2,330,755	2,066,474	2,569,017	3,298,583
Total Government Expenses	<u>83,452,392</u>	<u>85,192,115</u>	<u>85,730,573</u>	<u>84,391,660</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	917,245	909,334	884,631	920,751
Instructional Staff	7,635	10,745	0	0
School Administration	37,234	32,231	34,407	44,683
Fiscal	0	0	0	0
Operation and Maintenance	59,296	61,616	91,783	103,487
Pupil Transportation	1,138	591	0	0
Operation of Non-Instructional Services	1,739,942	1,707,326	1,654,201	1,606,986
Central	0	0	0	0
Extracurricular Activities	468,415	465,670	502,919	581,839
Operating Grants and Contributions	4,175,213	5,258,236	5,130,163	4,302,929
Capital Grants and Contributions	108,066	0	0	0
Total Government Revenues	<u>7,514,184</u>	<u>8,445,749</u>	<u>8,298,104</u>	<u>7,560,675</u>
Net (Expense)/Revenue				
Total Government Net Expense	<u>(\$75,938,208)</u>	<u>(\$76,746,366)</u>	<u>(\$77,432,469)</u>	<u>(\$76,830,985)</u>

Source: District Records

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$48,697,667	\$48,429,070	\$48,592,178	\$48,667,853	\$51,267,101	\$25,517,595
7,345,734	7,518,374	7,799,617	7,809,906	7,822,865	3,978,680
7,158,461	7,553,259	7,119,001	7,608,979	7,864,731	2,459,739
6,978,332	7,133,484	7,351,609	7,258,242	7,641,774	4,945,424
4,735,476	5,186,309	4,601,094	4,881,969	4,723,385	2,821,018
682,958	630,633	571,728	579,970	608,001	304,911
4,482,339	3,992,919	4,351,573	4,029,700	5,036,605	2,442,801
1,778,474	1,636,108	1,893,942	1,686,662	1,681,890	1,215,650
3,218,476	2,924,260	2,781,747	2,662,247	2,219,264	1,952,532
<u>85,077,917</u>	<u>85,004,416</u>	<u>85,062,489</u>	<u>85,185,528</u>	<u>88,865,616</u>	<u>45,638,350</u>
992,538	1,131,560	1,094,375	1,084,368	1,116,479	1,353,467
0	0	21,043	856	766	2,863
47,077	46,009	58,846	53,605	56,059	50,211
0	0	0	0	3,212	2,137
77,483	70,915	110,603	127,197	96,744	160,614
0	0	0	0	0	0
1,581,197	1,619,154	1,488,753	1,445,408	1,422,246	1,454,077
0	0	1,399	5,183	2,465	2,849
543,817	494,277	479,557	484,450	516,403	526,332
4,678,971	4,788,830	4,841,013	5,014,077	5,326,205	5,245,738
0	0	0	0	0	0
<u>7,921,083</u>	<u>8,150,745</u>	<u>8,095,589</u>	<u>8,215,144</u>	<u>8,540,579</u>	<u>8,798,288</u>
<u>(\$77,156,834)</u>	<u>(\$76,853,671)</u>	<u>(\$76,966,900)</u>	<u>(\$76,970,384)</u>	<u>(\$80,325,037)</u>	<u>(\$36,840,062)</u>

Sycamore Community School District, Ohio
 General Revenues and Total Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year			
	2009	2010	2011	2012
Net (Expense)/Revenue				
Total Government Net Expense	(\$75,938,208)	(\$76,746,366)	(\$77,432,469)	(\$76,830,985)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes				
Property Taxes Levied for General Purposes	56,521,011	53,525,813	51,806,086	53,751,335
Property Taxes Levied for Debt Service Purposes	3,051,931	2,954,152	3,813,667	3,705,418
Revenue in Lieu of Taxes	0	685,798	1,577,636	1,891,038
Grants and Entitlements Not Restricted to Specific Programs	17,817,560	19,777,420	20,426,315	19,521,843
Investment Earnings	1,162,109	196,188	198,051	286,627
Unrestricted Contributions	0	0	18,492	21,642
Other Revenues	165,040	241,273	170,044	210,988
Total Governmental Activities	78,717,651	77,380,644	78,010,291	79,388,891
Change in Net Position				
Total Government	\$2,779,443	\$634,278	\$577,822	\$2,557,906

Source: District Records

Fiscal Year					
2013	2014	2015	2016	2017	2018
(\$77,156,834)	(\$76,853,671)	(\$76,966,900)	(\$76,970,384)	(\$80,325,037)	(\$36,840,062)
50,058,624	54,958,548	52,857,767	47,202,052	70,876,603	68,010,778
3,599,977	3,778,529	3,762,641	3,286,177	4,077,250	4,070,073
1,439,177	1,669,241	1,885,520	2,207,085	2,521,682	3,186,241
17,557,040	17,735,442	18,779,221	17,766,304	17,455,424	15,277,633
1,627	267,352	200,463	259,412	241,781	434,558
108,670	176,389	179,367	362,982	223,099	210,670
921,649	372,056	275,016	154,545	168,322	644,659
<u>73,686,764</u>	<u>78,957,557</u>	<u>77,939,995</u>	<u>71,238,557</u>	<u>95,564,161</u>	<u>91,834,612</u>
<u>(\$3,470,070)</u>	<u>\$2,103,886</u>	<u>\$973,095</u>	<u>(\$5,731,827)</u>	<u>\$15,239,124</u>	<u>\$54,994,550</u>

Sycamore Community School District, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	Fiscal Year			
	2009	2010	2011 (1)	2012
General Fund				
Reserved	\$22,614,575	\$22,912,320	\$0	\$0
Unreserved	31,581,277	32,164,401	0	0
Nonspendable			16,524	0
Restricted			1,061,165	1,182,414
Assigned			241,350	5,361,512
Unassigned			52,462,484	47,095,724
Total General Fund	<u>54,195,852</u>	<u>55,076,721</u>	<u>53,781,523</u>	<u>53,639,650</u>
All other Governmental Funds				
Reserved	1,762,973	1,623,997	0	0
Unreserved, Reported In:				
Capital Project Funds	21,690	50,533	0	0
Debt Service Funds	5,478,953	5,295,091	0	0
Special Revenue Funds	466,128	605,046	0	0
Nonspendable			40,101	25,761
Restricted			27,849,431	24,981,637
Assigned:				
Permanent Improvement			1,947,100	316,113
Unassigned			(9,813)	(8,660)
Total all other Governmental Funds	<u>\$7,729,744</u>	<u>\$7,574,667</u>	<u>\$29,826,819</u>	<u>\$25,314,851</u>

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts in 2011 are discussed in the Notes to the Financial Statements.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
396	27,335	15,322	52,166	86,066	42,926
609,051	609,307	608,894	611,431	611,327	613,285
4,834,875	4,728,110	2,885,135	3,543,178	549,089	571,101
45,061,520	44,518,782	44,801,624	37,503,164	55,838,892	63,663,567
50,505,842	49,883,534	48,310,975	41,709,939	57,085,374	64,890,879
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
25,938	0	0	1,350	3,070	1,308
15,143,294	11,301,098	12,345,241	13,332,025	14,976,301	16,643,790
915,731	445,543	282,365	0	0	0
(32,428)	(95,026)	(8,294)	(4,051)	(22,426)	(313,366)
\$16,052,535	\$11,651,615	\$12,619,312	\$13,329,324	\$14,956,945	\$16,331,732

Sycamore Community School District, Ohio
 Governmental Funds Revenues
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	Fiscal Year			
	2009	2010	2011	2012
Revenues:				
Taxes	\$59,952,750	\$56,168,642	\$55,470,696	\$57,707,537
Revenue in Lieu of Taxes	0	685,798	1,577,636	1,891,038
Tuition and Fees	979,643	980,335	958,897	1,001,277
Investment Earnings	1,309,571	193,898	164,309	296,868
Intergovernmental	21,977,810	24,923,501	25,668,443	23,926,000
Extracurricular Activities	478,633	467,303	498,738	577,840
Charges for Services	1,721,474	1,705,296	1,675,899	1,678,629
Other Revenues	526,397	275,853	222,787	180,102
Total revenues	<u>\$86,946,278</u>	<u>\$85,400,626</u>	<u>\$86,237,405</u>	<u>\$87,259,291</u>

Source: District Records

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$54,114,646	\$58,260,346	\$57,603,836	\$50,488,172	\$74,228,068	\$72,296,837
1,439,177	1,669,241	1,885,520	2,207,085	2,521,682	3,186,241
1,064,693	1,208,794	1,092,711	1,093,191	1,130,332	1,343,672
20,818	253,537	207,285	262,985	235,742	429,924
22,259,688	22,528,195	23,624,182	23,022,003	22,835,272	20,657,519
534,729	493,066	503,607	497,271	508,658	530,131
1,642,690	1,646,719	1,682,804	1,536,440	1,515,966	1,613,790
1,030,639	562,763	428,861	321,560	347,884	816,927
<u>\$82,107,080</u>	<u>\$86,622,661</u>	<u>\$87,028,806</u>	<u>\$79,428,707</u>	<u>\$103,323,604</u>	<u>\$100,875,041</u>

Sycamore Community School District, Ohio
 Governmental Funds Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year			
	2009	2010	2011	2012
Regular Instruction	\$33,591,426	\$33,724,423	\$35,631,574	\$33,973,690
Special Instruction	7,650,568	7,247,973	7,909,303	7,688,753
Vocational Instruction	2,281	0	0	0
Other Instruction	248,186	250,459	295,517	515,708
Pupil	4,431,844	4,807,402	4,661,222	4,533,014
Instructional Staff	5,405,968	5,299,766	5,394,498	5,386,454
General Administration	44,637	47,091	44,075	34,905
School Administration	5,181,272	5,143,203	5,195,361	5,305,600
Fiscal	1,651,618	1,703,972	1,610,789	1,795,353
Business	78,149	87,396	69,783	71,019
Operations and Maintenance	7,450,519	7,953,025	7,929,363	7,043,576
Pupil Transportation	4,038,741	5,028,674	4,581,970	4,887,272
Central	1,779,512	2,318,348	2,017,052	2,041,749
Operation of Non-Instructional Services	4,220,426	3,631,291	4,390,411	3,676,109
Extracurricular Activities	1,550,238	1,483,023	1,553,412	1,593,367
Capital Outlay	587,430	1,385,772	7,703,872	7,006,474
Debt Service:				
Principal Retirement	2,358,922	2,511,431	2,535,000	3,305,000
Interest and Fiscal Charges	2,097,185	2,051,585	2,374,509	3,112,450
Bond Issuance Costs	0	0	355,735	0
Total Expenditures	\$82,368,922	\$84,674,834	\$94,253,446	\$91,970,493
Debt Service as a Percentage of Noncapital Expenditures	5.45%	5.46%	5.67%	7.53%

Source: District Records

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$33,039,673	\$34,145,431	\$35,049,850	\$33,805,767	\$34,389,270	\$36,116,812
10,682,226	11,434,400	11,412,481	10,964,949	11,569,249	12,141,032
0	0	0	0	0	0
734,569	174,295	220,743	197,676	225,601	132,368
4,978,811	5,368,919	5,385,852	5,292,781	5,266,363	5,801,288
2,364,177	2,288,586	2,563,780	2,458,213	2,245,488	2,358,068
36,753	37,864	41,881	38,911	40,113	36,762
5,158,826	5,628,492	5,567,363	5,560,216	5,841,489	5,997,393
1,682,202	1,726,583	1,597,182	1,549,681	1,597,808	1,660,575
75,295	82,217	83,220	81,151	85,346	94,363
6,809,784	6,924,246	7,181,993	6,897,190	6,843,990	6,807,313
4,530,806	5,124,896	4,387,141	4,400,646	4,199,557	4,835,093
799,392	600,161	579,943	548,819	569,556	561,243
4,444,906	3,950,447	4,300,151	3,928,141	4,760,600	3,764,524
1,641,308	1,480,337	1,595,156	1,462,635	1,526,991	1,636,415
12,002,623	6,503,113	1,488,832	1,913,635	1,305,160	7,972,800
6,885,000	3,440,000	3,580,000	2,131,952	22,180,000	3,535,000
3,013,276	2,735,902	2,599,176	4,088,187	2,513,349	2,228,518
66,351	0	0	0	152,734	38,000
<u>\$98,945,978</u>	<u>\$91,645,889</u>	<u>\$87,634,744</u>	<u>\$85,320,550</u>	<u>\$105,312,664</u>	<u>\$95,717,567</u>
11.42%	7.29%	7.13%	7.44%	23.67%	6.08%

Sycamore Community School District, Ohio
 Other Financing Sources and Uses and Net Change in Fund Balances
 Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	Fiscal Year			
	2009	2010	2011	2012
Other Financing Sources (Uses):				
Issuance of Long Term Debt	\$0	\$0	\$28,615,000	\$0
Premium on Issuance of Long Term Debt	0	0	357,995	0
Sale of Capital Assets	195	0	0	57,361
Issuance of Refunding Certificate of Participation/Bonds	0	0	0	0
Refunding Bond Premium	0	0	0	0
Transfers In	1,312,425	3,102,692	2,332,146	3,048,364
Transfers (Out)	(1,312,425)	(3,102,692)	(2,332,146)	(3,048,364)
Total Other Financing Sources (Uses)	195	0	28,972,995	57,361
Net Change in Fund Balances	\$4,577,551	\$725,792	\$20,956,954	(\$4,653,841)

Source: District Records

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$3,965,000	\$0	\$0	\$0	\$0	\$4,018,000
50,518	0	0	0	0	0
427,256	0	1,076	819	1,519	4,818
0	0	0	0	16,725,000	0
0	0	0	0	2,265,597	0
3,421,334	3,525,200	3,547,300	4,121,190	3,671,618	5,614,855
<u>(3,421,334)</u>	<u>(3,525,200)</u>	<u>(3,547,300)</u>	<u>(4,121,190)</u>	<u>(3,671,618)</u>	<u>(5,614,855)</u>
<u>4,442,774</u>	<u>0</u>	<u>1,076</u>	<u>819</u>	<u>18,992,116</u>	<u>4,022,818</u>
<u>(\$12,396,124)</u>	<u>(\$5,023,228)</u>	<u>(\$604,862)</u>	<u>(\$5,891,024)</u>	<u>\$17,003,056</u>	<u>\$9,180,292</u>

Sycamore Community School District, Ohio
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years
 Schedule 8

Collection Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total		Total Direct Rate
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	
2008	\$1,726,034,190	\$3,444,073	\$25,586,040	\$1,755,064,303	\$4,970,888,589	65.79
2009	1,733,647,360	3,798,200	25,878,430	1,763,323,990	4,994,349,401	65.77
2010	1,708,976,660	1,983,850	30,395,460	1,741,355,970	4,921,121,317	65.77
2011	1,592,054,220	0	29,547,410	1,621,601,630	4,578,273,753	66.38
2012	1,581,440,020	0	37,208,190	1,618,648,210	4,555,608,247	66.45
2013	1,583,105,650	0	40,597,440	1,623,703,090	4,563,756,440	66.45
2014	1,632,308,550	0	43,404,420	1,675,712,970	4,707,143,134	66.45
2015	1,641,685,840	0	45,311,850	1,686,997,690	4,735,842,821	66.37
2016	1,655,809,280	0	44,621,250	1,700,430,530	4,775,504,907	72.87
2017	1,784,960,940	0	49,902,430	1,834,863,370	5,149,790,830	72.87

Source: Hamilton County Auditor

Note: 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 is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

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Sycamore Community School District, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates			Overlapping Rates		
	General Purpose	Debt	Total	Hamilton County	City of Blue Ash	City of Loveland
2008	63.95	1.82	65.77	20.56	3.08	10.35
2009	63.95	1.82	65.77	20.48	3.08	10.28
2010	63.95	1.82	65.77	20.48	3.08	10.28
2011	63.95	2.50	66.45	19.03	3.08	10.28
2012	63.95	2.50	66.45	19.03	1.03	10.28
2013	63.95	2.50	66.45	19.03	1.03	10.28
2014	63.95	2.50	66.45	19.03	1.03	10.28
2015	63.95	2.42	66.45	18.85	1.03	12.03
2016	70.45	2.42	72.87	18.85	1.03	12.03
2017	70.45	2.42	72.87	19.16	1.03	12.03

Source: Hamilton County Auditor

Overlapping Rates

City of Montgomery	Village of Evendale	Village of Indian Hill	Sycamore Township	Symmes Township	Great Oaks Joint Vocational School
10.05	0.00	0.96	8.75	13.70	2.70
10.05	0.00	0.96	8.75	13.50	2.70
10.05	0.00	0.96	8.75	13.50	2.70
10.05	0.00	0.96	8.75	14.50	2.70
10.05	0.00	0.96	8.75	14.50	2.70
10.05	0.00	0.96	8.75	14.50	2.70
10.05	0.00	0.96	8.75	14.50	2.70
10.05	0.00	0.96	8.75	15.00	2.70
10.05	0.00	0.96	8.75	15.00	2.70
10.05	0.00	0.96	8.75	15.00	2.70

Sycamore Community School District, Ohio
Principal Property Tax Payers
Current Calendar Year and Ten Years Ago
Schedule 10

Taxpayer	2017	
	Real Property	Percentage of Total Assessed Value
Duke Energy	\$50,130,740	2.73%
Twin Lakes	11,943,660	0.65%
Ohio National Financial Services	10,623,700	0.58%
McAuley Place LLC	9,975,000	0.54%
Ethicon Inc.	9,967,760	0.54%
New York Life Insurance Company	9,906,120	0.54%
Ohio National Life Insurance Company	9,017,570	0.49%
Glenbridge Manors Apartments, LLC	8,337,970	0.45%
GS-A Lake Forest Place Owner LLC	8,135,350	0.44%
BRE Retail Residual Owner 2 LLC	8,050,000	0.44%
Total Principal Taxpayers	<u>136,087,870</u>	<u>7.42%</u>
All Other Taxpayers	<u>1,698,775,500</u>	<u>92.58%</u>
Total Taxpayers	<u>\$1,834,863,370</u>	<u>100.00%</u>

Taxpayer	2007	
	Tangible Personal & Real Property	Percentage of Total Taxable Value
Duke Realty Limited	\$51,033,450	3.04%
CG&E	25,438,140	1.51%
Procter & Gamble	12,981,200	0.77%
Ethicon, Inc.	12,200,480	0.73%
VHH Ltd.	11,434,680	0.68%
Twin Lakes	10,300,580	0.61%
Hewlett Packard Financial Services	8,696,750	0.52%
Harold R. Silverman LLC	8,603,090	0.51%
HK New Plan Exchange Property	8,423,670	0.50%
Wornick Company	8,050,010	0.48%
Total Principal Taxpayers	<u>157,162,050</u>	<u>9.36%</u>
All Other Taxpayers	<u>1,522,113,185</u>	<u>90.64%</u>
Total Taxpayers	<u>\$1,679,275,235</u>	<u>100.00%</u>

Source: Hamilton County Auditor

Sycamore Community School District, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquents Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2008	\$60,393,395	\$56,194,921	93.05%	\$1,607,479	\$57,802,400	95.71%
2009	62,078,495	58,249,741	93.83%	1,840,135	60,089,876	96.80%
2010	61,818,010	57,455,858	92.94%	1,590,493	59,046,351	95.52%
2011	61,451,424	59,601,623	96.99%	229,027	59,830,650	97.36%
2012	60,739,212	59,139,253	97.37%	786,285	59,925,538	98.66%
2013	61,310,771	60,225,038	98.23%	170,775	60,395,813	98.51%
2014	61,889,731	60,774,140	98.20%	975,404	61,749,544	99.77%
2015	62,835,063	61,789,939	98.34%	942,845	62,732,784	99.84%
2016	62,491,672	61,458,848	98.35%	991,736	62,450,584	99.93%
2017	74,166,728	72,323,699	97.52%	1,624,993	73,948,692	99.71%

Source: Hamilton County Auditor

- (1) - Taxes levied and collected are presented on a cash basis
- (2) - State reimbursements of rollback and homestead exemptions are included

Sycamore Community School District, Ohio
 Outstanding Debt by Type
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	General Bonded Debt Outstanding			General Bonded Debt Outstanding	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Debt Service Fund Balance	Net General Obligation Bonds			
2009	\$33,591,776	\$10,150,000	\$6,643,514	\$26,948,262	0.54%	0.07%	\$756
2010	31,840,337	9,535,000	6,475,091	25,365,246	0.51%	0.07%	712
2011	56,927,199	11,037,961	7,359,835	49,567,364	1.01%	0.14%	1,338
2012	54,446,408	10,375,343	8,767,400	45,679,008	1.00%	0.12%	1,233
2013	53,449,974	9,366,300	9,550,065	43,899,909	0.96%	0.11%	1,185
2014	50,891,672	8,639,796	10,535,576	40,356,096	0.88%	0.10%	1,089
2015	48,234,913	7,888,292	11,653,642	36,581,271	0.78%	0.09%	987
2016	45,338,799	7,111,788	12,203,847	33,134,952	0.70%	0.08%	894
2017	42,332,724	6,315,284	13,766,755	28,565,969	0.60%	0.07%	771
2018	43,280,667	5,493,780	15,478,948	27,801,719	0.54%	0.06%	750

Source: District Records

Sycamore Community School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2018
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
City of Indian Hill	\$220,000	0.00%	\$0
City of Loveland	6,330,000	5.45%	344,985
Sycamore Township	14,895,000	9.47%	1,410,557
Symmes Township	7,820,000	59.31%	4,638,042
Hamilton County	133,845,000	9.49%	12,701,891
Great Oaks Joint Vocational School	<u>6,070,000</u>	9.29%	<u>563,903</u>
Subtotal, Overlapping Debt	<u>169,180,000</u>		<u>19,659,377</u>
District Direct Debt	<u>48,774,447</u>	100.00%	<u>48,774,447</u>
Total Direct and Overlapping Debt	<u>\$217,954,447</u>		<u>\$68,433,824</u>

Source: Ohio Municipal Advisory Council

(1) - The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the District's boundaries and dividing it by the county's total taxable assessed value.

Sycamore Community School District, Ohio
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year

	<u>2018</u>
Assessed value (1)	\$1,834,863,370
Debt limit (9% of assessed value)	165,137,703
Debt applicable to limit	<u>48,774,447</u>
Legal debt margin	<u>\$116,363,256</u>

	<u>Fiscal Year</u>			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$157,955,787	\$158,829,465	\$156,899,499	\$145,944,147
Total Net Debt Applicable to Limit	<u>33,091,415</u>	<u>31,194,985</u>	<u>55,809,985</u>	<u>52,307,763</u>
Legal Debt Margin	<u>\$124,864,372</u>	<u>\$127,634,480</u>	<u>\$101,089,514</u>	<u>\$93,636,384</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.95%	19.64%	35.57%	35.84%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2010 is calendar year 2009)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$145,678,339	\$147,756,982	\$150,814,167	\$151,829,792	\$153,038,748	\$165,137,703
56,699,985	59,531,468	56,123,205	52,450,587	48,648,008	48,774,447
<u>\$88,978,354</u>	<u>\$88,225,514</u>	<u>\$94,690,962</u>	<u>\$99,379,205</u>	<u>\$99,379,205</u>	<u>\$116,363,256</u>
38.92%	40.29%	37.21%	34.55%	31.79%	29.54%

Sycamore Community School District, Ohio
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (a)	Personal Income (Thousands of Dollars) (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2003	37,447	\$31,337,294	\$37,978	5.6%
2010	37,048	35,738,836	44,560	9.4%
2011	37,048	38,072,066	47,549	8.6%
2012	37,048	39,631,501	49,413	7.0%
2013	37,048	40,415,100	50,235	5.6%
2014	37,048	41,292,782	51,211	4.6%
2015	37,048	42,060,595	52,081	4.5%
2016	37,048	43,251,503	53,456	4.8%
2017	37,048	46,331,959	56,931	4.4%

Sources:

- (a) Population estimates provided by the Cities of Blue Ash and Montgomery, and Symmes Township
- (b) Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
- (c) Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
- (d) Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

Sycamore Community School District, Ohio
 Major Employers (a)
 Current Fiscal Year and Fiscal Period Nine Years Ago (b)
 Schedule 16

2018			
Major Employers (c)	Type	Number of Employees	Employer's Percentage of Total Employment
Kroger Co	Retail	21,263	(e)
Cincinnati Children's Hospital	Healthcare	15,429	(e)
TriHealth Incorporated	Healthcare	12,000	(e)
UC Health	Healthcare	11,241	(e)
University of Cincinnati	Govt	10,551	(e)
General Electric	Mfg	10,500	(e)
Mercy Health-Cincinnati	Healthcare	10,442	(e)
Procter & Gamble Company	Mfg	10,000	(e)
Fifth Third Bank	Finance	7,496	(e)
City of Cincinnati	Serv	6,732	(e)

2009			
Major Employers (c)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(d)	(e)
Chiquita Brands International Inc	Trade	(d)	(e)
Convergys Corp	Serv	(d)	(e)
Duke Energy Corp	Utility	(d)	(e)
Fifth Third Bancorp	Fin	(d)	(e)
Ford Motor Co	Mfg	(d)	(e)
General Electric Co	Mfg	(d)	(e)
Health Alliance of Greater Cincinnati	Serv	(d)	(e)
Johnson & Johnson/Ethicon	Mfg	(d)	(e)
Kroger Co	Trade	(d)	(e)
Macy's Inc	Trade	(d)	(e)
Mercy Health Partners	Serv	(d)	(e)
Procter & Gamble Co	Mfg	(d)	(e)
TriHealth Inc	Serv	(d)	(e)
University of Cincinnati	Govt	(d)	(e)

Source: Ohio Department of Development and Cincinnati USA Partnership for Economic Development

(a) For all of the Cincinnati Region

(b) Only current fiscal year and fiscal period nine years ago information available. Information for fiscal period ten years ago not available.

(c) Includes at minimum the ten largest employers for the county.

(d) The number of employees of each listed major employer was not available prior to 2013.

(e) The employer's percentage of total employment for each major employer was not available.

Sycamore Community School District, Ohio
 District Employees by Type
 Last Ten Fiscal Years
 Schedule 17

	Fiscal Year			
	2009	2010	2011	2012
Certificated Staff (a)	494	497	496	483
Classified (b)	308	302	307	296
Total	802	799	803	779

Source: Nonfinancial information from district records

- (a) Includes administrators, teachers, guidance counselors, nurses, speech pathologists, media specialists, physical therapists, occupational therapists and school psychologists.
- (b) Includes educational assistants, bus drivers, child nutrition, secretaries, technology support, custodial and maintenance employees.
- (c) Change from headcount to full-time equivalent

Fiscal Year					
2013 (c)	2014	2015	2016	2017	2018
451	465	460	468	468	480
293	279	283	280	278	280
744	744	743	748	746	760

Sycamore Community School District, Ohio
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Cost Per Pupil	Percentage Change	Percentage of Students Receiving Free or Reduced-Price Meals
2009	\$13,522	2.76%	13.09%
2010	14,732	8.95%	14.50%
2011	14,750	0.12%	17.00%
2012	14,397	(2.39%)	17.97%
2013	14,276	(0.84%)	18.04%
2014	12,244	(14.23%)	17.60%
2015	12,364 (a)	0.98%	17.85%
2016	11,962	(3.25%)	16.00%
2017	11,807	(1.30%)	14.88%
2018	11,996	1.60%	14.80%

Source: Ohio Department of Education (ODE)

(a) ODE changed calculation methodology

Sycamore Community School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19

School	Fiscal Year			
	2009	2010	2011	2012
Sycamore High School (1974)				
Square Feet	439,948	439,948	439,948	439,948
Capacity	2,300	2,300	2,300	2,300
Enrollment, Incl. JVS students	1,894	1,818	1,815	1,807
Square Feet	128,191	128,191	128,191	128,191
Capacity	897	897	897	897
Enrollment	806	783	800	838
Blue Ash Elementary School (2002)				
Square Feet, Incl. UC/RWC Wing	81,824	81,824	81,824	81,824
Capacity	550	550	550	550
Enrollment	467	481	486	510
Maple Dale Elementary School (2014)				
Square Feet	83,450	83,450	83,450	65,101
Capacity	644	644	644	550
Enrollment	438	402	400	374
Montgomery Elementary School (2003)				
Square Feet	81,787	81,787	81,787	81,787
Capacity	550	550	550	550
Enrollment	513	525	521	525
Symmes Elementary School (1998)				
Square Feet	63,646	63,646	63,646	63,646
Capacity	506	506	506	506
Enrollment	483	503	487	490
District Offices (2013)				
Square Feet	7,578	7,578	7,578	7,578
Aldine House (acq 1999, built 1970)				
Square Feet	1,986	1,986	1,986	1,986
Bus Compound				
Square Feet	7,200	7,200	7,200	7,200

Source: District Records

Fiscal Year					
2013	2014	2015	2016	2017	2018
439,948	439,948	439,948	439,948	439,948	439,948
2,300	2,300	2,300	2,300	2,300	2,300
1,767	1,706	1,647	1,659	1,629	1,676
128,191	128,191	128,191	128,191	128,191	128,191
897	897	897	897	897	897
813	796	832	806	790	828
81,824	81,824	81,824	81,824	81,824	81,824
550	550	550	550	550	550
487	489	509	510	541	511
70,170	83,095	83,095	83,095	83,095	83,095
550	700	700	700	700	700
380	419	553	603	618	641
81,787	81,787	81,787	81,787	81,787	81,787
550	550	550	550	550	550
561	588	461	469	458	481
63,646	63,646	63,646	63,646	63,646	63,646
506	506	506	506	506	506
517	478	475	462	500	501
12,030	12,030	12,030	12,030	12,030	12,030
1,986	1,986	1,986	1,986	1,986	1,986
7,200	7,200	7,200	7,200	7,200	7,200

**SYCAMORE COMMUNITY CITY SCHOOL DISTRICT
HAMILTON COUNTY**

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SYCAMORE COMMUNITY SCHOOL DISTRICT
HAMILTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 201

FEDERAL GRANTOR Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Nutrition Cluster:			
School Breakfast Program	10.553	3L70	\$107,752
National School Lunch Program	10.555	3L60	642,938
Special Milk Program for Children	10.556	3L60	<u>727</u>
Nutrition Cluster Total:			<u>751,417</u>
Team up for Nutrition Grant	10.574	N/A	<u>16,066</u>
Total U.S. Department of Agriculture			<u>767,483</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Agencies	84.010	3M00	64,632
Title I Grants to Local Agencies	84.010	3M00	<u>394,389</u>
			<u>459,021</u>
Special Education Cluster:			
Special Education - Grants to States	84.027	3M20	109,886
Special Education - Grants to States	84.027	3M20	1,121,577
Special Education - Preschool Grants	84.173	3C50	<u>15,693</u>
			<u>1,247,156</u>
English Language Acquisition Grants	84.365	3Y70	17,103
English Language Acquisition Grants	84.365	3Y70	52,220
English Language Acquisition Grants	84.365	3Y70	5,171
English Language Acquisition Grants	84.365	3Y70	<u>24,035</u>
			<u>98,529</u>
Improving Teacher Quality State Grants	84.367	3Y60	3,153
Improving Teacher Quality State Grants	84.367	3Y60	<u>96,574</u>
			<u>99,727</u>
<i>Passed through Great Oaks Institute of Technology and Career Development</i>			
Career and Technical Education - Basic Grants to States	84.048	N/A	926
Total U.S. Department of Education			<u>1,905,359</u>
Total Expenditures of Federal Awards			<u>\$2,672,842</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**SYCAMORE COMMUNITY SCHOOL DISTRICT
HAMILTON COUNTY**

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

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Sycamore Community Schools (the District's) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, 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 – SUBRECIPIENTS

The District does not provide funds to subrecipients during the audit period.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal funds by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from the 2017 to 2018 programs:

Title I:	\$13,812
Title IIA:	\$ 7,506
Title III LEP:	\$ 5,614
Title III Imm:	\$ 236
IDEA:	\$78,469



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*

Sycamore Community City School District
Hamilton County
5959 Hagewa Drive
Cincinnati, Ohio 45242

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 Sycamore Community City School District, Hamilton County, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2018, wherein we noted the District adopted Governmental Accounting Standard No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2018



Dave Yost • Auditor of State

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

Sycamore Community City School District
Hamilton County
5959 Hagewa Drive
Cincinnati, Ohio 45242

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Sycamore Community City 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 Sycamore Community City School District's major federal programs for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

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 programs 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 programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sycamore Community City School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 21, 2018. Our opinion also explained that the District adopted *Governmental Accounting Standard No. 75* during the year. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sycamore Community City School District
Hamilton County
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
Page 3

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

Dave Yost
Auditor of State

Columbus, Ohio

December 21, 2018

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**SYCAMORE COMMUNITY CITY SCHOOL DISTRICT
HAMILTON COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR §200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Child Nutrition Cluster; 10.553, 10.555 and 10.556
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



SYCAMORE COMMUNITY CITY SCHOOL DISTRICT

HAMILTON 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 15, 2019**