LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2018

OHIO AUDITOR OF STATE
KEITH FABER

LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY
JUNE 30, 2018

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OHIO AUDITOR OF STATE
KEITH FABER

INDEPENDENT AUDITOR'S REPORT

Lakeview Local School District
Trumbull County
300 Hillman Drive
Cortland, Ohio 44410

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 Lakeview Local School District, Trumbull 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 Lakeview Local School District, Trumbull County, Ohio, as of June 30, 2018, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pension*. 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*, 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 Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2019, 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.

Keith Faber
Auditor of State

Columbus, Ohio

March 11, 2019

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It is a pleasure to present to you the financial picture of Lakeview Local School District (the "School District"). Included in these first few paragraphs and tables is the management's view of how our School District is currently performing. It is intended that this presentation be an objective and easily read analysis of the overall financial condition of our School District. Please consider our comments along with the financial statements and notes to fully understand our School District's finances.

Financial Highlights

- Net position increased significantly in fiscal year 2018 due mainly to changes in the net pension liability and net OPEB liability and the deferred outflows and deferred inflows of resources associated with these liabilities. The School District's total net position also increased from the ongoing construction project for the new school.

- Total program expenses decreased in fiscal year 2018 due to changes in the net pension liability and net OPEB liability. Program expenses excluding amounts related to the net pension and net OPEB liabilities actually increased due to higher purchased service costs and higher capital outlay/maintenance expenditures during fiscal year 2018.

- The School District's enrollment decreased from 1,791 students in fiscal year 2017 to 1,690 students in fiscal year 2018.

- Capital asset additions during the fiscal year consisted of construction in progress on the new school facility, the capital lease of new buses and the purchase of a house/land of an adjacent lot for future consideration by the School District.

- The School District's outstanding long-term obligations consist of the school improvement bonds, unlimited tax general obligation bonds and capital leases for buses.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those statements. The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the School District as a whole and present a longer-term view of the School District's finances. Fund financial statements provide the next level of detail. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds. In the case of Lakeview Local School District, the general fund, the bond retirement debt service fund and the classroom facilities construction capital projects fund are the most significant funds. The remaining statements provide financial information about activities for which the School District acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the School District as a Whole (District-Wide)

Statement of Net Position and the Statement of Activities

The only two reports that display School District-wide finances are the Statement of Net Position and the Statement of Activities. Within these statements, we show the School District divided into two kinds of activities:

- Governmental Activities – All of the School District's instructional activities are reported here. Property Taxes, State and Federal Grants and fees finance the majority of activity in this group.

- Business-Type Activities – If the Board of Education sets a fee designed to offset the cost of operating a program, then this defines a business-type activity. The School District does not have any of this type of activity.

Analysis of the School District as a whole begins with table 1. While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions. One of the most important issues when analyzing any business enterprise is "How did we do financially during 2018 and are we better off today than we were one year ago?" The two School District-wide documents try to provide and support the answer to these particular questions. 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 method used by most private-sector companies. The most important aspect of accrual accounting is that it takes into account all of the current year's revenues and expenses regardless of when cash is received or paid out.

These statements also display the net position of the School District and note any changes that occurred during the year. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and they tend to be the lead indicator of financial health. This change in net position is important because it tells the reader whether, for the School District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Financial factors to consider may include changes in property tax values, tax levies and renewals or State funding issues before reaching a final conclusion about our School District's financial status. Non-financial factors may include the School District's performance, demographic and socioeconomic factors and willingness of the community to support the School District. It could prove helpful in making the analysis to look at the individual fund conditions to show the composition of the changes.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Analysis of the School District's major funds begins with the discussion of the balance sheet and provides detailed information about each significant fund in contrast to the previously described School District-wide reporting. Most of the funds are required to be established by State law.

Governmental Funds – Most of the School District's funds are reported as governmental funds. These reports focus on how resources flow into and out of these funds and the balances left at year-end that are available for spending in future periods. These reports are done on a modified accrual basis. Modified accrual accounting measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed, short-term view of the School District's general government operations and the basic services it provides. There are differences between governmental funds (as reported in this section on a modified accrual basis) and governmental activities as reported in the *Statement of Net Position* and the *Statement of Activities*, which are reported on a full accrual basis. These differences are reconciled in the financial statements.

The School District as a Whole

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole. Table 1 provides a summary of net position as of June 30, 2018 as compared to June 30, 2017.

(Table 1)
Net Position
Governmental Activities

	2018	2017	Change
Assets			
Current and Other Assets	$25,989,529	$43,875,417	($17,885,888)
Capital Assets	27,563,892	12,733,188	14,830,704
Total Assets	53,553,421	56,608,605	(3,055,184)
Deferred Outflows of Resources			
Pension	5,642,746	4,847,810	794,936
OPEB	192,613	38,040	154,573
Total Deferred Outflows of Resources	5,835,359	4,885,850	949,509
Liabilities			
Current Liabilities	2,598,652	3,019,012	420,360
Long-Term Liabilities			
Due within One Year	746,145	709,761	(36,384)
Due in More than One Year:			
Net Pension Liability	19,250,373	27,136,824	7,886,451
Net OPEB Liability	4,340,174	5,530,878	1,190,704
Other Amounts	24,860,892	25,310,315	449,423
Total Liabilities	51,796,236	61,706,790	9,910,554
Deferred Inflows of Resources			
Property Taxes	9,292,491	9,170,728	(121,763)
Pension	1,798,212	867,014	(931,198)
OPEB	614,208	0	(614,208)
Total Deferred Inflows of Resources	11,704,911	10,037,742	(1,667,169)
Net Position			
Net Investment in Capital Assets	10,234,588	3,691,970	6,542,618
Restricted for:			
Capital Projects	2,857,215	11,172,514	(8,315,299)
Debt Service	56,823	71,902	(15,079)
Other Purposes	333,688	309,721	23,967
Unrestricted (Deficit)	(17,594,681)	(25,496,184)	7,901,503
Total Net Position	($4,112,367)	($10,250,077)	$6,137,710

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

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 School 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 School 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 ($4,757,239) to ($10,250,077).

Total current and other assets decreased due to a drop in both cash and intergovernmental receivables as cash balances were expended on the construction and as the School District drew down on available grant monies. Net capital assets increased as school construction is nearing completion. Current liabilities decreased as contracts payable are reduced from construction slowing. Net position increased significantly due to changes in the net pension liability and net OPEB liability and the deferred outflows and deferred inflows of resources associated with these liabilities.

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

(Table 2)
Change in Net Position
Governmental Activities

	2018	2017	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$1,171,364	$1,213,347	($41,983)
Operating Grants, Contributions and Interest	1,517,765	1,484,498	33,267
Capital Grants and Contributions	33,949	50,616	(16,667)
Total Program Revenues	2,723,078	2,748,461	(25,383)
General Revenues			
Property Taxes	9,004,318	9,264,284	(259,966)
Grants and Entitlements not Restricted	7,240,118	7,480,429	(240,311)
Unrestricted Contributions	33,272	7,959	25,313
Investment Earnings	270,989	272,246	(1,257)
Miscellaneous	30,718	54,773	(24,055)
Total General Revenues	16,579,415	17,079,691	(500,276)
Total Revenues	19,302,493	19,828,152	(525,659)
Program Expenses			
Current:			
Instruction:			
Regular	4,733,708	7,850,190	3,116,482
Special	1,289,654	2,440,669	1,151,015
Student Intervention Services	718	714	(4)
Support Services:			
Pupils	395,104	959,728	564,624
Instructional Staff	301,065	484,356	183,291
Board of Education	13,124	13,034	(90)
Administration	745,873	1,525,757	779,884
Fiscal	409,105	473,901	64,796
Business	56,537	54,098	(2,439)
Operation and Maintenance of Plant	1,659,665	1,584,564	(75,101)
Pupil Transportation	1,293,628	828,347	(465,281)
Central	243,420	226,016	(17,404)
Operation of Non-Instructional Services	1,602	2,990	1,388
Operation of Food Services	478,269	569,701	91,432
Extracurricular Activities	614,423	520,091	(94,332)
Interest and Fiscal Charges	928,888	910,000	(18,888)
Total Program Expenses	13,164,783	18,444,156	5,279,373
Change in Net Position	6,137,710	1,383,996	4,753,714
Net Position Beginning of Year	(10,250,077)	N/A	
Net Position End of Year	($4,112,367)	($10,250,077)	$6,137,710

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 $38,040 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 $682,778. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	$13,164,783
Negative OPEB expense under GASB 75	682,778
2018 contractually required contribution	48,291
Adjusted 2018 program expenses	13,895,852
Total 2017 program expenses under GASB 45	18,444,156
Decrease in program expenses not related to OPEB	($4,548,304)

The largest component of the decrease in program expenses results from changes in assumptions and benefit terms related to pensions. STRS adopted certain assumption changes, including a reduction in their discount rate, and also voted to suspend cost of living adjustments (COLA). SERS decreased their COLA assumption. (See Note 15) As a result of these changes, pension expense decreased from $1,931,939 in fiscal year 2017 to a negative pension expense of $6,409,164 for fiscal year 2018. The allocation of the fiscal year 2018 negative pension expense to program expenses is as follows:

Program Expenses	2018 Program Expenses Related to Negative Pension Expense
Instruction:	
Regular	$4,091,021
Special	1,018,451
Support Services	
Pupils	419,352
Instructional Staff	107,924
Administration	588,632
Fiscal	21,226
Operation and Maintenance of Plant	79,799
Pupil Transportation	25,772
Central	9,562
Operation of Non-Instructional Services:	
Food Service Operations	17,617
Extracurricular Activities	29,808
Total Expenses	$6,409,164

Analysis of overall financial position and results of operations

Revenue is divided into two major components: program revenues and general revenues. Program revenues are defined as fees, restricted grants and charges for services that are program specific. General revenues include taxes and unrestricted grants such as State Foundation support.

Program revenues for governmental activities in fiscal year 2018 had minimal changes from the prior fiscal year. Charges for service program revenue reductions can be traced to a reduction in tuition and fee revenue collected in fiscal year 2018 from the reduction in enrollment. Operating grants saw an increase in program revenue as the School District continues to actively seek out additional sources of funding for maintaining the desired programs. General revenues decreased in fiscal year 2018 primarily resulting from reduced collections on both property taxes and grant and entitlement not restricted. The decrease in intergovernmental revenues not restricted is due to recognizing a larger percentage of the State's portion of school facilities construction in the prior fiscal year. This can be seen in the decrease in grants and entitlements not restricted. Property tax reductions were the result of the timing of collections.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. 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 less than $35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid. Thus school 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.

Program expenses decreased in fiscal year 2018 due to changes in the net pension liability and net OPEB liability. As mentioned previously, pension expense decreased from $1,931,939 in fiscal year 2017 to a negative pension expense of $6,409,164 for fiscal year 2018, representing a total change of ($8,341,103) attributable to changes in the net pension liability. The recording of a net OPEB liability resulted in a ($682,778) change to program expenses.

Program expenses excluding amounts related to the net pension and net OPEB liabilities actually increased due to construction related expenditures that were continuing during fiscal year 2018.

In Table 3 below, the total cost of services column contains all costs related to the programs and the net cost of services column shows how much of the total amount is not covered by program revenues. The net costs are program costs that must be covered by unrestricted State aid (State Foundation) or local taxes.

(Table 3)
Total and Net Cost of Program Services
Governmental Activities

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$6,024,080	$4,071,417	$10,291,573	$8,352,721
Support Services:				
Pupils and Instructional Staff	696,169	691,220	1,444,084	1,433,085
Board of Education, Administration, Fiscal Services, Business and Central	1,468,059	1,457,621	2,292,806	2,284,828
Operation and Maintenance of Plant	1,659,665	1,608,784	1,584,564	1,515,217
Pupil Transportation	1,293,628	1,288,596	828,347	821,954
Food Service Operations and Operation of Non-Instructional Services	479,871	(14,877)	572,691	67,139
Extracurricular Activities	614,423	410,056	520,091	310,751
Interest and Fiscal Charges	928,888	928,888	910,000	910,000
Total Expenses	$13,164,783	$10,441,705	$18,444,156	$15,695,695

The School District's dependence upon general revenues for governmental activities is apparent from Table 3. The majority of expenses are supported through taxes and other general revenues.

The School District's Funds

Information about the School District's major funds, the general fund, bond retirement debt service fund and the classroom facilities construction capital projects fund, starts with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund balance decreased from increases to expenditures consisting of changes to salaries made up of base and step increases along with increasing healthcare costs. The bond retirement fund saw an increase in fund balance as the levy proceeds and corresponding homestead and rollback collections were able to exceed the annual payment of principal and interest for the fiscal year. The classroom facilities construction fund balance decreased as the School District continued spending the bond proceeds for the construction of the new school and additional work to be performed School District-wide.

General Fund Budgetary Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The forecasted budget presented to the Lakeview Local Board of Education in September was amended throughout the year. For the general fund, the School District made amendments to the original estimated revenue with the final estimated revenue being higher than the original but lower than actual revenues. The change was attributed to an increase in property taxes and interest as a clear picture of trends became apparent.

Final budgeted appropriations exceeded the original budgeted appropriations of the general fund as the Administration made needed adjustments to the spending plan. Actual expenditures were under final budgeted appropriations. This change was the result of careful monitoring and budgeting on the School District's part to keep expenditures down.

Capital Assets and Debt

Capital Assets

For fiscal year 2018, the increase in capital assets was due to the ongoing construction on the new school and facility upgrades and the purchase of new buses offset by an additional year of depreciation. The School District also purchased an adjacent property consisting of a home and land for future consideration. For more information about the School District's capital assets, see Note 11 to the basic financial statements.

Debt

For fiscal year 2018, the School District's debt obligations consisted of the 1998 school improvement refunding bonds (maturing in fiscal year 2020), the 2015 unlimited tax bonds (maturing in fiscal year 2053) and capital leases maturing in fiscal year 2023. See Notes 12 and 17 to the basic financial statements for additional information on the School District's long-term obligations and leases.

Current Issues

The Lakeview Local School District continues to provide a high level of service to our students, parents and community. The Board of Education and Administration closely monitor revenue and expenditures in accordance with its financial forecast and work diligently to ensure tax dollars are being used efficiently and effectively.

The School District's academic program includes the following attributes, among others:

- The High School offers approximately 60 courses, including several honors courses and approximately 18 College Credit Plus (CCP) courses. Lakeview High School students are able to earn approximately 60 semester hours of college credit without leaving the building. These courses are taught by our own faculty who are also accredited to teach college-level coursework by the Ohio Department of Higher Education.
- CCP is a dual high school/college enrollment program designed to provide both high school and college credit. Over 140 students are enrolled in CCP for the 2017-2018 school year.
- 11 students are attending college full-time while enrolled in the High School.
- Over the past five years, 85 percent of the School District's students proceeded to college, 6 percent went into the military and 6 percent went into apprentice/career tech programs.
- Comprehensive Special Education Services are provided from Pre-K to age 22.
- The School District offers a Pre-K to Kindergarten transition program (the first in the County).
- The School District offers participation in over 40 teams in 18 sports.
- In 2016, Lakeview High School was named by *Newsweek* to be one of the Top 500 High Schools in the Nation (the only school in Trumbull County and one of only two schools in the tri-county area).

The School District's Administration strives to continue to be excellent stewards of their residents' investment in the School District by continuing their practice of being prudent and frugal in the use of their resources while also seeking new State and Federal funding.

The voters, on May 5, 2015, approved a 4.55 mill, 37 year bond levy and a related .5 mill permanent improvement levy that is being used to construct a new elementary/middle school to house grades K to 8, and to abate and demolish the existing Lakeview Elementary and Lakeview Middle School buildings. Construction was completed on the new K to 8 building in August of 2018 and was officially opened on September 4, 2018.

The prestigious U.S. News magazine awarded a Silver Medal to Lakeview High School, ranking it among the top school districts in the State of Ohio.

The School District ranked 33rd out of 611 school districts State-wide in gifted performance.

Contacting the School District's Financial Management

These financial reports and discussions are designed to provide our students, citizens, taxpayers, and creditors with a complete disclosure of the School District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have any questions about this report or need additional financial information, please write Sean Miller, Treasurer, Lakeview Local School District, 300 Hillman Drive, Cortland, Ohio 44410 or call (330) 638-1060 or email Sean.Miller@neomin.org.

Lakeview Local School District

Statement of Net Position

June 30, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$15,710,947
Accounts Receivable	1,868
Intergovernmental Receivable	376,503
Prepaid Items	29,808
Inventory Held for Resale	24,366
Materials and Supplies Inventory	41,303
Taxes Receivable	9,804,734
Nondepreciable Capital Assets	22,486,662
Depreciable Capital Assets, Net	5,077,230
Total Assets	53,553,421
Deferred Outflows of Resources	
Pension	5,642,746
OPEB	192,613
Total Deferred Outflows of Resources	5,835,359
Liabilities	
Accounts Payable	91,192
Contracts Payable	858,760
Accrued Wages Payable	1,153,907
Intergovernmental Payable	324,170
Accrued Interest Payable	155,190
Matured Compensated Absences Payable	12,933
Special Termination Benefits Payable	2,500
Long-Term Liabilities:	
Due Within One Year	746,145
Due In More Than One Year:	
Net Pension Liability (See Note 15)	19,250,373
Net OPEB Liability (See Note 16)	4,340,174
Other Amounts	24,860,892
Total Liabilities	51,796,236
Deferred Inflows of Resources	
Property Taxes	9,292,491
Pension	1,798,212
OPEB	614,208
Total Deferred Inflows of Resources	11,704,911
Net Position	
Net Investment in Capital Assets	10,234,588
Restricted for:	
Capital Projects	2,857,215
Debt Service	56,823
Other Purposes	333,688
Unrestricted (Deficit)	(17,594,681)
Total Net Position	($4,112,367)

See accompanying notes to the basic financial statements

Lakeview Local School District

Statement of Activities

For the Fiscal Year Ended June 30, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants Contribution and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	$4,733,708	$562,957	$55,251	$0	($4,115,500)
Special	1,289,654	140,382	1,194,073	0	44,801
Student Intervention Services	718	0	0	0	(718)
Support Services:					
Pupils	395,104	0	0	0	(395,104)
Instructional Staff	301,065	0	4,949	0	(296,116)
Board of Education	13,124	0	0	0	(13,124)
Administration	745,873	0	0	0	(745,873)
Fiscal	409,105	0	5,038	0	(404,067)
Business	56,537	0	0	0	(56,537)
Operation and Maintenance of Plant	1,659,665	16,932	0	33,949	(1,608,784)
Pupil Transportation	1,293,628	0	5,032	0	(1,288,596)
Central	243,420	0	5,400	0	(238,020)
Operation of Non-Instructional Services	1,602	118	0	0	(1,484)
Operation of Food Services	478,269	246,608	248,022	0	16,361
Extracurricular Activities	614,423	204,367	0	0	(410,056)
Interest and Fiscal Charges	928,888	0	0	0	(928,888)
Totals	$13,164,783	$1,171,364	$1,517,765	$33,949	(10,441,705)

General Revenues	
Property Taxes Levied for:	
General Purposes	7,271,949
Classroom Facilities Maintenance	71,021
Debt Service	1,368,237
Capital Outlay	293,111
Grants and Entitlements not Restricted to Specific Programs	7,240,118
Unrestricted Contributions	33,272
Investment Earnings	270,989
Miscellaneous	30,718
Total General Revenues	16,579,415
Change in Net Position	6,137,710
Net Position Beginning of Year - Restated (See Note 22)	(10,250,077)
Net Position End of Year	($4,112,367)

See accompanying notes to the basic financial statements

Lakeview Local School District

Balance Sheet

Governmental Funds

June 30, 2018

	General	Bond Retirement	Classroom Facilities Construction	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$4,708,238	$511,020	$9,569,778	$921,911	$15,710,947
Taxes Receivable	7,928,552	1,481,442	0	394,740	9,804,734
Accounts Receivable	1,316	0	0	552	1,868
Intergovernmental Receivable	116,106	0	175,183	85,214	376,503
Prepaid Items	27,447	0	0	2,361	29,808
Inventory Held for Resale	0	0	0	24,366	24,366
Materials and Supplies Inventory	38,754	0	0	2,549	41,303
Total Assets	$12,820,413	$1,992,462	$9,744,961	$1,431,693	$25,989,529
Liabilities					
Accounts Payable	$80,457	$0	$5,752	$4,983	$91,192
Contracts Payable	0	0	858,760	0	858,760
Accrued Wages Payable	1,092,901	0	0	61,006	1,153,907
Intergovernmental Payable	311,277	0	0	12,893	324,170
Matured Compensated Absences Payable	12,933	0	0	0	12,933
Total Liabilities	1,497,568	0	864,512	78,882	2,440,962
Deferred Inflows of Resources					
Property Taxes	7,509,821	1,408,147	0	374,523	9,292,491
Unavailable Revenue	398,533	69,304	175,183	94,964	737,984
Total Deferred Inflows of Resources	7,908,354	1,477,451	175,183	469,487	10,030,475
Fund Balances					
Nonspendable	66,201	0	0	4,910	71,111
Restricted	0	515,011	8,705,266	905,390	10,125,667
Assigned	823,892	0	0	0	823,892
Unassigned (Deficit)	2,524,398	0	0	(26,976)	2,497,422
Total Fund Balances	3,414,491	515,011	8,705,266	883,324	13,518,092
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$12,820,413	$1,992,462	$9,744,961	$1,431,693	$25,989,529

See accompanying notes to the basic financial statements

Lakeview Local School District

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2018

Total Governmental Fund Balances		$13,518,092
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.		27,563,892
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		
Delinquent Property Taxes	484,350	
Intergovernmental	251,031	
Tuition and Fees	2,603	
Total		737,984
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(155,190)
Special termination benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.		(2,500)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(24,121,553)	
Capital Leases	(236,065)	
Compensated Absences	(1,249,419)	
Total		(25,607,037)
The net pension liability and net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	5,642,746	
Deferred Outflows - OPEB	192,613	
Net Pension Liability	(19,250,373)	
Net OPEB Liability	(4,340,174)	
Deferred Inflows - Pension	(1,798,212)	
Deferred Inflows - OPEB	(614,208)	
Total		(20,167,608)
Net Position of Governmental Activities		($4,112,367)

See accompanying notes to the basic financial statements

Lakeview Local School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2018

	General	Bond Retirement	Classroom Facilities Construction	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$7,424,823	$1,401,445	$0	$372,030	$9,198,298
Intergovernmental	7,733,861	95,929	4,550,463	952,272	13,332,525
Interest	62,942	0	207,595	461	270,998
Tuition and Fees	706,407	0	0	0	706,407
Extracurricular Activities	45,192	0	0	159,175	204,367
Contributions and Donations	33,272	0	0	950	34,222
Charges for Services	118	0	0	246,608	246,726
Rentals	16,932	0	0	0	16,932
Miscellaneous	30,162	0	0	556	30,718
Total Revenues	16,053,709	1,497,374	4,758,058	1,732,052	24,041,193
Expenditures					
Current:					
Instruction:					
Regular	7,980,242	0	0	53,256	8,033,498
Special	1,971,802	0	0	629,013	2,600,815
Student Intervention Services	718	0	0	0	718
Support Services:					
Pupils	939,420	0	0	0	939,420
Instructional Staff	447,077	0	0	9,093	456,170
Board of Education	13,124	0	0	0	13,124
Administration	1,523,556	0	0	0	1,523,556
Fiscal	417,357	26,462	0	6,333	450,152
Business	56,537	0	0	0	56,537
Operation and Maintenance of Plant	1,555,208	0	0	258,844	1,814,052
Pupil Transportation	950,284	0	0	840	951,124
Central	264,526	0	0	5,400	269,926
Operation of Non-Instructional Services	1,602	0	0	0	1,602
Operation of Food Services	0	0	0	515,496	515,496
Extracurricular Activities	371,625	0	0	185,490	557,115
Capital Outlay	0	0	17,232,804	165,537	17,398,341
Debt Service:					
Principal Retirement	0	530,000	0	79,500	609,500
Interest and Fiscal Charges	0	935,355	0	4,684	940,039
Total Expenditures	16,493,078	1,491,817	17,232,804	1,913,486	37,131,185
Excess of Revenues Over (Under) Expenditures	(439,369)	5,557	(12,474,746)	(181,434)	(13,089,992)
Other Financing Sources (Uses)					
Sale of Capital Assets	55,853	0	0	9,800	65,653
Inception of Capital Lease	0	0	0	161,908	161,908
Transfers In	0	0	0	225	225
Transfers Out	(225)	0	0	0	(225)
Total Other Financing Sources (Uses)	55,628	0	0	171,933	227,561
Net Change in Fund Balances	(383,741)	5,557	(12,474,746)	(9,501)	(12,862,431)
Fund Balances Beginning of Year	3,798,232	509,454	21,180,012	892,825	26,380,523
Fund Balances End of Year	$3,414,491	$515,011	$8,705,266	$883,324	$13,518,092

See accompanying notes to the basic financial statements

Lakeview Local School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds		($12,862,431)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Asset Additions	15,685,090	
Current Year Depreciation	(354,994)	
Total		15,330,096
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(499,392)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(193,980)	
Intergovernmental	(4,541,652)	
Tuition and Fees	(3,068)	
Total		(4,738,700)
Other financing sources in the governmental funds, such as inception of capital lease, increase long-term liabilities in the statement of net position.		(161,908)
Repayment of long-term obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		609,500
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Accrued Interest	(160)	
Amortization of Premium	11,311	
Total		11,151
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	(45,864)	
Special Termination Benefits	14,000	
Total		(31,864)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,341,025	
OPEB	48,291	
Total		1,389,316
Except for amounts reported deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	6,409,164	
OPEB	682,778	
Total		7,091,942
Change in Net Position of Governmental Activities		$6,137,710

See accompanying notes to the basic financial statements

Lakeview Local School District

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$7,292,113	$7,389,833	$7,424,425	$34,592
Intergovernmental	7,696,736	7,798,760	7,751,423	(47,337)
Interest	21,031	21,859	62,942	41,083
Tuition and Fees	814,557	824,735	773,324	(51,411)
Extracurricular Activities	38,653	39,248	45,192	5,944
Contributions and Donations	1,071	1,440	28,069	26,629
Charges for Services	241	244	118	(126)
Rentals	18,508	18,731	16,932	(1,799)
Miscellaneous	23,256	23,504	24,105	601
Total Revenues	15,906,166	16,118,354	16,126,530	8,176
Expenditures				
Current:				
Instruction:				
Regular	9,711,547	8,345,716	8,003,215	342,501
Special	1,333,180	1,984,598	1,972,005	12,593
Student Intervention Services	243	718	718	0
Support Services:				
Pupils	810,324	930,555	927,812	2,743
Instructional Staff	389,670	485,457	484,826	631
Board of Education	6,600	13,124	13,124	0
Administration	1,230,487	1,511,535	1,509,358	2,177
Fiscal	375,680	417,359	416,825	534
Business	50,140	60,126	60,126	0
Operation and Maintenance of Plant	1,405,316	1,587,402	1,585,264	2,138
Pupil Transportation	855,470	944,598	943,426	1,172
Central	197,593	259,074	258,813	261
Extracurricular Activities	173,801	370,737	370,737	0
Total Expenditures	16,540,051	16,910,999	16,546,249	364,750
Excess of Revenues Over (Under) Expenditures	(633,885)	(792,645)	(419,719)	372,926
Other Financing Sources (Uses)				
Sale of Capital Assets	901	901	55,853	54,952
Advances In	0	15,000	15,000	0
Advances Out	(8,923)	(15,000)	(15,000)	0
Transfers Out	(62)	(225)	(225)	0
Total Other Financing Sources (Uses)	(8,084)	676	55,628	54,952
Net Change in Fund Balance	(641,969)	(791,969)	(364,091)	427,878
Fund Balance Beginning of Year	4,866,104	4,866,104	4,866,104	0
Prior Year Encumbrances Appropriated	112,222	112,222	112,222	0
Fund Balance End of Year	$4,336,357	$4,186,357	$4,614,235	$427,878

See accompanying notes to the basic financial statements

Lakeview Local School District

Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2018

	Agency
Assets	
Equity in Pooled Cash and Cash Equivalents	$67,970
Liabilities	
Due to Students	$67,970

See accompanying notes to the basic financial statements

Note 1 - Description of the School District and Reporting Entity

Lakeview Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's four instructional/support facilities staffed by 65 classified employees, 114 certificated full and part-time employees, and 9 administrators who provide services to 1,690 students and other community members.

Reporting Entity

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

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

The School District participates in two public entity pools and two jointly governed organizations. These organizations are the Ohio School Boards Association Workers' Compensation Group Rating Program, the Trumbull County School Employees Insurance Benefits Consortium, the Trumbull Career and Technical Center and the Northeast Ohio Management Information Network. These organizations are presented in Notes 13 and 14 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

The School 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.

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

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

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

Fund Accounting

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

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

> ***General Fund*** The general fund is the operating fund of the School District and is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Bond Retirement Fund*** The bond retirement fund accounts for and reports property tax revenues that are restricted for payment of principal and interest and fiscal charges on general obligation debt.
>
> ***Classroom Facilities Construction Capital Projects Fund*** The classroom facilities construction capital projects fund accounts for the proceeds of bonds as well as grants restricted for the building and equipping of classroom facilities.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for student managed activities and OHSAA tournament activities.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and 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 (e.g., revenues and other financing sources) and uses (e.g., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 and the statements presented for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified 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 outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 10). 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 15 and 16.

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 until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, tuition and fees and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 15 and 16)

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

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 positon 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.

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents". The School District had no investments during the fiscal year or at fiscal year-end.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the classroom facilities construction fund during fiscal year 2018 amounted to $207,595, which includes $43,237 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

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 by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory

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

Capital Assets

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

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

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

Description	Governmental Activities Estimated Lives
Land Improvements	20 years
Buildings and Improvements	50 years
Furniture and Fixtures	5 - 30 years
Vehicles	8 years

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 employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the funds from which the employee who has accumulated unpaid leave is paid.

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On the fund financial statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund.

Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance includes the remaining amount that is not restricted or committed. These assigned balances are established by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or by State statute. State statute authorizes the Treasurer to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for school support and to cover a gap between estimated revenue and appropriations in the fiscal year 2019 budget.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The School District 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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, instruction, support services, and extracurricular activities.

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

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.

Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation 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 amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require a resolution of the Board of Education. Budgetary allocations at the function and object level are made by the Treasurer.

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 and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were adopted.

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

Note 3 – Fund Balances

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

Fund Balances	General	Bond Retirement	Classroom Facilities Construction	Other Governmental Funds	Total
Nonspendable					
Prepaid Items	$27,447	$0	$0	$2,361	$29,808
Materials and Supplies Inventory	38,754	0	0	2,549	41,303
Total Nonspendable	66,201	0	0	4,910	71,111
Restricted for					
Athletics and Music	0	0	0	33,703	33,703
School Maintenance	0	0	0	221,517	221,517
College Scholarships	0	0	0	15,012	15,012
Food Service	0	0	0	15,218	15,218
Debt Service Payments	0	515,011	0	0	515,011
Capital Improvements	0	0	8,705,266	619,940	9,325,206
Total Restricted	0	515,011	8,705,266	905,390	10,125,667
Assigned to					
School Support	12,544	0	0	0	12,544
Fiscal Year 2019 Operations	811,348	0	0	0	811,348
Total Assigned	823,892	0	0	0	823,892
Unassigned (Deficit)	2,524,398	0	0	(26,976)	2,497,422
Total Fund Balances	$3,414,491	$515,011	$8,705,266	$883,324	$13,518,092

Note 4 - Budgetary Basis of Accounting

While the School 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 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 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:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed or assigned fund balance.

4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.

5. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

6. Budgetary revenues and expenditures of the uniform school supplies and public school support funds are classified to the general fund for GAAP reporting.

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

Net Change in Fund Balance

GAAP Basis	($383,741)
Net Adjustment for Revenue Accruals	61,252
Net Adjustment for Expenditure Accruals	(3,683)
Ending Unreported Cash	28,005
Advances In	15,000
Advances Out	(15,000)
Perspective Differences:	
Uniform School Supplies	3,432
Public School Support	(3,842)
Encumbrances	(65,514)
Budget Basis	($364,091)

Note 5 – Accountability

At June 30, 2018, the miscellaneous State grants, title I and the title II-A special revenue funds had a deficit balances of $61, $19,995 and $5,366, respectfully. The deficit balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur.

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

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

4. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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

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

8. Certain bankers’ acceptances and commercial paper for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

Investments may only be made through specified dealers and institutions. 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.

Note 7 - Interfund Transfers

The general fund made a transfer of $225 to the scholarship special revenue fund to help provide funding for fiscal year 2018.

Note 8 – Receivables

Receivables at June 30, 2018, consisted of taxes, accounts and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Ohio Schools Facilities Construction	$175,183
Part B IDEA Grant	75,278
Bureau of Workers' Compensation Refund	62,384
Foundation Adjustments	48,054
Title I Grant	6,356
School Employees Retirement System	5,668
Miscellaneous Federal Grant	2,898
Miscellaneous State Grant	682
Total Governmental Activities	$376,503

Note 9 - Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2018, if applicable, cannot be determined at this time.

School Foundation

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

Litigation

The School District is a party to various legal proceedings seeking damages. The School District's administration is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

Note 10 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Trumbull County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2018 was $22,801 in the general fund, $362 in the classroom facilities maintenance fund, $3,991 in the bond retirement fund and $739 in the permanent improvement fund. The amount available as an advance at June 30, 2017 was $22,403 in the general fund, $379 in the classroom facilities maintenance fund, $4,185 in the bond retirement fund and $724 in the permanent improvement fund.

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

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Residential/Agricultural and Other Real Estate	$256,125,350	96.18 %	$268,785,740	96.39 %
Public Utility Personal	10,161,520	3.82	10,058,310	3.61
Total	$266,286,870	100.00 %	$278,844,050	100.00 %
Tax rate per $1,000 of assessed valuation	$51.40		$50.90	

Note 11 – Capital Assets

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

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Nondepreciable Capital Assets				
Land	$448,600	$61,700	$0	$510,300
Construction in Progress	6,591,183	15,385,179	0	21,976,362
Total Nondepreciable Capital Assets	7,039,783	15,446,879	0	22,486,662
Depreciable Capital Assets				
Land Improvements	3,075,247	0	(182,173)	2,893,074
Buildings and Improvements	10,660,084	76,300	(1,864,657)	8,871,727
Furniture and Fixtures	593,430	0	(166,680)	426,750
Vehicles	1,211,555	161,911	(21,075)	1,352,391
Total at Historical Cost	15,540,316	238,211	(2,234,585)	13,543,942
Less: Accumulated Depreciation				
Land Improvements	(1,482,560)	(92,082)	182,173	(1,392,469)
Buildings and Improvements	(6,941,612)	(173,404)	1,372,448	(5,742,568)
Furniture and Fixtures	(547,323)	(4,563)	165,400	(386,486)
Vehicles	(875,416)	(84,945)	15,172	(945,189)
Total Accumulated Depreciation	(9,846,911)	(354,994) *	1,735,193	(8,466,712)
Depreciable Capital Assets, Net of Accumulated Depreciation	5,693,405	(116,783)	(499,392)	5,077,230
Governmental Activities Capital Assets, Net	$12,733,188	$15,330,096	($499,392)	$27,563,892

* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	$165,169
Support Services	
Administration	146
Operation and Maintenance of Plant	3,844
Pupil Transportation	89,592
Food Service Operations	375
Extracurricular Activities	95,868
Total Depreciation Expense	$354,994

Note 12 – Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2018 were as follows:

Governmental Activities	Principal Outstanding June 30, 2017	Additions	Deductions	Principal Outstanding June 30, 2018	Amount Due in One Year
General Obligation Bonds					
1998 School Improvement Refunding Bonds					
Current Interest Term Bonds - 3.85%	$735,000	$0	$245,000	$490,000	$245,000
2015 Unlimited Tax Bonds					
Serial Bonds - 1.00 to 4.00%	8,115,000	0	285,000	7,830,000	300,000
Current Interest Term Bonds - 3.625 to 5.00%	15,425,000	0	0	15,425,000	0
Premium	387,864	0	11,311	376,553	0
Total 2015 Unlimited Tax Bonds	23,927,864	0	296,311	23,631,553	300,000
Total General Obligation Bonds	24,662,864	0	541,311	24,121,553	545,000
Other Long-Term Obligations					
Net Pension Liability:					
SERS	5,084,964	0	1,056,625	4,028,339	0
STRS	22,051,860	0	6,829,826	15,222,034	0
Total Net Pension Liability	27,136,824	0	7,886,451	19,250,373	0
Net OPEB Liability:					
SERS	2,007,624	0	167,565	1,840,059	0
STRS	3,523,254	0	1,023,139	2,500,115	0
Total Net OPEB Liability	5,530,878	0	1,190,704	4,340,174	0
Capital Leases Payable	153,657	161,908	79,500	236,065	75,350
Compensated Absences	1,203,555	181,313	135,449	1,249,419	125,795
Total Other Long-Term Obligations	34,024,914	343,221	9,292,104	25,076,031	201,145
TotalGovernmental Activites Long-Term Liabilities	$58,687,778	$343,221	$9,833,415	$49,197,584	$746,145

In 1998, the School District issued $4,465,070 in voted general obligation bonds for the purpose of constructing an auditorium, major renovations and an addition at the Bazetta elementary school. The bonds were issued for twenty-two year periods with a final maturity at December 1, 2019.

In 2015, the School District issued $23,815,000 in voted general obligation bonds for the purpose of constructing a new elementary/middle school to replace two existing ones. The bonds were issued for thirty-seven year period with a final maturity at December 1, 2052.

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the general and food service special revenue funds. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from following funds: the general fund and the food service, title VI-B and title I special revenue funds. For additional information related to the net pension and net OBEB liabilities see Notes 15 and 16. The capital leases are paid from the permanent improvement fund.

The overall debt margin of the School District as of June 30, 2018 was $1,865,976 with an unvoted debt margin of $278,844. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2018 are as follows:

	General Obligation Bonds			
	1998 School Improvement		2015 Unlimited Tax	
	Principal	Interest	Principal	Interest
2019	$245,000	$14,149	$300,000	$893,950
2020	245,000	14,149	305,000	889,413
2021	0	0	310,000	884,024
2022	0	0	335,000	877,575
2023	0	0	340,000	869,975
2024 - 2028	0	0	1,950,000	4,174,800
2029 - 2033	0	0	2,490,000	3,763,069
2034 - 2038	0	0	3,115,000	3,240,909
2039 - 2043	0	0	3,735,000	2,598,172
2044 - 2048	0	0	4,665,000	1,642,700
2049 - 2053	0	0	5,710,000	589,000
Total	$490,000	$28,298	$23,255,000	$20,423,587

Note 13 – Public Entity Pools

Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Program The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Post President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Shared Risk Pool

Trumbull County School Employees Insurance Benefits Consortium The School District participates in the Trumbull County School Employees Insurance Benefits Consortium. This is a shared risk pool comprised of sixteen Trumbull County School Districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Consortium. Each member's control over the budgeting and financing of the pool is limited to its voting authority and any representation it may have on the Board of Directors. Consortium revenues are generated from charges for services.

Note 14 - Jointly Governed Organizations

Trumbull Career and Technical Center The Trumbull Career and Technical Center is a distinct political subdivision of the State of Ohio providing vocational needs of the students. The center is operated under the direction of a Board consisting of one representative from each of the nineteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. The Board exercises total control over the operations of the Trumbull Career and Technical Center including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. To obtain financial information write to the Trumbull Career and Technical Center, Cody Holecko, who serves as Treasurer, at 528 Educational Highway, Warren, Ohio 44483.

Northeast Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among twenty-nine school districts and two educational service centers in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge. Lakeview Local School District paid $116,099 to NEOMIN during fiscal year 2018.

The Governing board consists of ten members: The Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, the fiscal agent (or NEOMIN). The Board exercises total control over the operations of NEOMIN including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN's financial statements, write to the Trumbull County Educational Service Center, 6000 Youngstown Warren Road, Niles, Ohio 44446.

Note 15 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

The net pension liability and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions/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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability represent the School District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/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.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OBEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was $301,761 for fiscal year 2018. Of this amount $15,501 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit 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, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was $1,039,264 for fiscal year 2018. Of this amount $130,271 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.06947550%	0.06587952%	
Proportion of the Net Pension Liability Current Measurement Date	0.06742240%	0.06407871%	
Change in Proportionate Share	-0.00205310%	-0.00180081%	
Proportionate Share of the Net Pension Liability	$4,028,339	$15,222,034	$19,250,373
Pension Expense	($224,470)	($6,184,694)	($6,409,164)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$173,366	$587,804	$761,170
Changes of assumptions	208,308	3,329,226	3,537,534
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	3,017	0	3,017
School District contributions subsequent to the measurement date	301,761	1,039,264	1,341,025
Total Deferred Outflows of Resources	$686,452	$4,956,294	$5,642,746
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$122,684	$122,684
Net difference between projected and actual earnings on pension plan investments	19,122	502,345	521,467
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	145,674	1,008,387	1,154,061
Total Deferred Inflows of Resources	$164,796	$1,633,416	$1,798,212

$1,341,025 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	$94,051	$377,930	$471,981
2020	184,330	1,061,294	1,245,624
2021	35,422	685,357	720,779
2022	(93,908)	159,033	65,125
Total	$219,895	$2,283,614	$2,503,509

Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
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 total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	$5,590,288	$4,028,339	$2,719,889

Actuarial Assumptions - STRS

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

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

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

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

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	$21,820,269	$15,222,034	$9,664,012

Note 16 – Defined Benefit OPEB Plans

See Note 15 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School 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, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was $23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the School District's surcharge obligation was $37,115.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $48,291 for fiscal year 2018. Of this amount $37,689 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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 School District's proportion of the net OPEB liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability Prior Measurement Date	0.07043380%	0.06587952%	
Proportion of the Net OPEB Liability Current Measurement Date	0.06856330%	0.06407871%	
Change in Proportionate Share	-0.00187050%	-0.00180081%	
Proportionate Share of the Net OPEB Liability	$1,840,059	$2,500,115	$4,340,174
OPEB Expense	$93,880	($776,658)	($682,778)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$144,322	$144,322
School District contributions subsequent to the measurement date	48,291	0	48,291
Total Deferred Outflows of Resources	$48,291	$144,322	$192,613
Deferred Inflows of Resources			
Changes of assumptions	$174,612	$201,392	$376,004
Net difference between projected and actual earnings on OPEB plan investments	4,859	106,861	111,720
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	43,934	82,550	126,484
Total Deferred Inflows of Resources	$223,405	$390,803	$614,208

$48,291 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	($80,398)	($49,985)	($130,383)
2020	(80,398)	(49,985)	(130,383)
2021	(61,394)	(49,985)	(111,379)
2022	(1,215)	(49,985)	(51,200)
2023	0	(23,270)	(23,270)
Thereafter	0	(23,271)	(23,271)
Total	($223,405)	($246,481)	($469,886)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

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

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
School District's proportionate share of the net OPEB liability	$2,222,105	$1,840,059	$1,537,380

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
School District's proportionate share of the net OPEB liability	$1,493,070	$1,840,059	$2,299,305

Actuarial Assumptions – STRS

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

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

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

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

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.

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

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's proportionate share of the net OPEB liability	$3,356,364	$2,500,115	$1,823,398

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	$1,736,973	$2,500,115	$3,504,499

Note 17 – Capital Leases

In fiscal years 2016, 2017 and 2018, the School District entered into a capital lease for the purchase of school buses. The lease obligation meets the criteria of a capital lease and has been recorded on the government-wide statements. The original amounts capitalized for the capital lease and the book value as of June 30, 2018 follows:

	Amounts
Asset:	
Vehicles	$392,893
Less: Accumulated Depreciation	(72,206)
Current Book Value	$320,687

The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments is as follows:

Year ending June 30,	Capital Lease
2019	$84,185
2020	84,185
2021	84,185
2022	52,373
2023	35,188
Total Minimum Lease Payments	340,116
Less: Amount Representing Interest	(104,051)
Present Value of Minimum Lease Payments	$236,065

Note 18 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 320 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 85 days for classified employees, teachers and administrators. Employees are given three days of personal leave at the beginning of the fiscal year. Upon retirement, all unused personal leave is converted to sick leave.

Life Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance of $50,000 to all full time employees through the ReliaStar Life Insurance Company.

Retirement Incentives

Per the negotiated agreement, employees who are eligible to retire under STRS or a comparable retirement system shall receive a $2,500 bonus provided the employee submits a letter of retirement by October 1. The bonus will be reduced to $2,000 if the employee submits a letter of retirement between October 2 and November 1. The bonus will be reduced to $1,000 for any employee who submits a letter of retirement after November 1. Employees retiring during the fiscal year 2016 - 2018 agreement will receive a $15,000 bonus instead of the aforementioned amounts should the employee elect to retire the first year in which he or she is eligible under STRS or a comparable retirement system. A limit of twenty percent of the bargaining unit employees during each year of this contract shall be eligible for this bonus. The retirement incentive bonus will be placed in the mutually agreed upon 403(b). In fiscal year 2018, two employees qualified for the $2,500 bonus with one employee remaining to be paid after fiscal year end.

Note 19 - Risk Management

Employee Health Benefits

The School District has contracted with the Trumbull County School Employees Insurance Benefits Consortium to provide employee medical/surgical, dental, and prescription drug benefits. The Trumbull County School Employees Insurance Benefits Consortium is a shared risk pool comprised of sixteen Trumbull County school districts. Rates are set through an annual calculation process. The Lakeview Local School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The board of directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. The School District pays medical/surgical/prescription drug premiums of $1,733.81 for family coverage and $666.60 for single coverage per employee per month for the PPO Plan #1, and premiums of $1,556.65 for family coverage and $598.26 for single coverage per employee per month for the PPO Plan #2. Employees are responsible for 10 percent of the cost. Premiums for dental coverage are $70.82 monthly for family coverage and $22.54 monthly for single coverage. Premiums for vision coverage are $4.36 for family coverage and $1.65 for single coverage. The plan utilizes a $10.00 prescription deductible. If the School District were to withdraw from the consortium, there would be no liability because premium levels fund a reserve for subsequent claim payments.

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

Worker's Compensation

For fiscal year 2018, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 13). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRP.

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2018, the School District contracted for the following insurance coverage:

Coverage	Amount
Coverage provided by Ohio School Plan	
Building and Contents - replacement cost ($2,500 deductible)	$61,676,921
Boiler and Machinery ($2,500 deductible)	No limit
Automobile Liability ($1,000 deductible on comprehensive)	3,000,000
($1,000 deductible on Bus Collision)	
($500 deductible on Other Collision)	
Auto Medical Payments - Per occurrence	5,000
General Liability	
Per occurrence ($0 deductible)	3,000,000
Total per year	5,000,000

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

Note 20 - Set Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

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

	Capital Improvements
Set-Aside Balance as of June 30, 2017	$0
Current Year Set-aside Requirement	317,684
Current Year Offsets	(1,514,571)
Total	($1,196,887)
Set-aside Balance Carried Forward to Future Fiscal Years	$0
Set-aside Balance as of June 30, 2018	$0

While the offsets during the fiscal year reduced the capital improvement set-aside amount to below zero, this amount may not be used to reduce the set-aside requirements of future fiscal years.

Note 21 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	$65,514
Classroom Facilities Construction	7,358,956
Other Governmental Funds	52,697
Total Governmental	$7,477,167

Contractual Commitments

As of June 30, 2018, the School District had the following contract balances for various construction projects:

Hammond Construction, Inc. - Construction Services	$5,468,115
GPD Group Architects - Architect/Engineering Services	563,936
Osborn Engineering - Commissioning Agent Services	47,630
Total	$6,079,681

All remaining commitment amounts were encumbered at year end.

Note 22 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2018, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, 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).*

For fiscal year 2018, the School District also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

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 School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

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	($4,757,239)
Adjustments:	
Net OPEB Liability	(5,530,878)
Deferred Outflow - Payments Subsequent to Measurement Date	38,040
Restated Net Position June 30, 2017	($10,250,077)

Other than employer contributions subsequent to the measurement date, the School 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

Lakeview Local School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio

Last Five Fiscal Years (1)

	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.06742240%	0.06947550%	0.07147740%
School District's Proportionate Share of the Net Pension Liability	$4,028,339	$5,084,964	$4,078,571
School District's Covered Payroll	$2,177,029	$2,156,543	$2,147,147
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	185.04%	235.79%	189.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2015	2014
0.07126700%	0.07126700%
$3,606,783	$4,238,020
$2,031,962	$1,936,382
177.50%	218.86%
71.70%	65.52%

Lakeview Local School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB Liability

School Employees Retirement System of Ohio

Last Two Fiscal Years (1)

	2018	2017
School District's Proportion of the Net OPEB Liability	0.06856330%	0.07043380%
School District's Proportionate Share of the Net OPEB Liability	$1,840,059	$2,007,624
School District's Covered Payroll	$2,177,029	$2,156,543
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	84.52%	93.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

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

	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.06407871%	0.06587952%	0.06898838%
School District's Proportionate Share of the Net Pension Liability	$15,222,034	$22,051,860	$19,066,372
School District's Covered Payroll	$7,056,936	$6,924,043	$7,023,329
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	215.70%	318.48%	271.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2015	2014
0.06920340%	0.06920340%
$16,832,663	$20,050,957
$7,066,138	$7,620,100
238.22%	263.13%
74.70%	69.30%

Lakeview Local School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB Liability

School Teachers Retirement System of Ohio

Last Two Fiscal Years (1)

	2018	2017
School District's Proportion of the Net OPEB Liability	0.06407871%	0.06587952%
School District's Proportionate Share of the Net OPEB Liability	$2,500,115	$3,523,254
School District's Covered Payroll	$7,056,936	$6,924,043
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	35.43%	50.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

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Lakeview Local School District
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	$301,761	$304,784	$301,916	$282,994
Contributions in Relation to the Contractually Required Contribution	(301,761)	(304,784)	(301,916)	(282,994)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$2,235,267	$2,177,029	$2,156,543	$2,147,147
Pension Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%
Net OPEB Liability				
Contractually Required Contribution (2)	48,291	38,040	35,760	55,418
Contributions in Relation to the Contractually Required Contribution	(48,291)	(38,040)	(35,760)	(55,418)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	2.16%	1.75%	1.66%	2.58%
Total Contributions as a Percentage of Covered Payroll (2)	15.66%	15.75%	15.66%	15.76%

(1) The School District's covered payroll is the same for Pension and OPEB.
(2) Includes Surcharge

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
$281,630	$267,995	$274,390	$286,404	$259,797	$189,922
(281,630)	(267,995)	(274,390)	(286,404)	(259,797)	(189,922)
$0	$0	$0	$0	$0	$0
$2,031,962	$1,936,382	$2,040,071	$2,278,476	$1,918,740	$1,930,099
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%
38,799	33,304	39,702	62,393	38,765	109,703
(38,799)	(33,304)	(39,702)	(62,393)	(38,765)	(109,703)
$0	$0	$0	$0	$0	$0
1.91%	1.72%	1.95%	2.74%	2.02%	5.68%
15.77%	15.56%	15.40%	15.31%	15.56%	15.52%

Lakeview Local School District

Required Supplementary Information

Schedule of the School District's Contributions

School Teachers Retirement System of Ohio

Last Ten Fiscal Years

	2018	2017	2016	2015
Net Pension Liability				
Contractually Required Contribution	$1,039,264	$987,971	$969,366	$983,266
Contributions in Relation to the Contractually Required Contribution	(1,039,264)	(987,971)	(969,366)	(983,266)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$7,423,314	$7,056,936	$6,924,043	$7,023,329
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

(1) The School District's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
$918,598	$990,613	$902,393	$913,614	$956,144	$837,818
(918,598)	(990,613)	(902,393)	(913,614)	(956,144)	(837,818)
$0	$0	$0	$0	$0	$0
$7,066,138	$7,620,100	$6,941,485	$7,027,800	$7,354,954	$6,444,754
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
$70,661	$76,201	$69,415	$70,278	$73,550	$64,448
(70,661)	(76,201)	(69,415)	(70,278)	(73,550)	(64,448)
$0	$0	$0	$0	$0	$0
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

For fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

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

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are 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. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Amounts reported for fiscal year 2018 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For fiscal year 2018 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior 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.

Net OPEB Liability

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

Changes in Assumptions – STRS

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

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

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LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY

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

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education:				
Child Nutrition Cluster:				
Non Cash Assistance (Food Distribution)				
National School Lunch Program	2018	10.555	$ 31,385	$ 31,385
Cash Assistance:				
National School Breakfast Program	2018	10.553	$ 31,934	31,934
National School Lunch Program	2018	10.555	176,256	176,256
Total Nutrition Cluster			208,190	208,190
Total U.S. Department of Agriculture			**239,575**	**239,575**
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education:				
Title I				
Title I Grants to Local Educational Agencies	2017	84.010	32,943	37,920
Title I Grants to Local Educational Agencies	2018	84.010	286,721	286,721
Total Title I Grants to Local Educational Agencies			**319,663**	**324,641**
Special Education Cluster (IDEA)				
Special Education Grants to States	2017	84.027	882	12,644
Special Education Grants to States	2018	84.027	296,762	296,658
Total Special Education Cluster			**297,644**	**309,302**
Improving Teacher Quality State Grants Title II, Part A				
Improving Teacher Quality State Grants	2018	84.367	54,181	54,181
Stuent Support and Academic Enrichment Program	2018	84.424	7,102	7,102
Total U.S. Department of Education			**678,590**	**695,226**
Total Federal Financial Assistance			**$918,165**	**$934,801**

The accompanying notes to this schedule are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
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 Lakeview Local School District's (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 or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE F – 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.

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

Lakeview Local School District
Trumbull County
300 Hillman Drive
Cortland, Ohio 44401

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 Lakeview Local School District, Trumbull, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 11, 2019, wherein we noted the District adopted Governmental Accounting Standards Board Statement 75.

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 School'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 School'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.

Keith Faber
Auditor of State

Columbus, Ohio

March 11, 2019

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

Lakeview Local School District
Trumbull County
300 Hillman Drive
Cortland, Ohio 44410

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State

Columbus, Ohio

March 11, 2019

LAKEVIEW LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

LAKEVIEW LOCAL SCHOOL DISTRICT

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 28, 2019