RIVERSIDE LOCAL
SCHOOL DISTRICT
LOGAN COUNTY, OHIO

AUDIT REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2019

James G. Zupka, CPA, Inc.
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
Riverside Local School District
2096 CR 24 S
Degraff, Ohio 43318

We have reviewed the *Independent Auditor's Report* of the Riverside Local School District, Logan County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Riverside Local School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

December 16, 2019

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RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Board of Education
Riverside Local School District
DeGraff, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

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 Riverside Local School District, Logan County, Ohio, (the District) as of and for the year ended June 30, 2019, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Riverside Local School District as of June 30, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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.

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

November 19, 2019

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RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The management's discussion and analysis of the Riverside Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2019 are as follows:

- In total, net position of governmental activities increased $2,941,035 which represents a 25.46% increase from 2018's net position.

- General revenues accounted for $9,260,613 in revenue or 85.79% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $1,534,521 or 14.21% of total revenues of $10,795,134.

- The District had $7,854,099 in expenses related to governmental activities; $1,534,521 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $9,260,613 were adequate to provide for these programs.

- The District's major governmental funds are the general fund and the permanent improvement fund. The general fund had $9,775,216 in revenues and other financing sources and $7,359,396 in expenditures and other financing uses. During fiscal year 2019, the general fund's fund balance increased $2,415,820 from $8,259,073 to $10,674,893.

- The permanent improvement fund had $86,120 in revenues and $349,436 in expenditures. During fiscal year 2019, the permanent improvement fund's fund balance decreased $263,316 from $32,248 to a deficit balance of $231,068.

Using these Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2019?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues* and *expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations. These services are primarily funded by property tax revenues, school district income tax and from intergovernmental revenues, including unrestricted state entitlements, federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 14. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the permanent improvement fund.

Governmental Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplemental Information

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

The District as a Whole

The table below provides a summary of the District's net position at June 30, 2019 and June 30, 2018.

Net Position

	Governmental Activities 2019	Governmental Activities 2018
Assets		
Current and other assets	$ 15,076,517	$ 13,110,890
Net OPEB asset	396,373	-
Capital assets, net	9,456,424	9,285,286
Total assets	24,929,314	22,396,176
Deferred Outflows of Resources		
Pension	2,023,772	2,284,981
OPEB	232,963	114,048
Total deferred outflows of resources	2,256,735	2,399,029
Liabilities		
Current liabilities	802,576	760,316
Long-term liabilities:		
Due within one year	270,542	227,113
Due in more than one year:		
Net pension liability	7,191,455	7,373,646
OPEB liability	869,367	1,663,038
Other amounts	814,015	962,684
Total liabilities	9,947,955	10,986,797
Deferred Inflows of Resources		
Property taxes levied for next year	1,471,234	1,549,413
Unamortized deferred charges on debt refunding	3,136	4,053
Pension	578,285	510,467
OPEB	693,383	193,454
Total deferred inflows of resources	2,746,038	2,257,387
Net Position		
Net investment in capital assets	8,532,211	8,261,238
Restricted	962,346	969,627
Unrestricted (deficit)	4,997,499	2,320,156
Total net position	$ 14,492,056	$ 11,551,021

The net pension liability (NPL) and the net OPEB liability (NOL) are the largest liabilities reported by the District at June 30, 2019 and are reported along with net OPEB asset pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

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 OBEP 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 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 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.

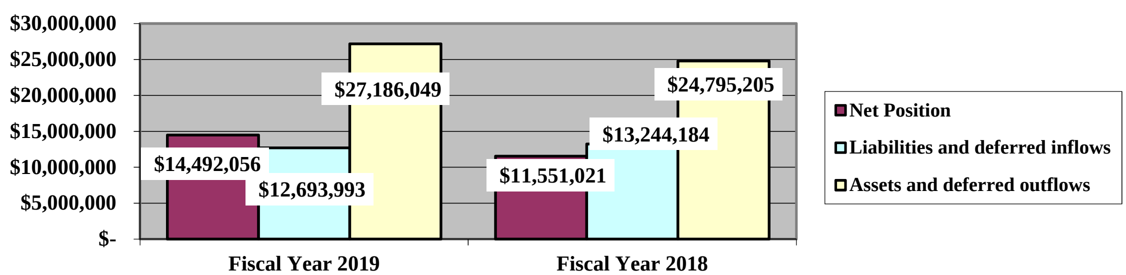
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $14,492,056.

At year-end, capital assets represented 37.93% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and textbooks. Capital assets, net of related debt to acquire the assets at June 30, 2019, were $8,532,211. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $962,346, represents resources that are subject to external restriction on how they may be used.

The graph below illustrates the governmental activities assets, liabilities and net position at June 30, 2019 and 2018.

Governmental Activities



The table below and the table on the following page shows the change in net position for fiscal years 2019 and 2018.

Change in Net Position

	Governmental Activities 2019	Governmental Activities 2018
Revenues		
Program revenues:		
Charges for services and sales	$ 630,568	$ 663,421
Operating grants and contributions	903,953	1,037,743
Capital grants and contributions	-	10,000
General revenues:		
Property taxes	1,886,428	2,070,781
School district income tax	1,477,035	1,420,466
Grants and entitlements	5,345,203	5,521,553
Investment earnings	454,225	46,227
Miscellaneous	97,722	49,763
Total revenues	10,795,134	10,819,954

(continued)

Charges for services decreased $32,853 or 4.95% primarily due to a decrease in charges for services related to food service. Operating grants and contributions decreased $133,790 or 12.89% primarily due to a decrease in food service, IDEA Part B and other miscellaneous federal grants. Property tax revenue decreased $184,353 or 8.90% primarily due to a decrease in the amount of tax revenue the District anticipates collecting during fiscal year 2020 (for fiscal year 2019) and due to a decrease in the amount available for advance. School district income tax increased $56,569 or 3.98% primarily due to an increase in the amount of income tax revenue received by the District during fiscal year 2019 compared to fiscal year 2018. Investment earnings increased $407,998 primarily due to fluctuations in the amount of interest earned during the current fiscal year, accrued interest on investments and changes in fair market value. Grants and entitlements decreased $176,350 or 3.19% primarily due to a decrease in the amount of foundation revenue received by the District during fiscal year 2019 compared to fiscal year 2018.

Change in Net Position (continued)

	Governmental Activities 2019	Governmental Activities 2018
Expenses		
Program expenses:		
Instruction:		
Regular	$ 3,327,048	$ 2,327,068
Special	1,055,365	693,556
Vocational	14,775	14,823
Other	43,646	45,546
Support services:		
Pupil	393,466	136,571
Instructional staff	266,513	152,738
Board of education	10,701	6,310
Administration	516,747	296,069
Fiscal	281,674	191,818
Business	2,909	2,918
Operations and maintenance	764,241	472,361
Pupil transportation	378,997	260,893
Central	28,480	25,674
Operation of non-instructional services:		
Food service operations	334,289	283,487
Other non-instructional services	29,949	29,069
Extracurricular activities	378,437	254,863
Interest and fiscal charges	26,862	17,126
Total expenses	7,854,099	5,210,890
Change in net position	2,941,035	5,609,064
Net position at beginning of year	11,551,021	5,941,957
Net position at end of year	$ 14,492,056	$ 11,551,021

Governmental Activities

Net position of the District's governmental activities increased $2,941,035. Total governmental expenses of $7,854,099 were offset by program revenues of $1,534,521 and general revenues of $9,260,613. Program revenues supported 19.54% of the total governmental expenses.

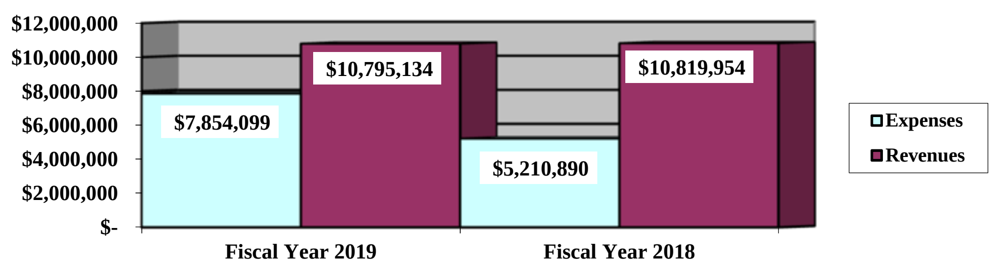
The primary sources of revenue for governmental activities are derived from property taxes, income taxes and grants and entitlements. These revenue sources represent 80.67% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled $4,440,834 or 56.54% of total governmental expenses for fiscal year 2019.

Expenses of the governmental activities increased $2,643,209 or 50.72%. This increase is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2018. The expenses of the governmental activities are comparable to fiscal year 2017 expenses before the STRS and SERS COLA adjustments.

The graph below presents the District's governmental activities revenues and expenses for fiscal years 2019 and 2018.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2019 and 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

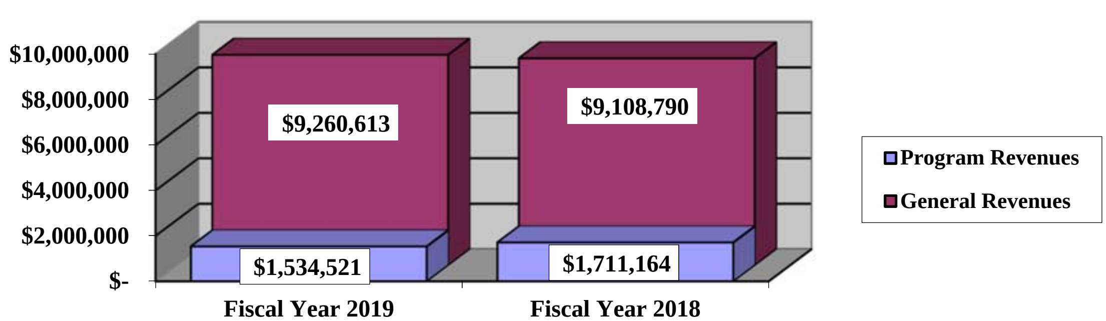
Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Program expenses				
Instruction:				
Regular	$ 3,327,048	$ 2,864,408	$ 2,327,068	$ 1,847,931
Special	1,055,365	400,997	693,556	45,282
Vocational	14,775	6,991	14,823	8,245
Other	43,646	41,485	45,546	(10,447)
Support services:				
Pupil	393,466	383,368	136,571	97,039
Instructional staff	266,513	257,595	152,738	150,867
Board of education	10,701	10,701	6,310	6,310
Administration	516,747	516,747	296,069	296,069
Fiscal	281,674	281,674	191,818	191,818
Business	2,909	1,005	2,918	1,318
Operations and maintenance	764,241	735,172	472,361	435,122
Pupil transportation	378,997	361,767	260,893	244,866
Central	28,480	28,480	25,674	25,674
Operation of non-instructional services:				
Food service operations	334,289	44,775	283,487	(44,859)
Other non-instructional services	29,949	29,949	29,069	(20,989)
Extracurricular activities	378,437	327,602	254,863	208,354
Interest and fiscal charges	26,862	26,862	17,126	17,126
Total expenses	$ 7,854,099	$ 6,319,578	$ 5,210,890	$ 3,499,726

The dependence upon tax and other general revenues for governmental activities is apparent; most of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 80.46%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2019 and 2018.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $12,549,295, which is higher than last year's total balance of $10,516,162. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and June 30, 2018.

	Fund Balance (deficit) June 30, 2019	Fund Balance June 30, 2018	Increase (Decrease)	Percentage Change
General	$ 10,674,893	$ 8,259,073	$ 2,415,820	29.25 %
Permanent improvement	(231,068)	32,248	(263,316)	(816.53) %
Other Governmental	2,105,470	2,224,841	(119,371)	(5.37) %
Total	$ 12,549,295	$ 10,516,162	$ 2,033,133	19.33 %

General Fund

The general fund's fund balance increased $2,415,820 from a balance of $8,259,073 to $10,674,893. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2019 Amount	2018 Amount	Increase/ (Decrease)	Percentage Change
Revenues				
Taxes	$ 3,030,150	$ 3,101,963	$ (71,813)	(2.32) %
Tuition	452,290	462,277	(9,987)	(2.16) %
Earnings on investments	451,964	40,788	411,176	1,008.08 %
Intergovernmental	5,593,688	5,773,597	(179,909)	(3.12) %
Other revenues	101,160	54,716	46,444	84.88 %
Total	$ 9,629,252	$ 9,433,341	$ 195,911	2.08 %
Expenditures				
Instruction	$ 4,121,424	$ 4,424,650	$ (303,226)	(6.85) %
Support Services	2,636,820	2,326,765	310,055	13.33 %
Non-instructional services	77,285	24,188	53,097	219.52 %
Extracurricular activities	257,810	266,938	(9,128)	(3.42) %
Capital outlay	145,317	-	145,317	100.00 %
Debt Service	95,740	25,616	70,124	273.75 %
Total	$ 7,334,396	$ 7,068,157	$ 266,239	3.77 %

Overall revenues of the general fund increased $195,911 or 2.08%. Tax revenue decreased $71,813 or 2.32% primarily due to a decrease in the amount of income tax revenues received and due to the amount of property tax available as an advance at fiscal year end. Earnings on investments increased $411,176 primarily due to fluctuations in the amount of interest earned during the current fiscal year, accrued interest on investments and changes in fair market value.

Overall expenditures of the general fund increased $266,239 or 3.77%. This increase is mainly attributable to an increase in support services, capital outlay and debt service. Support services expenditures increased during the current fiscal year due to an increase in personnel costs. Capital outlay and debt service expenditures increased during the current fiscal year due to a capital lease agreement.

Permanent Improvement Fund

The permanent improvement fund had $86,120 in revenues and $349,436 in expenditures. During fiscal year 2019, the permanent improvement fund's fund balance decreased $263,316 from $32,248 to a deficit balance of $231,068.

General Fund Budgeting Highlights

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

For the general fund, original and final budgeted revenues and other financing sources were $9,440,465. Actual revenues and other financing sources for fiscal year 2019 were $9,467,011, which is higher than the final budgeted amounts by $26,546.

General fund final appropriations (appropriated expenditures plus other financing uses) were $8,554,173, which was higher than the original budgeted appropriations estimate of $8,154,172. The actual budget basis expenditures and other financing uses for fiscal year 2019 totaled $7,892,232, which was $661,941 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the District had $9,456,424 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and textbooks. This entire amount is reported in governmental activities. The following table shows June 30, 2019 balances compared to June 30, 2018:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	June 30, 2019	June 30, 2018
Land	$ 11,423	$ 11,423
Construction in progress	137,115	111,542
Land improvements	546,062	190,772
Buildings and improvements	7,788,350	8,073,366
Furniture, fixtures and equipment	523,884	501,855
Vehicles	449,590	396,328
Total	$ 9,456,424	$ 9,285,286

The overall increase in capital assets is due to capital outlays of $712,899 exceeding depreciation expense of $541,761 in the current period.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2019, the District had $645,000 in general obligation bonds and $64,816 in capital leases outstanding. Of this total, $235,272 is due within one year and $474,544 is due in more than one year. The following table summarizes the bonds outstanding.

Outstanding Debt, at Fiscal Year End

	Governmental Activities 2019	Governmental Activities 2018
Capital lease	$ 64,816	$ -
General Obligation Bonds	645,000	845,000
Total	$ 709,816	$ 845,000

At June 30, 2019, the District's overall legal debt margin was $7,581,330, and an unvoted debt margin of $83,953.

See Note 11 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District strives to be great stewards of public dollars received and was able to lower (with approval from voters) the income tax rate a second time. This change from a 1.75% traditional income tax to a 1.50% earned income tax becomes effective January 1, 2020. The District is also in the process of updating the facilities, in accordance with it capital spending plan, as the building is approaching 20 years old. Continued support by the community has also enabled the School Board to waive all academic and athletic fees since fiscal year 2017, offering every student an opportunity to thrive.

The administration continues to try to balance education needs and community interests with the resources made available. The challenge for all districts is to provide quality services to the public while staying within the restrictions imposed by limited and changing funding. Current operating trends indicate, that with careful oversight, the District will have at least two months of operating cash on hand and be financially solvent for the foreseeable future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ronnie Fitchpatrick CPA, Treasurer/CFO, Riverside Local School District, 2096 CR 24 S, DeGraff, Ohio 43318.

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents. . .	$ 12,433,759
Receivables:	
Property taxes	1,931,759
Income taxes.	577,136
Accrued interest	31,549
Intergovernmental	25,465
Prepayments	68,831
Inventory held for resale.	8,018
Net OPEB asset.	396,373
Capital assets:	
Nondepreciable capital assets	148,538
Depreciable capital assets, net.	9,307,886
Capital assets, net	9,456,424
Total assets.	24,929,314
Deferred outflows of resources:	
Pension	2,023,772
OPEB	232,963
Total deferred outflows of resources	2,256,735
Liabilities:	
Accounts payable	23,607
Contracts payable.	200,532
Retainage payable	10,729
Accrued wages and benefits payable.	450,806
Intergovernmental payable	8,785
Pension and post employment benefits payable. .	107,233
Accrued interest payable.	884
Long-term liabilities:	
Due within one year	270,542
Due in more than one year:	
Net pension liability.	7,191,455
Other amounts	814,015
Net OPEB liability.	869,367
Total liabilities.	9,947,955
Deferred inflows of resources:	
Property taxes levied for the next fiscal year. . . .	1,471,234
Unamortized deferred charges	
on debt refunding	3,136
Pension.	578,285
OPEB.	693,383
Total deferred inflows of resources	2,746,038
Net position:	
Net investment in capital assets	8,532,211
Restricted for:	
Capital projects	159,859
Classroom facilities maintenance	92,174
Debt service.	676,963
Locally funded programs	845
Federally funded programs	4,381
Student activities	21,445
Other purposes	6,679
Unrestricted	4,997,499
Total net position.	$ 14,492,056

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	$ 3,327,048	$ 437,014	$ 25,626	$ (2,864,408)
Special	1,055,365	16,810	637,558	(400,997)
Vocational	14,775	-	7,784	(6,991)
Other	43,646	-	2,161	(41,485)
Support services:				
Pupil	393,466	-	10,098	(383,368)
Instructional staff	266,513	-	8,918	(257,595)
Board of education	10,701	-	-	(10,701)
Administration	516,747	-	-	(516,747)
Fiscal	281,674	-	-	(281,674)
Business	2,909	1,904	-	(1,005)
Operations and maintenance	764,241	6,363	22,706	(735,172)
Pupil transportation	378,997	-	17,230	(361,767)
Central	28,480	-	-	(28,480)
Operation of non-instructional services:				
Other non-instructional services	29,949	-	-	(29,949)
Food service operations	334,289	127,692	161,822	(44,775)
Extracurricular activities	378,437	40,785	10,050	(327,602)
Interest and fiscal charges	26,862	-	-	(26,862)
Total governmental activities	$ 7,854,099	$ 630,568	$ 903,953	(6,319,578)

General revenues:	
Property taxes levied for:	
General purposes	1,536,549
Debt service	244,802
Capital outlay	83,358
Special revenue	21,719
School district income tax:	
General purposes	1,477,035
Grants and entitlements not restricted to specific programs	5,345,203
Investment earnings	454,225
Miscellaneous	97,722
Total general revenues	9,260,613
Change in net position	2,941,035
Net position at beginning of year	11,551,021
Net position at end of year	$ 14,492,056

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 9,876,159	$ 427,420	$ 2,130,180	$ 12,433,759
Receivables:				
Property taxes	1,609,592	193,094	129,073	1,931,759
Income taxes	577,136	-	-	577,136
Accrued interest	31,549	-	-	31,549
Interfund loans	550,000	-	-	550,000
Intergovernmental	229	-	25,236	25,465
Prepayments	43,688	25,000	143	68,831
Inventory held for resale	-	-	8,018	8,018
Total assets	$ 12,688,353	$ 645,514	$ 2,292,650	$ 15,626,517
Liabilities:				
Accounts payable	$ 23,607	$ -	$ -	$ 23,607
Contracts payable	-	135,736	64,796	200,532
Retainage payable	-	10,729	-	10,729
Accrued wages and benefits payable	419,778	-	31,028	450,806
Interfund loans payable	-	550,000	-	550,000
Intergovernmental payable	8,396	-	389	8,785
Pension and post employment benefits payable	95,699	-	11,534	107,233
Total liabilities	547,480	696,465	107,747	1,351,692
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,234,031	166,723	70,480	1,471,234
Delinquent property tax revenue not available	111,647	13,394	8,953	133,994
Income tax revenue not available	105,404	-	-	105,404
Accrued interest not available	14,898	-	-	14,898
Total deferred inflows of resources	1,465,980	180,117	79,433	1,725,530
Fund balances:				
Nonspendable:				
Prepaids	43,688	25,000	143	68,831
Restricted:				
Debt service	-	-	670,525	670,525
Classroom facilities maintenance	-	-	90,543	90,543
Food service operations	-	-	17,793	17,793
Special education	-	-	1,813	1,813
Targeted academic assistance	-	-	2,568	2,568
Other purposes	-	-	845	845
Extracurricular	-	-	21,445	21,445
Committed:				
Capital improvements	-	-	1,301,187	1,301,187
Student and staff support	6,371	-	-	6,371
Termination benefits	146,629	-	-	146,629
Assigned:				
Student instruction	1,432	-	-	1,432
Student and staff support	53,934	-	-	53,934
Extracurricular activities	7,315	-	-	7,315
Other purposes	13,211	-	-	13,211
Unassigned (deficit)	10,402,313	(256,068)	(1,392)	10,144,853
Total fund balances (deficit)	10,674,893	(231,068)	2,105,470	12,549,295
Total liabilities, deferred inflows and fund balances	$ 12,688,353	$ 645,514	$ 2,292,650	$ 15,626,517

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Total governmental fund balances			$	12,549,295
Amounts reported for governmental activities on the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				9,456,424
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.				
Delinquent property taxes	$	133,994		
Income taxes		105,404		
Accrued interest		14,898		
Total				254,296
Unamortized deferred charges are not recognized in the funds.				(3,136)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.				(884)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:				
Deferred outflows of resources - pension		2,023,772		
Deferred inflows of resources - pension		(578,285)		
Net pension liability		(7,191,455)		
Total				(5,745,968)
The net OPEB liability is not due and payable in the current period; and the net OPEB asset is not available for spending in in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:				
Deferred outflows of resources - OPEB		232,963		
Deferred inflows of resources - OPEB		(693,383)		
Net OPEB asset		396,373		
Net OPEB liability		(869,367)		
Total				(933,414)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.				
General obligation bonds		(645,000)		
Capital lease obligations		(64,816)		
Compensated absences		(374,741)		
Total				(1,084,557)
Net position of governmental activities			$	14,492,056

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	$ 1,554,194	$ 76,185	$ 280,602	$ 1,910,981
Income taxes	1,475,956	-	-	1,475,956
Tuition	452,290	-	-	452,290
Earnings on investments	451,964	-	1,346	453,310
Charges for services	-	-	134,055	134,055
Extracurricular	1,904	-	40,785	42,689
Classroom materials and fees	1,534	-	-	1,534
Contributions and donations	19,536	-	-	19,536
Other local revenues	78,186	-	10,050	88,236
Intergovernmental - intermediate	-	-	12,386	12,386
Intergovernmental - state	5,586,053	9,935	75,288	5,671,276
Intergovernmental - federal	7,635	-	557,111	564,746
Total revenues	9,629,252	86,120	1,111,623	10,826,995
Expenditures:				
Current:				
Instruction:				
Regular	3,269,636	51,253	25,868	3,346,757
Special	803,973	-	338,461	1,142,434
Other	47,815	-	2,757	50,572
Support services:				
Pupil	412,924	-	10,069	422,993
Instructional staff	241,650	-	8,620	250,270
Board of education	11,871	-	-	11,871
Administration	626,665	-	-	626,665
Fiscal	287,078	1,956	7,304	296,338
Business	2,909	-	-	2,909
Operations and maintenance	651,768	180,800	115,272	947,840
Pupil transportation	373,475	91,243	-	464,718
Central	28,480	-	-	28,480
Operation of non-instructional services:				
Other non-instructional services	77,285	-	-	77,285
Food service operations	-	-	317,715	317,715
Extracurricular activities	257,810	13,455	82,850	354,115
Facilities acquisition and construction	-	10,729	134,264	144,993
Capital outlay	145,317	-	-	145,317
Debt service:				
Principal retirement	80,501	-	200,000	280,501
Interest and fiscal charges	15,239	-	12,814	28,053
Total expenditures	7,334,396	349,436	1,255,994	8,939,826
Excess (deficiency) of revenues over (under) expenditures	2,294,856	(263,316)	(144,371)	1,887,169
Other financing sources (uses):				
Sale of capital assets	647	-	-	647
Transfers in	-	-	25,000	25,000
Transfers (out)	(25,000)	-	-	(25,000)
Capital lease transaction	145,317	-	-	145,317
Total other financing sources (uses)	120,964	-	25,000	145,964
Net change in fund balances	2,415,820	(263,316)	(119,371)	2,033,133
Fund balances at beginning of year	8,259,073	32,248	2,224,841	10,516,162
Fund balances (deficit) at end of year	$ 10,674,893	$ (231,068)	$ 2,105,470	$ 12,549,295

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds		$ 2,033,133
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	$ 712,899	
Current year depreciation	(541,761)	
Total		171,138
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(24,553)	
Income taxes	1,079	
Accrued interest	2,261	
Intergovernmental	(10,648)	
Total		(31,861)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	200,000	
Capital leases	80,501	
Total		280,501
Proceeds of capital lease agreements are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(145,317)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	274	
Amortization of deferred charges	917	
Total		1,191
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		559,473
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(706,309)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		26,920
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability and net OPEB asset are reported as OPEB expense in the statement of activities.		782,110
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(29,944)
Change in net position of governmental activities		$ 2,941,035

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
From local sources:				
Property taxes	$ 1,565,237	$ 1,565,237	$ 1,589,277	$ 24,040
Income taxes	1,389,434	1,389,434	1,473,184	83,750
Tuition	463,038	463,038	452,290	(10,748)
Earnings on investments	200,026	200,026	265,828	65,802
Classroom materials and fees	2,250	2,250	1,534	(716)
Other local revenues	80,000	80,000	77,187	(2,813)
Intergovernmental - state	5,732,180	5,732,180	5,591,890	(140,290)
Intergovernmental - federal	-	-	7,635	7,635
Total revenues	9,432,165	9,432,165	9,458,825	26,660
Expenditures:				
Current:				
Instruction:				
Regular	3,415,404	3,598,902	3,304,707	294,195
Special	860,623	905,600	795,297	110,303
Other	33,673	35,433	52,092	(16,659)
Support services:				
Pupil	401,614	422,603	400,312	22,291
Instructional staff	255,969	269,346	224,873	44,473
Board of education	13,423	14,125	11,121	3,004
Administration	644,807	678,505	630,794	47,711
Fiscal	277,194	291,680	290,918	762
Operations and maintenance	672,263	707,396	770,027	(62,631)
Pupil transportation	515,053	541,970	380,362	161,608
Central	27,085	28,500	28,480	20
Other operation of non-instructional services	70,798	74,498	69,277	5,221
Extracurricular activities	370,226	389,575	263,194	126,381
Debt service:				
Principal	80,501	80,501	80,501	-
Interest and fiscal charges	15,239	15,239	15,239	-
Total expenditures	7,653,872	8,053,873	7,317,194	736,679
Excess of revenues over expenditures	1,778,293	1,378,292	2,141,631	763,339
Other financing sources (uses):				
Sale of capital assets	500	500	647	147
Transfers (out)	(100,000)	(100,000)	(25,000)	75,000
Advances (out)	(400,000)	(400,000)	(550,000)	(150,000)
Refund of prior year's expenditures	7,800	7,800	7,539	(261)
Other uses	(300)	(300)	(38)	262
Total other financing sources (uses)	(492,000)	(492,000)	(566,852)	(74,852)
Net change in fund balance	1,286,293	886,292	1,574,779	688,487
Fund balance at beginning of year	7,763,116	7,763,116	7,763,116	-
Prior year encumbrances appropriated	241,033	241,033	241,033	-
Fund balance at end of year	$ 9,290,442	$ 8,890,441	$ 9,578,928	$ 688,487

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Private-Purpose Trust	
	Scholarship	**Agency**
Assets:		
Current assets:		
Equity in pooled cash		
and cash equivalents	$ 181,889	$ 45,414
Total assets.	181,889	$ 45,414
Liabilities:		
Due to students.	-	$ 45,414
Total liabilities	-	$ 45,414
Net position:		
Held in trust for scholarships	181,889	
Total net position.	$ 181,889	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	$ 4,149
Gifts and contributions	8,250
Total additions	12,399
Deductions:	
Scholarships awarded	7,500
Change in net position	4,899
Net position at beginning of year	176,990
Net position at end of year	$ 181,889

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Riverside Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and the privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's instructional/support facility staffed by 41 non-certified and 53 certified full-time teaching personnel who provide services to 659 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

The following organizations are described due to their relationship to the District:

GROUP PURCHASING POOLS

Workers' Compensation Group Rating Program
The District participates in a Workers' Compensation Group Rating Program (GRP) administered by CompManagement. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The District pays a fee to the GRP to cover the costs of administering the program.

Southwestern Ohio Educational Purchasing Council
The Southwest Ohio Educational Purchasing Council (EPC) combines the purchasing power of approximately 130 member school districts in 19 counties. The EPC is governed by a constitution and executive board. Each member district has a representative. To obtain financial information contact Ken Swink at Ken.Swink@SPECschools.org.

Ohio School Plan
The Ohio School Plan (the "Plan") is a shared liability, property and fleet insurance risk pool which is governed by a Board of thirteen school superintendents, business managers and treasurers. Harcum-Schuett, the insurance agency, has one board seat. OSBA, BASA and OASBO executive directors serve as ex-officio members. 450 educational entities are served by the Plan. The Plan's board elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the plan. All Plan revenues are generated from charges for services. For more information, write to the Ohio School Plan, Hylant Administrative Services, LLC., 811 Madison Avenue, P.O. Box 2083, Toledo, Ohio 43603-2083.

JOINTLY GOVERNED ORGANIZATIONS

Western Ohio Computer Organization
The District is a participant in the Western Ohio Computer Organization (WOCO). WOCO is a council of governments established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the state of Ohio, and is composed of 26 school districts, 3 educational service centers, 2 parochial schools, 2 career centers and 4 community schools. It was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of member districts. The Organization is governed by a Board of Directors consisting of 14 members: two Superintendents from each county that is represented, one treasurer representative, a student services representative, one city school representative and non-voting independent district representative. The degree of control exercised by any participating member is limited to its representation on the Board. Financial information can be obtained from Marcia Wierwille, who serves as Treasurer, at 129 East Court Street, Sidney, Ohio 45365.

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

Ohio Hi-Point Joint Vocational School District
The Ohio Hi-Point Joint Vocational School District (JVS) is a distinct political subdivision of the State of Ohio that provides vocational education to students. The JVS is operated under the direction of a Board consisting of one representative from participating school districts' elected boards. The degree of control exercised by the District is limited to its representation on the Board. The Board is its own budgeting and taxing authority. Financial information can be obtained from the Ohio Hi-Point Joint Vocational School District, R. Eric Adelsberger, who serves as Treasurer, at 2280 State Route 540, Bellefontaine, Ohio 43311.

Logan County Education Foundation
The Logan County Education Foundation was established to secure and distribute contributions from individuals, corporations, and foundations for the benefit of students within the county. The Foundation promotes, sponsors, and encourages the pursuit of excellence in education for students. The Foundation is managed by a Board of Trustees composed of six trustees from each school district. These trustees are nominated by their local school boards including Bellefontaine City School District, Benjamin Logan Local School District, Indian Lake Local School District, and Riverside Local School District. The Executive Board is comprised of the Logan County Educational Service Center Superintendent representing the three local school districts and the Bellefontaine City School District Superintendent representing the city school district. Financial information can be obtained by contacting Eric Tom, who serves as Financial Advisor, 121 S. Opera Street, Bellefontaine, Ohio 43311.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District does not have proprietary funds.

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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

The following are the District's major governmental funds:

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

Permanent improvement fund - The permanent improvement fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements.

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

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

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

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

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

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

The private-purpose trust fund is reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

D. Basis of Accounting

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

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

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

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 14 and 15 for deferred outflows of resources related the District’s net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements.

Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes, income tax and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 14 and 15 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Budgets

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by the Board of Education. Budgetary allocations at the function and object level in all funds 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 Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

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

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

F. Cash and Investments

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

During fiscal year 2019, investments were limited to nonnegotiable certificates of deposit, negotiable certificates of deposits and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

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

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes to the $100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2019 amounted to $451,964, which includes $96,960 assigned from other funds.

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

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

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

G. Inventory

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

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

H. Capital Assets

General capital 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 deductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District's capitalization threshold is $2,500. 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. The District does not possess infrastructure.

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

Description	Governmental Activities Estimated Lives
Land improvements	15 - 30 years
Buildings and improvements	30 - 50 years
Furniture, fixtures and equipment	5 - 20 years
Vehicles	5 - 15 years
Textbooks	10 years

I. Interfund Balances

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

J. Compensated Absences

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

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2019, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with 10 years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2019 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

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

K. 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds 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.

L. Unamortized Bond Premium and Discount/Issuance Costs/Unamortized Accounting Gain and Loss

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. On fund financial statements and government-wide financial statements, issuance costs are expensed in the fiscal year they occur.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.A.

M. Fund Balance

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

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

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

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

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

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

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

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

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service.

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

O. Estimates

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

P. Interfund Activity

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2019.

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

S. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2019, the District has implemented GASB Statement No. 83, "*Certain Asset Retirement Obligations*" and GASB Statement No. 88, "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2019 included the following individual fund deficits:

	Deficit
Major fund	
Permanent improvement fund	$ 231,068
Nonmajor funds	
Title I - disadvantaged children	1,392

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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

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

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

6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Cash on Hand

At fiscal year-end, the District had $100 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and cash equivalents.

B. Deposits with Financial Institutions

At June 30, 2019, the carrying amount of all District deposits was $3,867,195 and the bank balance of all District deposits was $3,981,954. The entire bank balance, $3,981,954 was covered by federal depository insurance.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2019, certain District financial institutions did not participate in the OPCS while certain other financial institutions did participate in the OPCS. Those financial institutions that did participate were approved for a reduced collateral rate of 102 percent through the OPCS.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2019, the District had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Net Asset Value:						
STAR Ohio	$ 1,492,411	$ 1,492,411	$ -	$ -	$ -	$ -
Fair Value:						
Negotiable CD's	7,301,356	489,433	488,322	734,731	902,529	4,686,341
Total	$ 8,793,767	$ 1,981,844	$ 488,322	$ 734,731	$ 902,529	$ 4,686,341

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District’s recurring fair value measurement as of June 30, 2019. As previously discussed STAR Ohio is reported at its net asset value.

The District’s investments in negotiable certificates of deposit are valued using quoted market prices (Level 1 inputs).

The District’s investments in negotiable certificates of deposit maintained by Charles Schwab are subject to coverage by the Securities Investor Protection Corporation (SIPC) due to Charles Schwab’s status as an SIPC broker.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAAm by Standard and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District’s investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2019:

Measurement/ Investment type	Measurement Amount	% of Total
STAR Ohio	$ 1,492,411	16.97
Negotiable CD's	7,301,356	83.03
Total	$ 8,793,767	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2019:

Cash and investments per note	
Carrying amount of deposits	$ 3,867,195
Investments	8,793,767
Cash on hand	100
Total	$ 12,661,062
Cash and investments per statements of net position	
Governmental activities	$ 12,433,759
Private-purpose trust fund	181,889
Agency fund	45,414
Total	$ 12,661,062

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the fiscal year ended June 30, 2019, consisted of the following, as reported on the fund statements:

Transfer from:	Transfer to:	Amount
General fund	Nonmajor governmental funds	$ 25,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

B. Interfund loans receivable/payable consisted of the following at June 30, 2019, as reported on the fund financial statements:

Receivable fund	Payable fund	Amount
General fund	Permanent improvement fund	$ 550,000

The primary purpose of the interfund balances is to cover the costs in specific funds where revenues were not received by June 30. The interfund balances will be repaid once the anticipated revenues are received.

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair 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 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Logan and Shelby Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available as an advance at June 30, 2019 was $263,914 in the general fund, $49,640 in the debt service fund (a nonmajor governmental fund) and $12,977 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2018 was $298,997 in the general fund, $56,149 in the debt service fund (a nonmajor governmental fund) and $14,843 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2019 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second Half Collections		2019 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 80,462,030	97.02	$ 81,437,570	97.00
Public utility personal	2,468,410	2.98	2,515,820	3.00
Total	$ 82,930,440	100.00	$ 83,953,390	100.00
Tax rate per $1,000 of assessed valuation	$51.50		$51.50	

NOTE 7 - SCHOOL DISTRICT INCOME TAX

The District levies a voted tax for general operations on the income of residents and of estates. The District voters approved a five year 1.75% income tax levy on November 5, 2013, effective January 1, 2015 through December 31, 2019. A change in rate and type was approved by voters on November 6, 2018. Effective January 1, 2020, it will now be a 1.50% earned income tax levied on residents. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue credited to the general fund during fiscal year 2019 amounted to $1,475,956.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2019 consisted of property taxes, income taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 1,931,759
Income taxes	577,136
Accrued interest	31,549
Intergovernmental	25,465
Total	$ 2,565,909

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

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RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 11,423	$ -	$ -	$ 11,423
Construction in progress	111,542	181,411	(155,838)	137,115
Total capital assets, not being depreciated	122,965	181,411	(155,838)	148,538
Capital assets, being depreciated:				
Land improvements	1,471,733	285,265	-	1,756,998
Buildings and improvements	14,182,286	59,170	-	14,241,456
Furniture, fixtures and equipment	1,908,111	251,141	(161,793)	1,997,459
Vehicles	736,030	91,750	(53,998)	773,782
Textbooks	632,952	-	-	632,952
Total capital assets, being depreciated	18,931,112	687,326	(215,791)	19,402,647
Less: accumulated depreciation				
Land improvements	(1,151,146)	(59,790)	-	(1,210,936)
Buildings and improvements	(6,108,920)	(344,186)	-	(6,453,106)
Furniture, fixtures and equipment	(1,536,071)	(99,297)	161,793	(1,473,575)
Vehicles	(339,702)	(38,488)	53,998	(324,192)
Textbooks	(632,952)	-	-	(632,952)
Total accumulated depreciation	(9,768,791)	(541,761)	215,791	(10,094,761)
Governmental activities capital assets, net	$ 9,285,286	$ 326,976	$ (155,838)	$ 9,456,424

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 293,054
Special	6,516
Vocational	14,775
Support services:	
Instructional staff	38,487
Administration	9,104
Fiscal	3,258
Operations and maintenance	50,350
Pupil transportation	30,309
Operations of non-instructional	4,751
Extracurricular	56,378
Food service operations	34,779
Total depreciation expense	$ 541,761

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

During the current fiscal year, the District entered into capitalized leases for the acquisition of copiers. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets acquired by lease have been originally capitalized in the amount of $145,317, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2019 was $72,659, leaving a current book value of $72,658. Principal payments in the 2019 fiscal year totaled $80,501. This amount is reported as debt service payments of the general fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2019.

Fiscal Year Ending June 30,	Total
2020	$ 32,825
2021	32,825
2022	2,735
Total minimum lease payments	68,385
Less: amount representing interest	(3,569)
Present value of minimum lease payments	$ 64,816

NOTE 11 - LONG-TERM OBLIGATIONS

A. During fiscal year 2019, the following changes occurred in governmental activities' long-term obligations.

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due in One Year
Governmental activities:					
Capital lease	$ -	$ 145,317	$ (80,501)	$ 64,816	$ 30,272
G.O. Refunding Bonds - Series 2016	845,000	-	(200,000)	645,000	205,000
Compensated absences	344,797	57,312	(27,368)	374,741	35,270
Net pension liability	7,373,646	218,343	(400,534)	7,191,455	-
Net OPEB liability	1,663,038	162,921	(956,592)	869,367	-
Total	$ 10,226,481	$ 583,893	$ (1,664,995)	$ 9,145,379	$ 270,542

Net Pension Liability

The District's net pension liability is described in Note 14. The District pays obligations related to employee compensation from the fund benefitting from their service.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Net OPEB Liability/Asset
The District's net OPEB liability/asset is described in Note 15. The District pays obligations related to employee compensation from the fund benefitting from their service.

Compensated Absences
Compensated absences have been accrued for vacation and sick leave liabilities. The amounts will be paid from the funds from which employees' salaries are paid, which primarily are the general fund and food service fund (a nonmajor governmental fund).

School Facilities Construction and Improvement General Obligation Bonds
On May 10, 2016, the District issued general obligation bonds (Series 2016 Refunding Bonds) to advance refund the callable portion of the Series 2006A general obligation refunding bonds (principal $1,235,000). The issuance proceeds of $1,235,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt.

This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

This refunding issue was comprised of current interest bonds, par value $1,235,000. The bonds were issued for a seven year period with final maturity at December 1, 2022. Payments of principal and interest relating to this bond are recorded as an expenditure in the debt service fund (a nonmajor governmental fund).

The following is a schedule of activity for fiscal year 2019 on the 2016 series refunding bonds:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Current interest bonds - 2016 series	$ 845,000	$ -	$ (200,000)	$ 645,000
Total	$ 845,000	$ -	$ (200,000)	$ 645,000

The following is a summary of the future debt service requirements to maturity for the 2016 series refunding bonds:

Fiscal Year	Current Interest Bonds		
Ending June 30,	Principal	Interest	Total
2020	$ 205,000	$ 9,331	$ 214,331
2021	150,000	6,278	156,278
2022	155,000	3,655	158,655
2023	135,000	1,161	136,161
Total	$ 645,000	$ 20,425	$ 665,425

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2019, are a voted debt margin of $7,581,330 (including available funds of $670,525) and an unvoted debt margin of $83,953.

NOTE 12 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 10 to 25 days of vacation per fiscal year, depending upon length of service.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 225 days for all personnel. Upon retirement, payment is made for 25 percent of accrued, but unused sick leave credit to a maximum of 56.25 days for all employees.

NOTE 13 - RISK MANAGEMENT

A. Property and Liability

During fiscal year 2019, the District participated in the Ohio School Plan (OSP), a public entity insurance purchasing pool (See Note 2.A.). The District entered into an agreement with the OSP and its premium is based on types of coverage, limits of coverage and deductibles that it selects. The OSP is administered by Hylant Administrative Services.

The District is subject to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District maintains comprehensive commercial insurance coverage for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are fully insured.

The District's comprehensive commercial insurance coverage for real property and building contents has a liability limit of $33,677,665. The policy includes a $1,000 deductible for commercial property coverage.

The District's fleet insurance has a liability limit of $3,000,000, $5,000 for medical payments and $1,000,000 for uninsured motorists. The policy includes a $1,000 deductible for school buses and $500 deductible for all other vehicles.

NOTE 13 - RISK MANAGEMENT - (Continued)

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

B. Employee Benefits

On January 1, 2018, the District joined the Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust. The Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust (Trust) is a public entity shared risk pool consisting of seventy Districts. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and vision insurance benefits to the employees of the participants, The Trust is governed by the Southwestern Ohio Educational Purchasing Cooperative and its participating members. Each participant decides which plans offered by the Trust that will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Trust and payment of the monthly premiums. Financial information can be obtained from the Southwestern Ohio Educational Purchasing Cooperative, 303 Corporate Drive, Suite 208, Vandalia, Ohio 45377.

The District also participates with American United Life a OneAmerica Company life insurance coverage for employees.

C. Workers' Compensation

For fiscal year 2019, the District participated in a Workers' Compensation Group Rating Program (GRP). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all school districts within that group. 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 their tiered group. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement provides administrative, cost control and actuarial services to the GRP.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

A. Net Pension Liability

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

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

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit: or 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; or 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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was $155,993 for fiscal year 2019. Of this amount, $19,103 is reported as pension and postemployment benefits payable.

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

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% 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 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS 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 fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was $403,480 for fiscal year 2019. Of this amount, $66,280 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.02593240%	0.02451774%	
Proportion of the net pension liability current measurement date	0.03086590%	0.02466695%	
Change in proportionate share	0.00493350%	0.00014921%	
Proportionate share of the net pension liability	$ 1,767,747	$ 5,423,708	$ 7,191,455
Pension expense	$ 254,266	$ 452,043	$ 706,309

At June 30, 2019, the 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	$ 96,953	$ 125,196	$ 222,149
Changes of assumptions	39,919	961,184	1,001,103
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	220,436	20,611	241,047
Contributions subsequent to the measurement date	155,993	403,480	559,473
Total deferred outflows of resources	$ 513,301	$ 1,510,471	$ 2,023,772

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 35,419	$ 35,419
Net difference between projected and actual earnings on pension plan investments	48,981	328,887	377,868
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	22,643	142,355	164,998
Total deferred inflows of resources	$ 71,624	$ 506,661	$ 578,285

$559,473 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	$ 246,885	$ 396,207	$ 643,092
2021	111,836	240,921	352,757
2022	(58,012)	29,123	(28,889)
2023	(15,023)	(65,923)	(80,946)
2024	(2)	2	-
Total	$ 285,684	$ 600,330	$ 886,014

E. Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	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%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the 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%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 2,490,005	$ 1,767,747	$ 1,162,182

F. Actuarial Assumptions

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below:

	July 1, 2018
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

Asset Class	Target Allocation**	Long Term Expected Real 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 %	

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	$ 7,920,612	$ 5,423,708	$ 3,310,418

NOTE 15 - DEFINED BENEFIT OPEB PLANS

A. Net OPEB Liability / Asset

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. 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% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was $21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was $21,142.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $26,920 for fiscal year 2019. Of this amount, $21,850 is reported as pension and postemployment benefits payable.

C. 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% of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

D. OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the 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	0.02632320%	0.02451774%	
Proportion of the net OPEB liability/asset current measurement date	0.03133680%	0.02466695%	
Change in proportionate share	0.00501360%	0.00014921%	
Proportionate share of the net OPEB liability	$ 869,367	$ -	$ 869,367
Proportionate share of the net OPEB asset	$ -	$ (396,373)	$ (396,373)
OPEB expense	$ 77,826	$ (859,936)	$ (782,110)

At June 30, 2019, the 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	$ 14,191	$ 46,298	$ 60,489
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	140,238	5,316	145,554
Contributions subsequent to the measurement date	26,920	-	26,920
Total deferred outflows of resources	$ 181,349	$ 51,614	$ 232,963

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 23,094	$ 23,094
Net difference between projected and actual earnings on pension plan investments	1,304	45,282	46,586
Changes of assumptions	78,107	540,090	618,197
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	5,506	5,506
Total deferred inflows of resources	$ 79,411	$ 613,972	$ 693,383

$26,920 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2020. 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	$ 3,120	$ (100,865)	$ (97,745)
2020	6,861	(100,865)	(94,004)
2021	18,716	(100,865)	(82,149)
2022	19,270	(90,579)	(71,309)
2023	19,183	(86,974)	(67,791)
2024	7,868	(82,210)	(74,342)
Total	$ 75,018	$ (562,358)	$ (487,340)

E. 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.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
Prior measurement date	3.56%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.70%
Prior measurement date	3.63%
Medical trend assumption:	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Discount Rate **-** The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. 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% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% 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, 2026. 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, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. 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 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 (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 3.75%) and higher (8.5% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	$ 1,054,909	$ 869,367	$ 722,453

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease (6.5 % decreasing to 3.75 %)	Current Trend Rate (7.5 % decreasing to 4.75 %)	1% Increase (8.5 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	$ 701,420	$ 869,367	$ 1,091,760

F. Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017, are presented below:

	July 1, 2018			July 1, 2017
Inflation	2.50%			2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65			12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation			7.45%, net of investment expenses, including inflation
Payroll increases	3.00%			3.00%
Cost-of-living adjustments (COLA)	0.00%			0.00%, effective July 1, 2017
Discounted rate of return	7.45%			N/A
Blended discount rate of return	N/A			4.13%
Health care cost trends				6 to 11% initial, 4.50% ultimate
		Initial	Ultimate	
Medical				
Pre-Medicare		6.00%	4.00%	
Medicare		5.00%	4.00%	
Prescription Drug				
Pre-Medicare		8.00%	4.00%	
Medicare		-5.23%	4.00%	

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

Actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Assumption Changes Since the Prior Measurement Date - The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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

Asset Class	Target Allocation**	Long Term Expected Real 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 geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate **-** The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A discount rate used to measure the total OPEB liability was 4.13% 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 projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2018.

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower 6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset 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 (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	$ 339,729	$ 396,373	$ 443,979

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 441,292	$ 396,373	$ 350,754

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While 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 and disbursements.

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

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

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

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

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

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

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	General fund
Budget basis	$ 1,574,779
Net adjustment for revenue accruals	147,988
Net adjustment for expenditure accruals	(74,761)
Net adjustment for other sources/uses	687,816
Funds budgeted elsewhere	7,519
Adjustment for encumbrances	72,479
GAAP basis	$ 2,415,820

Certain funds that are legally budgeted in separate fund classifications are considered part of the general fund on a GAAP basis. This includes the special trust fund, uniform school supplies fund, public school support fund and termination benefits fund.

NOTE 17 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

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

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2019 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 18 - SET-ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2018	$ -
Current year set-aside requirement	122,772
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	(200,626)
Excess qualified expenditures from prior years	-
Current year offsets	(138,502)
Waiver granted by ODE	-
Prior year offset from bond proceeds	-
Total	$ (216,356)
Balance carried forward to fiscal year 2020	$ -
Set-aside balance June 30, 2019	$ -

During fiscal year 2001, the District issued $2,881,817 in capital related school improvement bonds. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years.

The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to $0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $2,542,865 at June 30, 2019.

NOTE 19 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 60,086
Permanent improvement fund	90,627
Nonmajor governmental funds	12,794
Total	$ 163,507

NOTE 20 - CONTRACTUAL COMMITMENTS

As of June 30, 2019, the District had the following contractual commitments outstanding related to various projects. A summary of the primary contractual commitments follows:

Contractor	Contractual Commitments	Amount Paid as of 6/30/2019	Amount Remaining on Contracts
Emnett Construction	$ 164,990	$ 58,590	$ 106,400
Howland Asphalt	138,911	-	138,911
MKG Interiors Inc	49,999	25,000	24,999
TOTAL	$ 353,900	$ 83,590	$ 270,310

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REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2019	2018	2017	2016
District's proportion of the net pension liability	0.03086590%	0.02593240%	0.02412650%	0.02599480%
District's proportionate share of the net pension liability	$ 1,767,747	$ 1,549,404	$ 1,765,837	$ 1,483,288
District's covered payroll	$ 1,006,756	$ 926,986	$ 688,086	$ 782,580
District's proportionate share of the net pension liability as a percentage of its covered payroll	175.59%	167.14%	256.63%	189.54%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2015	2014
	0.02506400%	0.02506400%
	$ 1,268,475	$ 1,490,476
	$ 728,312	$ 818,251
	174.17%	182.15%
	71.70%	65.52%

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2019	2018	2017	2016
District's proportion of the net pension liability	0.02466695%	0.02451774%	0.02466186%	0.02574017%
District's proportionate share of the net pension liability	$ 5,423,708	$ 5,824,242	$ 8,255,068	$ 7,113,830
District's covered payroll	$ 2,839,014	$ 2,757,414	$ 2,629,479	$ 2,716,914
District's proportionate share of the net pension liability as a percentage of its covered payroll	191.04%	211.22%	313.94%	261.83%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2015		2014
	0.02570535%		0.02570535%
$	6,252,431	$	7,447,855
$	2,626,377	$	2,859,262
	238.06%		260.48%
	74.70%		69.30%

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	$ 155,993	$ 135,912	$ 129,778	$ 96,332
Contributions in relation to the contractually required contribution	(155,993)	(135,912)	(129,778)	(96,332)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,155,504	$ 1,006,756	$ 926,986	$ 688,086
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015		2014		2013		2012		2011		2010	
$	103,144	$	100,944	$	113,246	$	109,327	$	92,422	$	105,181
	(103,144)		(100,944)		(113,246)		(109,327)		(92,422)		(105,181)
$	-	$	-	$	-	$	-	$	-	$	-
$	782,580	$	728,312	$	818,251	$	812,840	$	735,259	$	776,817
	13.18%		13.86%		13.84%		13.45%		12.57%		13.54%

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	$ 403,480	$ 397,462	$ 386,038	$ 368,127
Contributions in relation to the contractually required contribution	(403,480)	(397,462)	(386,038)	(368,127)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,882,000	$ 2,839,014	$ 2,757,414	$ 2,629,479
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 380,368	$ 341,429	$ 371,704	$ 406,780	$ 402,007	$ 396,624
(380,368)	(341,429)	(371,704)	(406,780)	(402,007)	(396,624)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,716,914	$ 2,626,377	$ 2,859,262	$ 3,129,077	$ 3,092,362	$ 3,050,954
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	2019	2018	2017
District's proportion of the net OPEB liability	0.03133680%	0.02632320%	0.02447047%
District's proportionate share of the net OPEB liability	$ 869,367	$ 706,446	$ 697,499
District's covered payroll	$ 1,006,756	$ 926,986	$ 688,086
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	86.35%	76.21%	101.37%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	2019	2018	2017
District's proportion of the net OPEB liability/asset	0.02466695%	0.02451774%	0.02466186%
District's proportionate share of the net OPEB liability/(asset)	$ (396,373)	$ 956,592	$ 1,318,923
District's covered payroll	$ 2,839,014	$ 2,757,414	$ 2,629,479
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	13.96%	34.69%	50.16%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	$ 26,920	$ 22,067	$ 14,383	$ 12,472
Contributions in relation to the contractually required contribution	(26,920)	(22,067)	(14,383)	(12,472)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 1,155,504	$ 1,006,756	$ 926,986	$ 688,086
Contributions as a percentage of covered payroll	2.33%	2.19%	1.55%	1.81%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 19,336	$ 28,285	$ 21,398	$ 47,843	$ 12,830	$ 17,448
(19,336)	(28,285)	(21,398)	(47,843)	(12,830)	(17,448)
$ -	$ -	$ -	$ -	$ -	$ -
$ 782,580	$ 728,312	$ 818,251	$ 812,840	$ 735,259	$ 776,817
2.47%	3.88%	2.62%	5.89%	1.74%	2.25%

RIVERSIDE LOCAL SCHOOL DISTRICT
LOGAN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,882,000	$ 2,839,014	$ 2,757,414	$ 2,629,479
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015		2014		2013		2012		2011		2010	
$	-	$	30,924	$	30,510	$	33,890	$	27,025	$	28,593
	-		(30,924)		(30,510)		(33,890)		(27,025)		(28,593)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,716,914	$	2,626,377	$	2,859,262	$	3,129,077	$	3,092,362	$	3,050,954
	0.00%		1.00%		1.00%		1.00%		1.00%		1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in trend rates from 6.00%-11.00 initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

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Certified Public Accountants
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

To the Members of Board of Education
Riverside Local School District
DeGraff, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Riverside Local School District, Logan County, Ohio, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

November 19, 2019

SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The prior audit report, as of June 30, 2018, included no findings. Management letter recommendations, as of June 30, 2018, have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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OHIO AUDITOR OF STATE
KEITH FABER

RIVERSIDE LOCAL SCHOOL DISTRICT

LOGAN 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
DECEMBER 31, 2019