AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2019

OHIO AUDITOR OF STATE
KEITH FABER

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY
JUNE 30, 2019

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FAIRFIELD COUNTY
JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Amanda-Clearcreek Local School District
Fairfield County
328 East Main Street
Amanda, Ohio 43102

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amanda-Clearcreek Local School District, Fairfield County, Ohio (the School District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Amanda-Clearcreek Local School District, Fairfield County, Ohio, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2020, on our consideration of the School District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District’s internal control over financial reporting and compliance.

Keith Faber
Auditor of State

Columbus, Ohio

January 7, 2020

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As management of the Amanda-Clearcreek Local School District, we offer the readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the additional information that we have provided in the basic financial statements and in the notes to the basic financial statements to enhance their understanding of the School District's performance.

Financial Highlights

Net position of governmental activities decreased $1,949,922.

General revenues accounted for $12,835,616 of total revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for $4,682,509 of total revenues of $17,518,125.

The School District's total net position decreased mainly due to spending grant money from Ohio Facilities Construction Commission on the roof replacement project, as well as an increase in expenditures on the energy savings project.

Using the Basic Financial Statements

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Amanda-Clearcreek Local School District as a financial whole, an entire operating entity.

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

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2019?"

The Statement of Net Position and the Statements of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity:

> Governmental Activities – All of the School District's programs and services are reported here including instruction, support services, extracurricular activities, and operation of non-instructional services.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page seven. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds, which are the General Fund, the Bond Retirement Debt Service Fund, and Classroom Facilities Capital Project Fund.

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

Proprietary Funds **–** The School District's only proprietary fund is an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service fund is to account for health, dental, and vision self-insurance. The proprietary fund uses the accrual basis of accounting.

Fiduciary Funds – The School District's fiduciary funds are a private purpose trust fund and agency funds. All of the School District's fiduciary assets are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal years 2019 and 2018:

(Table 1)
Net Position

	Governmental Activities		
	2019	2018	Increase/ (Decrease)
Assets			
Current Assets	$17,892,638	$23,356,326	($5,463,688)
Net OPEB Asset	820,929	0	820,929
Capital Assets, Net	23,327,426	20,939,323	2,388,103
Total Assets	42,040,993	44,295,649	(2,254,656)
Deferred Outflows of Resources			
Pension	4,183,336	5,601,972	(1,418,636)
OPEB	180,474	169,224	11,250
Total Deferred Outflows of Resources	4,363,810	5,771,196	(1,407,386)
Liabilities			
Current and Other Liabilities	2,693,216	2,675,000	18,216
Long-Term Liabilities			
Due Within One Year	377,473	358,830	18,643
Due In More Than One Year:			
Net Pension Liability	15,221,277	16,928,631	(1,707,354)
Net OPEB Liability	1,955,114	4,013,823	(2,058,709)
Other Amounts	1,800,741	2,042,376	(241,635)
Total Liabilities	22,047,821	26,018,660	(3,970,839)
Deferred Inflows of Resources			
Property Taxes	3,238,279	2,821,782	416,497
Pension	1,328,972	613,034	715,938
OPEB	1,588,219	461,935	1,126,284
Total Deferred Inflows Of Resources	6,155,470	3,896,751	2,258,719
Net Position			
Net Investment in Capital Assets	21,420,044	19,180,065	2,239,979
Restricted	1,486,235	3,991,985	(2,505,750)
Unrestricted (Deficit)	(4,704,767)	(3,020,616)	(1,684,151)
Total Net Position	$18,201,512	$20,151,434	($1,949,922)

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2019. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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.

Total assets of governmental activities decreased $2,254,656. The decrease in current assets was primarily due to a decrease in cash on hand from the School District receiving the Ohio Facilities Construction Commission grant money in fiscal year 2018. The decrease is also related to an increase in expenditures on the energy savings and roof replacement projects. Capital Assets, Net increased $2,388,103 mainly due to an increase in construction in progress on the roof replacement project.

Total liabilities decreased $3,970,839. The decrease is largely due to a decrease in the Net Pension and Net OPEB liabilities due to changes in assumptions and benefits. During fiscal year 2018, the School District showed a net OPEB liability; however, due to changes in STRS assumptions and benefits, the School District reported a net OPEB asset during fiscal year 2019. Net Pension liability decreased $1,707,354 as a result of changes made by the pension systems.

Total net position decreased $1,949,922. Restricted net position decreased $2,505,750 mainly due to the School District spending the Ohio Facilities Construction Commission grant money in fiscal year 2019.

Table 2 shows the highlights of the School District's revenues and expenses for fiscal years 2019 and 2018. These two main components are subtracted to yield the change in net position. This table uses the full accrual method of accounting.

Revenue is further divided into two major components: Program Revenues and General Revenues. Program Revenues are defined as charges for services and sales, operating grants, contributions, and restricted interest. General Revenues include property taxes, income taxes, unrestricted grants, such as State foundation support, unrestricted investment earnings and miscellaneous revenues.

Expenses are shown in programs that are easily identifiable utilizing the current Uniform School Accounting System (USAS) coding structure.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2019 and 2018.

(Table 2)
Change in Net Position

	Governmental Activities		
	2019	2018	Increase/ (Decrease)
Revenues			
Program Revenues:			
Charges for Services and Sales	$1,812,437	$1,909,560	($97,123)
Operating Grants, Contributions, and Interest	2,870,072	3,004,890	(134,818)
Total Program Revenues	4,682,509	4,914,450	(231,941)
General Revenues:			
Property Taxes Levied for General Purposes	3,463,108	4,034,438	(571,330)
Income Taxes	163,667	343,322	(179,655)
Grants and Entitlements not Restricted to Specific Programs	8,987,790	11,859,847	(2,872,057)
Investment Earnings	113,751	47,433	66,318
Miscellaneous	107,300	106,389	911
Total General Revenues	12,835,616	16,391,429	(3,555,813)
Total Revenues	17,518,125	21,305,879	(3,787,754)
Program Expenses			
Instruction:			
Regular	7,753,615	3,983,167	3,770,448
Special	3,498,292	2,700,302	797,990
Vocational	286,594	71,871	214,723
Student Intervention Services	19,178	23,515	(4,337)
Support Services:			
Pupils	853,808	668,052	185,756
Instructional Staff	449,304	423,869	25,435
Board of Education	64,369	106,592	(42,223)
Administration	951,823	471,813	480,010
Fiscal	484,593	442,184	42,409
Business	50,848	48,496	2,352
Operation and Maintenance of Plant	2,672,884	1,561,007	1,111,877
Pupil Transportation	1,062,246	862,918	199,328
Central	98,176	85,312	12,864
Operation of Non-Instructional Services	826,066	776,550	49,516
Extracurricular Activities	358,504	280,826	77,678
Interest and Fiscal Charges	37,747	43,526	(5,779)
Total Expenses	19,468,047	12,550,000	6,918,047
Change in Net Position	(1,949,922)	8,755,879	(10,705,801)
Net Position at Beginning of Year	20,151,434	11,395,555	8,755,879
Net Position at End of Year	$18,201,512	$20,151,434	($1,949,922)

Governmental Activities

Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, and restricted intergovernmental revenues, were $4,682,509 of total revenues for fiscal year 2019. The $134,818 decrease in operating grants, contributions, and interest is mainly due to a decrease in State funding. The School District received less monies in State funding restricted for special education purposes due to a decrease in special education student attendance.

General revenues were $12,835,616 of total revenues for fiscal year 2019, which decreased from prior fiscal year. This decrease resulted from the School District reporting its Ohio Facilities Construction Commission Grant award during fiscal year 2018.

Expenses for the School District increased $6,918,047 primarily due to changes in assumptions and benefits by the Statewide pension systems which caused pension expense to be negative in fiscal year 2018 and positive in fiscal year 2019, causing the appearance of a large increase in overall expenses. Additionally, the School District had an increase in expenditures related to the energy savings and roof replacement projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total of cost of services and the net of services for fiscal year 2019 compared with fiscal year 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	$11,557,679	$6,778,855	$8,700,500	$3,656,299
Support Services	6,688,051	4,670,243	5,831,783	3,804,460
Operation of Non-Instructional Services	826,066	776,550	66,883	30,800
Extracurricular Activities	358,504	280,826	148,625	100,465
Interest and Fiscal Charges	37,747	43,526	37,747	43,526
Total Expenses	$19,468,047	$12,550,000	$14,785,538	$7,635,550

The School District's Funds

Information about the School District's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $17,483,650 and expenditures of $23,554,941. The net change in fund balance for the year was most significant in the General Fund with a decrease of $3,073,848, which mainly resulted from the School District spending more on operation and maintenance of plant on the energy savings project and capital outlay expenditures related to the School Districts portion of the roof replacement project. The Classroom Facilities Fund had a decrease of $2,873,486, which is mainly due to an increase in expenditures related to the roof replacement project.

General Fund - Budget Highlights

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

During the course of fiscal year 2019, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund original and final budgeted amounts is listed on page 16, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

A review of the budgetary comparison statement for the General Fund reflects an overall increase of $5,981,442 between the original budget and final budgeted revenues. This increase was mainly due the School District originally anticipating receiving less State foundation funding due to anticipating a drop in enrollment. There was a decrease between the final budget and actual revenues of $841,023, which is mainly due to the School District receiving less property tax revenue than anticipated.

Final appropriations were $3,228,336 more than original appropriations mainly due to the School District making adjustments during the fiscal year as it attempted to deal with changes in expenditures as they occurred. The decrease in expenditures from the final budget to actual expenditures was $880,306, which is mostly related to an increase in expenditures related to the School Districts portion of the roof replacement project.

Capital Assets

At the end of fiscal year 2019, the School District had $23,327,426 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and textbooks, which represented an increase of $2,388,103. The increase was mainly due to an increase in construction in progress additions related to the roof project.

For more information on capital assets, refer to Note 11 in the notes to the basic financial statements.

Debt Administration

At June 30, 2019, the School District had $1,336,811 in total outstanding general obligation bonds and bond premiums. The School District also had an outstanding lease-purchase agreement with a total outstanding amount of $93,773. For more information on debt administration, refer to Note 17 of the notes to the basic financial statements.

At June 30, 2019, the School District's overall legal debt margin was $16,466,623 with an unvoted debt margin of $190,019.

Current Issues

Although considered a low-wealth district, Amanda-Clearcreek Local School District has remained in stable financial condition. As indicated in the preceding financial information, the School District is dependent on property taxes as well as additional local funding. Property tax revenue makes up 20 percent of the School District's revenue. Property tax revenue does not increase solely as a result of inflation. This revenue is not growing and tax rates are remaining consistent at 20 mills. Legislation passed a revamp of CAUV. This change will affect the School District's agricultural valuations in 2019 with the county's reappraisal. CAUV is 55 percent of the School District's agricultural valuations and it is estimated that there will be a 24 percent decrease in CAUV, which equates to approximately a $6 million decrease in overall agriculture valuations. Therefore, the School District must regularly return to the voters to maintain a constant level of service. There have been minimal increases in State funding in recent years and with the new budget bill, the school funding formula is frozen to fiscal year 2019 revenues. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation. Careful financial planning has permitted the School District to continue to provide a quality education for its students.

The School District will need the support of local funding to operate at the current levels of service.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Jill Bradford, Treasurer of Amanda-Clearcreek Local School Board of Eduction, 328 East Main Street, Amanda, Ohio 43102.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	$12,656,082
Cash and Cash Equivalents with Fiscal Agents	868,998
Cash and Cash Equivalents with Escrow Agents	73,116
Property Taxes Receivable	3,946,625
Income Tax Receivable	129,453
Intergovernmental Receivable	161,557
Accrued Interest Receivable	34,274
Accounts Receivable	5,001
Materials and Supplies Inventory	2,026
Inventory Held for Resale	15,506
Net OPEB Asset (See Note 14)	820,929
Capital Assets:	
Land	292,457
Construction in Progress	4,313,905
Depreciable Capital Assets, Net	18,721,064
Total Assets	42,040,993
Deferred Outflows of Resources:	
Pension	4,183,336
OPEB	180,474
Total Deferred Outflows of Resources	4,363,810
Liabilities:	
Accounts Payable	193,604
Contracts Payable	403,682
Accrued Wages and Benefits Payable	1,395,016
Intergovernmental Payable	239,343
Accrued Interest Payable	8,267
Claims Payable	307,195
Matured Compensated Absences Payable	72,993
Retainage Payable	73,116
Long-Term Liabilities:	
Due Within One Year	377,473
Due in More Than One Year:	
Net Pension Liability (See Note 13)	15,221,277
Net OPEB Liability (See Note 14)	1,955,114
Other Amounts	1,800,741
Total Liabilities	22,047,821
Deferred Inflows of Resources:	
Property Taxes	3,238,279
Pension	1,328,972
OPEB	1,588,219
Total Deferred Inflows of Resources	6,155,470
Net Position:	
Net Investment in Capital Assets	21,420,044
Restricted for Debt Service	618,785
Restricted for Capital Outlay	659,944
Restricted for Other Purposes:	
Classroom Facilities Maintenance	123,244
Local, State, and Federal Grants	80,185
District Managed Activities	4,077
Unrestricted (Deficit)	(4,704,767)
Total Net Position	$18,201,512

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

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, Contributions, and Interest	Total Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$7,753,615	$1,192,431	$66,439	($6,494,745)
Special	3,498,292	0	1,470,415	(2,027,877)
Vocational	286,594	0	127,894	(158,700)
Student Intervention Services	19,178	0	0	(19,178)
Support Services:				
Pupils	853,808	0	0	(853,808)
Instructional Staff	449,304	0	6,659	(442,645)
Board of Education	64,369	0	0	(64,369)
Administration	951,823	11,878	1,550	(938,395)
Fiscal	484,593	0	0	(484,593)
Business	50,848	0	0	(50,848)
Operation and Maintenance of Plant	2,672,884	0	8,204	(2,664,680)
Pupil Transportation	1,062,246	0	820,777	(241,469)
Central	98,176	0	7,200	(90,976)
Operation of Non-Instructional Services	826,066	398,249	360,934	(66,883)
Extracurricular Activities	358,504	209,879	0	(148,625)
Interest and Fiscal Charges	37,747	0	0	(37,747)
Total Governmental Activities	$19,468,047	$1,812,437	$2,870,072	(14,785,538)
		General Revenues:		
		Property Taxes Levied for:		
		General Purposes		3,142,318
		Debt Service		275,677
		Facility Maintenance		45,113
		Income Taxes Levied for:		
		General Purposes		163,667
		Grants and Entitlements not Restricted to Specific Programs:		8,987,790
		Investment Earnings		113,751
		Miscellaneous		107,300
		Total General Revenues		12,835,616
		Change in Net Position		(1,949,922)
		Net Position at Beginning of Year		20,151,434
		Net Position at End of Year		$18,201,512

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Bond Retirement Fund	Classroom Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	$10,626,591	$571,474	$599,297	$416,193	$12,213,555
Restricted Assets:					
Cash and Cash Equivalents with Escrow Agent	12,469	0	60,647	0	73,116
Receivables:					
Property Taxes	3,579,822	314,956	0	51,847	3,946,625
Income Taxes	129,453	0	0	0	129,453
Intergovernmental	61,108	0	0	100,449	161,557
Accrued Interest	34,274	0	0	0	34,274
Interfund	15,651	0	0	0	15,651
Accounts	4,472	0	0	529	5,001
Materials and Supplies Inventory	0	0	0	2,026	2,026
Inventory Held for Resale	0	0	0	15,506	15,506
Total Assets	$14,463,840	$886,430	$659,944	$586,550	$16,596,764
Liabilities:					
Accounts Payable	$179,333	$0	$0	$14,271	$193,604
Contracts Payable	111,795	0	291,887	0	403,682
Accrued Wages and Benefits Payable	1,305,850	0	0	89,166	1,395,016
Intergovernmental Payable	229,929	0	0	9,414	239,343
Interfund Payable	0	0	0	15,651	15,651
Retainage Payable	12,469	0	60,647	0	73,116
Matured Compensated Absences Payable	60,906	0	0	12,087	72,993
Total Liabilities	1,900,282	0	352,534	140,589	2,393,405
Deferred Inflows of Resources:					
Property Taxes	2,936,284	259,378	0	42,617	3,238,279
Unavailable Revenue	285,627	22,156	0	73,214	380,997
Total Deferred Inflows of Resources	3,221,911	281,534	0	115,831	3,619,276
Fund Balances:					
Nonspendable	0	0	0	2,026	2,026
Restricted	0	604,896	307,410	154,038	1,066,344
Committed	100,700	0	0	253,610	354,310
Assigned	3,363,251	0	0	0	3,363,251
Unassigned (Deficit)	5,877,696	0	0	(79,544)	5,798,152
Total Fund Balances	9,341,647	604,896	307,410	330,130	10,584,083
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$14,463,840	$886,430	$659,944	$586,550	$16,596,764

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2019

Total Governmental Fund Balances		$10,584,083
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	292,457	
Construction in progress	4,313,905	
Depreciable capital assets	40,669,262	
Accumulated depreciation	(21,948,198)	
Total		23,327,426
Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.		
Delinquent property taxes	277,625	
Interest	30,448	
Intergovernmental	69,567	
Income Taxes	3,357	
Total		380,997
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(8,267)
The net pension liability and net OPEB liability (asset) are not due and payable in the current period; therefore the liabilities (asset) and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	820,929	
Deferred Outflows - Pension	4,183,336	
Deferred Outflows - OPEB	180,474	
Net Pension Liability	(15,221,277)	
Net OPEB Liability	(1,955,114)	
Deferred Inflows - Pension	(1,328,972)	
Deferred Inflows - OPEB	(1,588,219)	
Total		(14,908,843)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Refunding Bonds Payable	(1,240,000)	
Capital Leases Payable	(93,773)	
Premium on general obligation bonds	(96,811)	
Compensated absences	(747,630)	
Total		(2,178,214)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		1,004,330
Net Position of Governmental Activities		$18,201,512

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2019

	General Fund	Bond Retirement Fund	Classroom Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	$3,151,276	$278,016	$0	$45,279	$3,474,571
Income Taxes	163,667	0	0	0	163,667
Intergovernmental	10,793,516	44,338	0	974,423	11,812,277
Investment Earnings	92,446	0	0	2,782	95,228
Tuition and Fees	1,176,333	0	0	0	1,176,333
Extracurricular Activities	27,976	0	0	209,879	237,855
Contributions and Donations	0	0	0	18,170	18,170
Charges for Services	0	0	0	398,249	398,249
Miscellaneous	88,309	0	0	18,991	107,300
Total Revenues	15,493,523	322,354	0	1,667,773	17,483,650
Expenditures:					
Current:					
Instruction:					
Regular	7,477,808	0	0	48,121	7,525,929
Special	3,154,797	0	0	501,289	3,656,086
Vocational	346,495	0	0	0	346,495
Student Intervention Services	19,178	0	0	0	19,178
Support Services:					
Pupils	917,543	0	0	0	917,543
Instructional Staff	434,124	0	0	6,660	440,784
Board of Education	64,411	0	0	0	64,411
Administration	1,083,192	0	0	1,731	1,084,923
Fiscal	472,207	6,333	0	0	478,540
Business	50,848	0	0	0	50,848
Operation and Maintenance of Plant	2,300,968	0	0	343,373	2,644,341
Pupil Transportation	1,044,161	0	0	0	1,044,161
Central	93,746	0	0	1,830	95,576
Operation of Non-Instructional Services	0	0	0	817,461	817,461
Extracurricular Activities	79,739	0	0	273,607	353,346
Capital Outlay	773,512	0	2,873,486	0	3,646,998
Debt Service:					
Principal Retirement	19,471	285,000	0	0	304,471
Interest and Fiscal Charges	8,550	55,300	0	0	63,850
Total Expenditures	18,340,750	346,633	2,873,486	1,994,072	23,554,941
Excess of Revenues Under Expenditures	(2,847,227)	(24,279)	(2,873,486)	(326,299)	(6,071,291)
Other Financing Sources (Uses):					
Transfers In	0	0	0	226,621	226,621
Transfers Out	(226,621)	0	0	0	(226,621)
Total Other Financing Sources (Uses)	(226,621)	0	0	226,621	0
Net Change in Fund Balances	(3,073,848)	(24,279)	(2,873,486)	(99,678)	(6,071,291)
Fund Balances at Beginning of Year	12,415,495	629,175	3,180,896	429,808	16,655,374
Fund Balances at End of Year	$9,341,647	$604,896	$307,410	$330,130	$10,584,083

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds		($6,071,291)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset additions	132,708	
Construction in progress additions	3,640,789	
Depreciation expense	(1,385,394)	
Excess of capital outlay over depreciation expense		2,388,103
Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the governmental funds. Deferred inflows of resources changed by these amounts this fiscal year:		
Delinquent property taxes	(11,463)	
Intergovernmental	27,415	
Interest	18,523	
Total		34,475
Amortization of bond premiums and accrued interest payable on the bonds are not reported in the funds, but are allocate as an expense over the life of the debt in the Statement of Activities.		
Amortization of bond premium	24,203	
Decrease in Accrued Interest	1,900	
Total		26,103
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:		
Bond payments	285,000	
Capital lease payments	19,471	
Total long-term debt repayment		304,471
Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
Pension	1,168,113	
OPEB	52,674	
Total		1,220,787
Except for the amounts reported as deferred inflows/outflows, changes in net position/OPEB liabilities (asset) are reported as pension/OPEB expense in the Statement of Activities.		
Pension	(1,595,333)	
OPEB	1,711,930	
Total		116,597
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences payable		(105,682)
Internal service funds used by management to charge the costs of insurance and workers' compensation to individuals funds are not reported in the entity-wide Statement of Activities. The net income of the internal service funds is reported with governmental activities.		
Change in Net Position		136,515
Change in Net Position of Governmental Activities		($1,949,922)

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2019

	Budget Amounts Original	Budget Amounts Final	Actual	Variance With Final Budget Over/(Under)
Revenues:				
Property Taxes	$2,525,894	$4,255,877	$3,445,706	($810,171)
Income Tax	192,000	209,055	209,055	0
Intergovernmental	6,966,327	10,762,507	10,807,362	44,855
Investment Earnings	28,891	93,000	94,860	1,860
Tuition and Fees	904,773	1,262,240	1,175,561	(86,679)
Miscellaneous	45,838	62,486	71,598	9,112
Total Revenues	10,663,723	16,645,165	15,804,142	(841,023)
Expenditures:				
Current:				
Instruction:				
Regular	6,875,579	7,649,121	7,413,636	235,485
Special	2,748,513	3,409,163	3,294,545	114,618
Vocational	235,054	351,067	358,781	(7,714)
Student Intervention Services	55,658	25,000	24,125	875
Support Services:				
Pupils	941,564	1,013,468	934,355	79,113
Instructional Staff	372,454	450,154	440,282	9,872
Board of Education	125,804	125,614	106,794	18,820
Administration	969,144	1,106,654	1,075,033	31,621
Fiscal	498,049	525,859	476,891	48,968
Business	58,296	58,296	50,848	7,448
Operation and Maintenance of Plant	1,550,398	2,329,530	2,370,923	(41,393)
Pupil Transportation	961,794	1,110,558	1,066,102	44,456
Central	97,845	125,530	93,947	31,583
Extracurricular Activities	73,208	81,057	81,307	(250)
Capital Outlay	652,167	1,082,792	775,988	306,804
Total Expenditures	16,215,527	19,443,863	18,563,557	880,306
Excess of Revenues Under Expenditures	(5,551,804)	(2,798,698)	(2,759,415)	39,283
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	13,851	13,851	13,573	(278)
Transfers In	806,250	0	0	0
Transfers Out	(140,000)	(216,297)	(226,621)	(10,324)
Total Other Financing Sources (Uses)	680,101	(202,446)	(213,048)	(10,602)
Net Change in Fund Balance	(4,871,703)	(3,001,144)	(2,972,463)	28,681
Fund Balance at Beginning of Year	11,905,391	11,905,391	11,905,391	0
Prior Year Encumbrances Appropriated	1,242,182	1,242,182	1,242,182	0
Fund Balance at End of Year	$8,275,870	$10,146,429	$10,175,110	$28,681

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Fund Net Position
Internal Service Fund
June 30, 2019

	Internal Service
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$442,527
Cash and Cash Equivalents with Fiscal Agent	868,998
Total Assets	1,311,525
Liabilities:	
Current Liabilities:	
Claims Payable	307,195
Net Position:	
Unrestricted	$1,004,330

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Revenues,

Expenses and Changes in Fund Net Position

Internal Service Fund

For the Fiscal Year Ended June 30, 2019

	Internal Service
Operating Revenues:	
Charges for Services	$2,941,586
Operating Expenses:	
Purchased Services	167,422
Claims	2,637,649
Total Operating Expenses	2,805,071
Change in Net Position	136,515
Net Position at Beginning of Year	867,815
Net Position at End of Year	$1,004,330

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2019

	Internal Service
Increase in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	$2,941,586
Cash Payments to Suppliers for Goods and Services	(167,422)
Cash Payments for Claims	(2,722,767)
Net Increase in Cash and Cash Equivalents	51,397
Cash and Cash Equivalents at Beginning of Year	1,260,128
Cash and Cash Equivalents at End of Year	$1,311,525
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$136,515
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Claims Payable	(85,118)
Net Cash Provided by Operating Activities	$51,397

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Fiduciary Net Positon

Fiduciary Funds

June 30, 2019

	Private Purpose Trust	Agency Fund
Assets:		
Equity in Pooled Cash and Cash Equivalents	$17,754	$154,387
Liabilities:		
Intergovernmental Payable	$0	$54,604
Due to Students	0	99,783
Total Liabilities	0	$154,387
Net Position:		
Held in Trust for Scholarships	$17,754	

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2019

	Private Purpose Trust
Additions:	
Gifts and Donations	$18,794
Deductions:	
Payments in Accordance with Trust	16,177
Change in Net Position	2,617
Net Position at Beginning of Year	15,137
Net Position at End of Year	$17,754

See accompanying notes to the basic financial statements

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Amanda-Clearcreek Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District is a local school district as defined by Ohio Revised Code Section 3311.03. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The School District was established through the consolidation of existing land areas and school districts. It is staffed by 75 non-certificated employees, 98 certificated full-time teaching personnel and 7 administrative employees who provide services to 1,453 students.

Reporting Entity

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

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

The School District is associated with two jointly governed organizations: the Metropolitan Educational Technology Association (META) and the South Central Ohio Insurance Consortium (SCOIC). The School District is also associated with one insurance purchasing pool: the Ohio School Plan (OSP). These organizations are presented in Note 19 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements normally distinguish between those activities that are governmental and those that are considered business-type activities; however, the School District has no business-type activities.

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

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Non major funds are aggregated and presented in a single column. The Internal Service Fund is presented in a single column on the face of the proprietary fund statement. Fiduciary funds are reported by type.

Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions of the School District 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 and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

Bond Retirement Fund – This fund is used to account for and report the accumulation of resources restricted for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

Classroom Facilities Fund
This fund is used to account for and report grant revenues restricted for constructing improvements, renovations and additions to the School District's buildings, including equipment, furniture and fixtures.

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

Proprietary Funds:

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, cash flows, and is classified as internal service. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The only internal service fund of the School District accounts for a self-insurance program which provides health, dental, and vision benefits to employees.

Fiduciary Funds

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, all proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the fiscal year for which the tax is imposed takes place and revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Notes 7 and 9). 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available for advance, income taxes, grants, and customer sales and services.

Deferred Outflows/Inflows of Resources:

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB are explained in Notes 13 and 14.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources included property taxes, pension and OPEB plans, 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 on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 13. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 13 and 14).

Expenses/Expenditures

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

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

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

The School District participated in a claims servicing pool that paid employee health, dental, and vision insurance claims on the School District's behalf. The remaining balance of the School District's funds held by the claims administrator and the fiscal agent at June 30, 2019, is presented as "Cash and Cash Equivalents with Fiscal Agent". The School District also has amounts in escrow accounts to hold retainage amounts still owed to contractors. These amounts are presented as "Restricted Assets: Cash and Cash Equivalents with Escrow Agent."

During fiscal year 2019, investments were limited to a Money Market Mutual Fund and Negotiable Certificates of Deposit. For investments in open-ended mutual funds, the fair value is determined by the fund's current share price. Investments in negotiable certificates of deposit are reported at fair value which is based on quoted market prices.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2019 amounted to $92,446, which includes $9,988 assigned from other School District funds.

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the General Fund and the Classroom Facilities Capital Projects Fund represent monies held in an escrow account that is still owed to contractors for work completed relating to the roof replacement project.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable/Interfund Payable". Interfund balances are eliminated on the Statement of Net Position.

Inventory

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

Capital Assets

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

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

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

Description	Estimated Lives
Land Improvements	50 Years
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	5 - 10 years
Vehicles	10 years
Textbooks	10 years

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on sick leave accumulated by June 30 by those employees who are eligible to receive termination payments and by those employees for whom it is probable that they will become eligible to receive termination benefits in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in union contracts.

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. 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. Bonds and capital leases that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

All in are amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Education. In the general fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or by State Statute. State Statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Treasurer has been given authority to assign amounts for these purposes by the School District Board of Education. Assigned amounts in the General Fund also included amounts for technology improvements, the School District's portion of the roof replacement project, and amounts assigned by principals for extracurricular activities.

The Treasurer assigned a fund balance to cover a gap between estimated revenue and appropriations in the 2020 appropriated budget.

Unassigned

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position is available.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocation of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Inferfund payments for services provided and used are not eliminated.

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

Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as final budgeted amounts reflect the amounts in the amended certificate requested at fiscal year-end. The amounts reported as the final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

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

Bond Premiums

For governmental activities, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable. On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Estimates

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for the self-insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are classified as non-operating.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2019, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements and* Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

For fiscal year 2019, the School District also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-2*. These changes were incorporated in the School District's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 88 improves the information that is disclosed in notes to government 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. These changes were incorporated in the School District's 2019 financial statements; however, there was no effect on beginning net position.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the School District's 2019 financial statements; however, there was no effect on beginning net position.

NOTE 4 - ACCOUNTABILITY

At June 30, 2019, the Food Service, Title I Disadvantaged Children and Miscellaneous Federal Grant Special Revenue Funds had deficit fund balances of $57,834 and $19,570, and $114 respectively. The General Fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

4. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

5. Budgetary revenues and expenditures of the Public School Support Special Revenue Fund are classified to the General Fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	($3,073,848)
Adjustments:	
Revenue Accruals	345,928
Expenditure Accruals	179,487
Encumbrances	(425,649)
Increase in Fair Value of Investments - 2019	(2,200)
Increase in Fair Value of Investments - 2018	8,440
Excess of revenues under expenditures for Public School Support Fund	(4,621)
Budget Basis	($2,972,463)

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

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

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

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirement have been met;

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

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

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

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

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

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

Deposits

At June 30, 2019, the School District's internal service fund had a balance of $868,998 with fiscal agents. $868,998 was with the South Central Ohio Insurance Consortium (SCOIC), a jointly governed organization (see Note 19). The balances were held by SCOIC in pooled accounts which are representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for SCOIC as a whole may be obtained from the fiscal agent, Bloom-Carroll Local School District, 5240 Plum Road, Carroll, Ohio 43112.

Investments

Investments are reported at fair value. As of June 30, 2019, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	S&P's/ Moody's Rating	Percent of Total Investments
Fair Value - Level One Inputs:				
Money Market Mutual Fund	$33,691	Less than one year	AAAm	5.14%
Fair Value - Level Two Inputs:				
Negotiable Certificates of Deposits	622,200	Less than two years	N/A	94.86%
Total	$655,891			

The School 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 chart identifies the School District's recurring fair value measurements as of June 30, 2019. The Money Market Mutual Fund is measured at net asset value per share. The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Standard and Poor's ratings for the School District's investments are listed in the table above. The School District has no policy on credit risk beyond the requirements in State statutes.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District places no limit on the amount it may invest in any one issuer.

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018, and are collected in calendar year 2019 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Fairfield County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property 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 – property taxes.

The amount available as an advance at June 30, 2019, was $391,716 in the General Fund, $33,422 in the Bond Retirement Fund, and $5,583 in the Classroom Facilities Maintenance Fund. The amount available as an advance at June 30, 2018, was $686,146 in the General Fund, $63,868 in the Bond Retirement fund, and $9,904 in the Classroom Facilities Maintenance Fund.

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

The assessed values upon which 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	$180,562,660	96.96%	$183,220,600	96.42%
Public Utility Personal	5,667,860	3.04%	6,798,590	3.58%
Total Assessed Value	$186,230,520	100.00%	$190,019,190	100.00%
Tax rate per $1,000 of assessed valuation	$37.40		$37.30	

NOTE 8 – TAX ABATEMENTS

School District property taxes were reduced by $5,979 for fiscal year 2019 under a Community Reinvestment Area agreement that was entered into by the City of Lancaster with Bo-Mic Enterprises Inc. The abatement will last for 15 years with a 100 percent abatement of property taxes.

NOTE 9 – SCHOOL INCOME TAXES

The School District levies a voted tax of 1.5 percent income tax for general operations on the earned income only for all residents of the School District. The tax was effective on January 1, 2012, and continued for five years. Income tax revenue is credited to the General Fund. April 2017 was the last income tax payment the School District received in fiscal year 2017. During fiscal year 2019, the School District received $163,667 from delinquent income tax collections.

NOTE 10 - RECEIVABLES

Receivables at June 30, 2019, consisted of property taxes, income taxes, intergovernmental grants, accrued interest, interfund, and accounts. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities:	
Title I	$50,514
IDEA Early Childhood	420
Title II-A	43,884
Title IV-A	5,631
SERS Reimbursement	29,132
State Foundation Adjustment	26,816
Charges/reimbursements from other governmental entities	5,160
Total Intergovernmental Receivables	$161,557

NOTE 11 - CAPITAL ASSETS

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

	Balance at 6/30/18	Additions	Deductions	Balance at 6/30/19
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$292,457	$0	$0	$292,457
Construction in Progress	673,116	3,640,789	0	4,313,905
Total Capital Assets Not Being Depreciated	965,573	3,640,789	0	4,606,362
Capital Assets Being Depreciated:				
Land Improvements	2,707,262	0	0	2,707,262
Buildings and Improvements	34,193,552	0	0	34,193,552
Furniture, Fixtures and Equipment	1,166,485	13,376	0	1,179,861
Vehicles	1,675,321	119,332	(93,279)	1,701,374
Textbooks	887,213	0	0	887,213
Total Capital Assets Being Depreciated	40,629,833	132,708	(93,279)	40,669,262
Less Accumulated Depreciation:				
Land Improvements	(2,000,407)	(127,897)	0	(2,128,304)
Buildings and Improvements	(15,798,840)	(1,069,589)	0	(16,868,429)
Furniture, Fixtures and Equipment	(853,198)	(67,987)	0	(921,185)
Vehicles	(1,116,425)	(119,921)	93,279	(1,143,067)
Textbooks	(887,213)	0	0	(887,213)
Total Accumulated Depreciation	(20,656,083)	(1,385,394) *	93,279	(21,948,198)
Total Capital Assets Being Depreciated, Net	19,973,750	(1,252,686)	0	18,721,064
Governmental Activities Capital Assets, Net	$20,939,323	$2,388,103	$0	$23,327,426

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$1,221,377
Vocational	431
Support Services:	
Instructional Staff	285
Operation and Maintenance of Plant	14,717
Pupil Transportation	119,630
Operation of Non-Instructional Services:	9,980
Extracurricular Activities	18,974
Total Depreciation Expense	$1,385,394

NOTE 12 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District has joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 19).

The types and amounts of coverage provided by the Ohio School Plan are as follows:

Building and Contents-replacement cost ($1,000 deductible)	$73,400,233
Automobile Liability ($1,000 deductible):	
Bodily Injury and Property Damage-combined single limit	3,000,000
Medical Payments - each person	10,000
General Liability:	
Each Occurrence	3,000,000
Aggregate Limit	5,000,000
Product-Complete Operations Aggregate Limit	3,000,000
Fire Legal Liability	500,000
Medical Expense Limit-per person/accident	10,000
Employers Liability-Stop Gap:	
Per Accident	3,000,000
Per Disease Each Employee	3,000,000
Per Disease Policy Limit	3,000,000
Employee Benefits Liability:	
Per Claim	3,000,000
Aggregate Limit	5,000,000
Excess Liability	
Each Occurrence	2,000,000
Aggregate Limit	2,000,000

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

The School District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (See Note 19). The purpose for the establishment of this consortium and membership, was an effort to minimize risk exposure and control claims and premium costs. The Bloom-Carroll Local School District serves as the fiscal agent for SCOIC.

SCOIC contracts with the Jefferson Health Plan (formerly, the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA)), for internal pool and stop loss coverage. The SCOIC members are considered self-insured and pay a monthly premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payments of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. SCOIC members participate in a shared-risk pool through SCOIC for individual claims from $100,000-$200,000. SCOIC purchases stop loss coverage for individual claims over $1,500,000. SCOIC members also participate in a JHP shared risk pool for individual claims from $200,000-$1,500,000. Sun Life provides stop loss coverage for individual claims over $1,500,000.

The Board's share and the employee's share of premium contributions are determined by the negotiated agreement for certificated employees and classified employees that are part of a union. Contributions for administrators and exempt classified employees follows Board approved policy.

Premiums are paid to the South Central Ohio Insurance Consortium Fund from the internal service fund of the School District. Claim payments are made on an as-incurred basis by the third party administrator with the balance of contributions remaining with the fiscal agent of the Consortium.

The School District is self-insured for medical, dental, vision and pharmacy benefits. The risk for medical and pharmacy benefits remains with the member districts. The claims payable will be reported for medical and pharmacy claims as of June 30, 2019, and cash with fiscal agent for the balance of funds held by the Consortium that covers medical and pharmacy claims will be reported.

The claim liability reported at June 30, 2019, is based on an estimate provided by the third party administrator and the requirements of Government Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

	Balance at Beginning of Fiscal Year	Current Fiscal Year Claims	Claims Payments	Balance at End of Fiscal Year
2018	$399,566	$2,109,480	$2,116,733	$392,313
2019	392,313	2,637,649	2,722,767	307,195

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension/Net OPEB Liability (Asset)

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a net OPEB asset or long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

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

The School District's contractually required contribution to SERS was $280,346 for fiscal year 2019. None of this amount is reported as an intergovernmental payable.

<u>Plan Description - State Teachers Retirement System (STRS)</u>

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 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 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. For fiscal year 2019, the contributions rates were equal to the statutory maximum rates and the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was $887,767 for fiscal year 2019. Of this amount, $154,016 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.07039830%	0.05355662%	
Proportion of the Net Pension Liability Current Measurement Date	0.06963630%	0.05108788%	
Change in Proportionate Share	-0.00076200%	-0.00246874%	
Proportionate Share of the Net Pension Liability	$3,988,200	$11,233,077	$15,221,277
Pension Expense	$363,869	$1,231,464	$1,595,333

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	$218,727	$259,294	$478,021
Changes of assumptions	90,063	1,990,713	2,080,776
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	49,015	407,411	456,426
School District contributions subsequent to the measurement date	280,346	887,767	1,168,113
Total Deferred Outflows of Resources	$638,151	$3,545,185	$4,183,336
Deferred Inflows of Resources:			
Differences between expected and actual experience	$0	$73,359	$73,359
Net difference between projected and actual earnings on pension plan investments	110,501	681,161	791,662
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	29,612	434,339	463,951
Total Deferred Outflows of Resources	$140,113	$1,188,859	$1,328,972

$1,168,113 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. 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	$322,780	$1,115,813	$1,438,593
2021	59,684	641,682	701,366
2022	(130,882)	(46,140)	(177,022)
2023	(33,890)	(242,796)	(276,686)
Total	$217,692	$1,468,559	$1,686,251

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:

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

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

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	$5,617,680	$3,988,200	$2,621,990

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, are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3.0 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

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

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	$16,404,431	$11,233,077	$6,856,229

NOTE 14 – DEFINED BENEFIT OPEB PLANS

See Note 13 for a description of the net OPEB liability (asset).

Plan Description – School Employees Retirement System (SERS)

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

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was $21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the School District's surcharge obligation was $42,291.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $52,674 for fiscal year 2019. Of this amount, $42,291 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

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 used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net			
OPEB Liability/Asset:			
Prior Measurement Date	0.07170010%	0.05355662%	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.07047310%	0.05108788%	
Change in Proportionate Share	-0.00122700%	-0.00246874%	
Proportionate Share of the:			
Net OPEB Liability	$1,955,114	$0	$1,955,114
Net OPEB (Asset)	0	(820,929)	(820,929)
OPEB Expense	$84,908	($1,796,838)	($1,711,930)

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	$31,914	$95,886	$127,800
School District contributions subsequent to the measurement date	52,674	0	52,674
Total Deferred Outflows of Resources	$84,588	$95,886	$180,474
Deferred Inflows of Resources:			
Differences between expected and actual experience	$0	$47,830	$47,830
Changes of assumptions	175,652	1,118,582	1,294,234
Net difference between projected and actual earnings on OPEB plan investments	2,933	93,785	96,718
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	53,467	95,970	149,437
Total Deferred Outflows of Resources	$232,052	$1,356,167	$1,588,219

$52,674 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 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:			
2020	($83,086)	($224,717)	($307,803)
2021	(66,869)	(224,717)	(291,586)
2022	(15,515)	(224,718)	(240,233)
2023	(14,266)	(203,419)	(217,685)
2024	(14,469)	(195,945)	(210,414)
Thereafter	(5,933)	(186,765)	(192,698)
Total	($200,138)	($1,260,281)	($1,460,419)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented as follows:

Inflation	3.00 percent
Wage Increases	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare	5.375 to 4.75 percent
Pre-Medicare	7.25 to 4.75 percent

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2018, was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018, was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, 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. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) 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 (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1 % Increase (4.70%)
School District's proportionate share of the net OPEB liability	$2,372,377	$1,955,114	$1,624,720

	1% Decrease (6.25% decreasing to 3.75%)	Current Trend Rate (7.25% decreasing to 4.75%)	1% Increase (8.25% decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	$1,577,418	$1,955,114	$2,455,251

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented as follows:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Blended Discount Rate of Return - Prior Year	4.13 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	6 percent initial, 4 percent ultimate
Medicare	5 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	8 percent initial, 4 percent ultimate
Medicare	-5.23 initial, 4 percent ultimate

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

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

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

Since the Prior Measurement Date, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent 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.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent 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 were scheduled to be discontinued beginning January 1, 2020. However, in June of 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Discount Rate The discount rate used to measure the total OPEB liability (asset) was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability (asset) was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was 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 percent was used to measure the total OPEB liability (asset) as of

June 30, 2018. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.

Sensitivity of the School 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 percent, 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 percent) or one percentage point higher (8.45 percent) 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%)
School District's proportionate share of the net OPEB asset	($703,614)	($820,929)	($919,529)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($913,963)	($820,929)	($726,448)

NOTE 15 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Administrators are generally granted twenty days of vacation per year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Staff members who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 280 days for all employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 70 days for all employees. A bonus of 40 days is granted if retirement is by the State Teachers Retirement System or School Employees Retirement System standard in the first year eligible.

Insurance Benefits

The School District is self-insured for employee healthcare benefits for all its employees. Employees are provided with dental insurance through Employee Benefit Management Corporation (EMBC), health insurance through Ohio PPO, and vision insurance through Vision Service Plan (VSP). The School District provides life insurance to its employees through Anderson Insurance Group.

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 16 - CAPITALIZED LEASE - LESSEE DISCLOSURE

During fiscal year 2018, the School District entered into a capital lease for the acquisition of new copiers. The lease agreement is accounted for as program/function expenditures in the General Fund with an offsetting amount reported as another financing source, inception of capital lease. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability has been recorded as a long-term obligation. Principal payments in fiscal year 2019 totaled $19,471, and were paid from the General Fund.

The assets acquired through capital leases as of June 30, 2019, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
Asset:			
Furniture, Fixtures and Equipment	$113,244	$22,649	$90,595

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

Fiscal Year Ending June 30,	Lease Payments
2020	$28,021
2021	28,021
2022	28,021
2023	28,021
Total	112,084
Less: Amount Representing Interest	(18,311)
Present Value of Net Minimum Lease Payments	$93,773

NOTE 17 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2019 were as follows:

	Amount Outstanding 6/30/18	Additions	Deductions	Amount Outstanding 6/30/19	Amount Due Within One Year
Governmental Activities:					
2008 Refunding General					
Obligation Bonds - 3.00% - 4.00%					
Serial Bonds	$285,000	$0	$285,000	$0	$0
Term Bonds	1,240,000	0	0	1,240,000	295,000
Unamortized Premium	121,014	0	24,203	96,811	0
Total General Obligation Bonds	1,646,014	0	309,203	1,336,811	295,000
Other Long Term Obligations:					
Net Pension Liability:					
STRS	12,722,489	0	1,489,412	11,233,077	0
SERS	4,206,142	0	217,942	3,988,200	0
Total Net Pension Liabilty	16,928,631	0	1,707,354	15,221,277	0
Net OPEB Liability:					
STRS	2,089,581	0	2,089,581	0	0
SERS	1,924,242	30,872	0	1,955,114	0
Total Net OPEB Liabilty	4,013,823	30,872	2,089,581	1,955,114	0
Capital Lease Payable	113,244	0	19,471	93,773	20,379
Compensated Absences	641,948	166,455	60,773	747,630	62,094
Total General Long-Term Obligations	$23,343,660	$197,327	$4,186,382	$19,354,605	$377,473

Refunding General Obligation Bonds - During fiscal year 2008, the School District issued $2,219,998 of advance refunding general obligation bonds for a portion of the School District's $4,417,000 School Facilities Construction and Improvement Bonds. The $363,044 premium on the issuance of the refunding bonds is netted against this new debt and will be amortized over the life of this new debt, which has the same remaining life of the refunded debt of 15 years. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of $684,826 and a reduction of $401,410 in future debt service payments. At June 30, 2019, $1,230,000 of the refunded bonds were outstanding. Assets are being held in escrow to retire these bonds at maturity.

There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: the General Fund and the Food Service and Title I Special Revenue funds. For Additional information related to the net pension/OPEB liability (asset) see Notes 13 and Note 14. Compensated absences will be paid from the General Fund and the Food Service and Title I Special Revenue Funds.

The School District's overall legal debt margin was $16,466,623 with an unvoted debt margin of $190,019 at June 30, 2019.

Principal and interest requirements to retire the School District's outstanding debt at June 30, 2019, are as follows:

	General Obligation Refunding Bonds	
	Term Bonds	
Fiscal Year Ending June 30,	Principal	Interest
2020	$295,000	$43,700
2021	295,000	31,900
2022	320,000	19,600
2023	330,000	6,600
Total	$1,240,000	$101,800

NOTE 18 - INTERFUND ACTIVITY

As of June 30, 2019, receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		General Fund
Payable	Nonmajor Governmental Funds	$15,651

The balance of $15,651 due to the General Fund from the nonmajor governmental funds are a result of negative cash balances in these funds. The General Fund is responsible for any deficit in these funds and interfund transactions were established to cover these expenditures. The purpose for these interfund balances is to eliminate the negative cash balances in these funds.

		Transfer To
		Nonmajor Funds
Trasnfer From	General	$226,621

Transfers of $226,621 were made from the General Fund to the Nonmajor Funds to reallocate monies for capital project payments and to support programs accounted for in other funds.

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL

Jointly Governed Organizations

Metropolitan Educational Technology Association (META)

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium and a regional council of governments. META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology, and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and twelve board members who represent the members of META. The Board works with META's Chief Executive Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid META $60,994 for services provided during the fiscal year. Financial information can be obtained from META Solutions, David Varda, CFO, 100 Executive Drive, Marion Ohio 43302.

South Central Ohio Insurance Consortium (SCOIC)

South Central Ohio Insurance Consortium is a regional council of governments organized under Ohio Revised Code Chapter 167. The SCOIC's primary purpose and objective is establishing and carrying out a cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of the SCOIC. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The participating members pay an administrative fee to the fiscal agent to cover the cost of administering the Consortium. The School District does not have an ongoing financial interest in or financial responsibility for the SCOIC other than claims paid on behalf of the School District for School District employees. To obtain financial information, write to the Bloom Carroll Local School District, Travis Bigham, who serves as Treasurer, at 5240 Plum Road, Carroll, Ohio 43112.

Insurance Purchasing Pool

Ohio School Plan (OSP)

The School District participates in the Ohio School Plan, an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-

Hyre Insurance Agency, Inc. and a partner of Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

NOTE 20 - SET-ASIDE CALCULATIONS

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

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

	Capital Acquisitions
Set-aside Balance as of June 30, 2018	$0
Current Fiscal Year Set-aside Requirement	270,623
Qualifying Disbursements	(270,623)
Set-aside Balance Carried Forward to Future Fiscal Years	$0

Amounts of offsets and qualifying expenditures presented in the table for the capital acquisition set-asides were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore is not presented as being carried forward to the next fiscal year.

NOTE 21 – SIGNIFICANT COMMITMENTS

Contractual Commitments

The following table provides a summary of the outstanding contractual commitments at June 30, 2019:

Contractor	Contract Amount	Amount Expended	Balance at 6/30/19
CTL Engineering of Ohio	$108,800	$88,030	$20,770
Kalkreuth Roofing & Sheet Metal	4,544,566	4,225,875	318,691
Evans Energy LLC	601,000	522,500	78,500
Total	$5,254,366	$4,836,405	$417,961

Encumbrances

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

General Fund	$425,649
Classroom Facilities Fund	599,035
Nonmajor Governmental Funds	42,072
Total	$1,066,756

NOTE 22 – FUND BALANCES

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

Fund Balances	General Fund	Bond Retirement Fund	Classroom Facilities Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Inventory	$0	$0	$0	$2,026	$2,026
Restricted for:					
Debt Service	0	604,896	0	0	604,896
Capital Improvements	0	0	307,410	0	307,410
Classroom Facilities Maintenance	0	0	0	119,597	119,597
Local, State and Federal Grants	0	0	0	30,364	30,364
District Managed Activities	0	0	0	4,077	4,077
Total Restricted	0	604,896	307,410	154,038	1,066,344
Committed to:					
Capital Improvements	100,700	0	0	253,610	354,310
Assigned to:					
Public School Support	40,623	0	0	0	40,623
Purchases on Order	218,644	0	0	0	218,644
Future Appropriations	2,587,085	0	0	0	2,587,085
Technology	179,586	0	0	0	179,586
Roof Project	337,313	0	0	0	337,313
Total Assigned	3,363,251	0	0	0	3,363,251
Unassigned (Deficit):	5,877,696	0	0	(79,544)	5,798,152
Total Fund Balances	$9,341,647	$604,896	$307,410	$330,130	$10,584,083

NOTE 23 - CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2019, if applicable, cannot be determined at this time.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end.

Litigation

The School District is not party to any legal proceedings.

NOTE 24 – SUBSEQUENT EVENTS

In November 2019, the School District passed an income tax levy, which is for a two percent income tax and will be in effect for 15 years beginning January 1, 2020. For fiscal year 2019, the only amounts being received are delinquent payments.

Amanda-Clearcreek Local School District

Required Supplementary Information

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AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Required Supplementary Information

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

School Employees Retirement System of Ohio

Last Six Fiscal Years (1)

	2019	2018	2017
School District's Proportion of the Net Pension Liability	0.06963630%	0.07039830%	0.07110160%
School District's Proportionate Share of the Net Pension Liability	$3,988,200	$4,206,142	$5,203,980
School District's Covered Payroll	$2,259,222	$2,570,000	$2,487,429
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	176.53%	163.66%	209.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2016	2015	2014
0.06683250%	0.06612100%	0.06612100%
$3,813,527	$3,346,346	$3,932,004
$2,654,107	$2,480,924	$2,700,773
143.68%	134.88%	145.59%
69.16%	71.70%	65.52%

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Required Supplementary Information

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

School Employees Retirement System of Ohio

Last Three Fiscal Years (1)

	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.07047310%	0.07170010%	0.07181380%
School District's Proportionate Share of the Net OPEB Liability	$1,955,114	$1,924,242	$2,046,959
School District's Covered Payroll	$2,259,222	$2,570,000	$2,487,429
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	86.54%	74.87%	82.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

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AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Required Supplementary Information

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

State Teachers Retirement System of Ohio

Last Six Fiscal Years (1)

	2019	2018	2017
School District's Proportion of the Net Pension Liability	0.05108788%	0.05355662%	0.05376593%
School District's Proportionate Share of the Net Pension Liability	$11,233,077	$12,722,489	$17,997,077
School District's Covered Payroll	$5,779,007	$5,824,650	$5,714,743
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	194.38%	218.42%	314.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.30%	75.30%	66.80%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2016	2015	2014
0.05156114%	0.04919111%	0.04919111%
$14,249,991	$11,964,980	$14,252,606
$5,392,193	$5,467,464	$5,494,962
264.27%	218.84%	259.38%
72.10%	74.70%	69.30%

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Required Supplementary Information

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

State Teachers Retirement System of Ohio

Last Three Fiscal Years (1)

	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.05108788%	0.05355662%	0.05376593%
School District's Proportionate Share of the Net OPEB Liability (Asset)	($820,929)	$2,089,581	$2,875,416
School District's Covered Payroll	$5,779,007	$5,824,650	$5,714,743
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered - Payroll	-14.21%	35.87%	50.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

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AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

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

	2019	2018	2017	2016	2015
Net Pension Liability					
Contractually Required Contribution	$280,346	$304,995	$359,800	$348,240	$349,811
Contributions in Relation to the Contractually Required Contribution	(280,346)	(304,995)	(359,800)	(348,240)	(349,811)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
School District Covered Payroll (1)	$2,076,637	$2,259,222	$2,570,000	$2,487,429	$2,654,107
Pension Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%	13.18%
Net OPEB Liability					
Contractually Required Contribution (2)	52,674	48,601	40,291	35,309	55,804
Contributions in Relation to the Contractually Required Contribution	(52,674)	(48,601)	(40,291)	(35,309)	(55,804)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	2.54%	2.15%	1.57%	1.42%	2.10%
Total Contributions as a Percentage of Covered Payroll (2)	16.04%	15.65%	15.57%	15.42%	15.28%

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

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010
$343,606	$373,787	$365,291	$255,833	$233,057
(343,606)	(373,787)	(365,291)	(255,833)	(233,057)
$0	$0	$0	$0	$0
$2,480,924	$2,700,773	$2,715,918	$2,035,267	$1,721,248
13.85%	13.84%	13.45%	12.57%	13.54%
35,487	35,305	42,390	56,371	36,305
(35,487)	(35,305)	(42,390)	(56,371)	(36,305)
$0	$0	$0	$0	$0
1.43%	1.31%	1.56%	2.77%	2.11%
15.28%	15.15%	15.01%	15.34%	15.65%

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2019	2018	2017	2016
Net Pension Liability				
Contractually Required Contribution	$887,767	$809,061	$815,451	$800,064
Contributions in Relation to the Contractually Required Contribution	(887,767)	(809,061)	(815,451)	(800,064)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll	$6,341,193	$5,779,007	$5,824,650	$5,714,743
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

2015	2014	2013	2012	2011	2010
$754,907	$710,770	$714,345	$668,891	$768,779	$728,106
(754,907)	(710,770)	(714,345)	(668,891)	(768,779)	(728,106)
$0	$0	$0	$0	$0	$0
$5,392,193	$5,467,464	$5,494,962	$5,145,315	$5,913,685	$5,600,815
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%
$0	$54,675	$54,950	$51,453	$59,137	$56,008
0	(54,675)	(54,950)	(51,453)	(59,137)	(56,008)
$0	$0	$0	$0	$0	$0
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

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

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

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

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent 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.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department Of Education:			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	N/A	$ 17,732
Cash Assistance			
National School Lunch Program	10.555	N/A	242,387
Total National School Lunch Program			260,119
Cash Assistance			
School Breakfast Program	10.553	N/A	95,671
Total Child Nutrition Cluster			355,790
Total U.S. Department of Agriculture			**355,790**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education Grants to States	84.027	N/A	300,666
Special Education Preschool Grants	84.173	N/A	7,169
Total Special Education Cluster			307,835
Title I Grants to Local Educational Agencies	84.010	N/A	194,660
Improving Teacher Quality State Grants	84.367	N/A	20,528
Student Support and Academic Enrichment Program	84.424	N/A	14,550
Total U.S. Department of Education			**537,573**
Total Expenditures of Federal Awards			**$ 893,363**

The accompanying notes are an integral part of this schedule.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Amanda-Clearcreek Local School District (the School District) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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

Amanda-Clearcreek Local School District
Fairfield County
328 East Main Street
Amanda, Ohio 43102

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amanda-Clearcreek Local School District, Fairfield County, (the School District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon date January 7, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State

Columbus, Ohio

January 7, 2020

OHIO AUDITOR OF STATE
KEITH FABER

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

Amanda-Clearcreek Local School District
Fairfield County
328 East Main Street
Amanda, Ohio 43102

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited Amanda-Clearcreek Local School District's (the School District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Amanda-Clearcreek Local School District's major federal program for the year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, Amanda-Clearcreek Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State

Columbus, Ohio

January 7, 2020

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None noted.

3. FINDINGS FOR FEDERAL AWARDS

None noted.

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OHIO AUDITOR OF STATE
KEITH FABER

AMANDA – CLEARCREEK LOCAL SCHOOL DISTRICT

FAIRFIELD 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
FEBRUARY 25, 2020