OHIO AUDITOR OF STATE
KEITH FABER

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY

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STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Stryker Local School District
Williams County
400 South Defiance Street
Stryker, Ohio 43557-9491

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stryker Local School District, Williams County, Ohio (the District), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Stryker Local School District, Williams County, Ohio, as of June 30, 2020 and 2019, and the respective changes in cash financial position and the budgetary comparison for the General fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2020, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *"Fiduciary Activities"*. We did not modify our opinion regarding this matter.

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Other Information

We applied no procedures to management's discussion and analysis, as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio
February 22, 2021

The management's discussion and analysis of the Stryker Local School District's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the cash-basis financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The total cash-basis net position of the District decreased $1,795,456 or 17.55% from fiscal year 2019's restated amount.
- General receipts accounted for $7,414,119 or 83.90% of total governmental activities receipts. Program specific receipts accounted for $1,423,170 or 16.10% of total governmental activities receipts.
- The District had $10,632,745 in disbursements related to governmental activities; $1,423,170 of these disbursements were offset by program specific charges for services, grants or contributions. General receipts of $7,414,119 were inadequate to provide for these programs.
- The District's major funds are the general fund, bond retirement fund, and the permanent improvement fund. The general fund, the District's largest major fund, had total receipts and other financing sources of $7,187,318 in 2020. The disbursements of the general fund totaled $6,289,850. The general fund's balance increased $897,468 or 14.71% from 2019 to 2020.
- The bond retirement fund had total receipts of $475,468 in 2020. The disbursements of the bond retirement fund totaled $399,223 in 2020. The bond retirement fund's balance increased $76,245 or 8.56% from 2019 to 2020.
- The permanent improvement fund had total receipts of $372,214 in 2020. The disbursements of the permanent improvement fund totaled $3,126,916 in 2020. The permanent improvement fund's balance decreased $2,754,702 or 88.70% from 2019 to 2020.

Using these Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as is applicable to the District's cash basis of accounting.

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

Reporting the District as a Whole

Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis

The statement of net position – cash basis and the statement of activities – cash basis answer the question, "How did the District perform financially during 2020?" These statements only present the District's net position using the cash basis of accounting, which is a financial reporting framework other than accounting principles generally accepted in the United States of America. This financial reporting framework takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position – cash basis and statement of activities – cash basis, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund, and the permanent improvement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at the year-end available for spending in future periods. The governmental fund financial statements provide a detailed view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be readily spent to finance various District programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds, whose activity or balances are not large enough to warrant separate reporting, is aggregated and presented in a single column.

Fiduciary Funds

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

Notes to the Financial Statements

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

The District as a Whole

The table below provides a summary of the District's net position for 2020 and 2019. Net position for 2019 has been restated as described in Note 3.

Net Position (Cash Basis)

	Governmental Activities 2020	Restated Governmental Activities 2019
Assets:		
Equity in pooled cash and investments	$ 8,436,200	$ 10,198,526
Total assets	$ 8,436,200	$ 10,198,526
Net Position:		
Restricted	$ 1,277,539	$ 3,982,993
Unrestricted	7,158,661	6,215,543
Total net position	$ 8,436,200	$ 10,198,536

Total cash basis net position of the District decreased $1,795,456, which represents a 17.55% decrease from the District's restated net position at June 30, 2019. The decrease in net position is due to the use of lease proceeds for building improvement costs. A portion of the District's net position, $1,277,537, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $7,158,661 may be used to meet the District's ongoing obligations to the students and creditors.

The table on the following page shows the changes in net position for fiscal years 2020 and 2019.

Change in Net Position

	Governmental Activities 2020	Restated Governmental Activities 2019
Receipts:		
Program receipts:		
Charges for services and sales	$ 603,673	$ 597,021
Operating grants and contributions	819,497	750,678
General receipts:		
Property taxes	2,804,383	2,587,390
Income taxes	1,016,973	972,798
Grants and entitlements	3,415,412	3,497,049
Investment earnings	170,988	152,659
Proceeds of lease-purchase transaction	-	2,800,000
Miscellaneous	6,363	4,620
Total receipts	8,837,289	11,362,215

Change in Net Position - (Continued)

	Governmental Activities 2020	Restated Governmental Activities 2019
Disbursements:		
Instruction:		
Regular	$ 3,081,236	$ 2,991,088
Special	823,820	758,709
Vocational	217,925	159,818
Adult/continuing	1,000	1,000
Other	112,772	74,507
Support services:		
Pupil	276,274	299,814
Instructional staff	118,508	75,632
Board of education	20,208	21,293
Administration	524,858	489,046
Fiscal	235,709	246,291
Business	20,618	17,857
Operations and maintenance	547,068	504,412
Pupil transportation	194,666	256,079
Central	295,345	77,179
Operation of non-instructional services:		
Food service operations	175,480	198,808
Other non-instructional services	6,846	2,751
Extracurricular activities	354,544	546,797
Facilities acquisition and construction	2,952,967	210,435
Debt service:		
Principal retirement	425,000	565,388
Interest and fiscal charges	247,901	172,594
Total disbursements	10,632,745	7,669,498
Change in net position	(1,795,456)	3,692,717
Net position at beginning of year (restated)	10,231,656	6,538,939
Net position at end of year	$ 8,436,200	$10,231,656

Governmental Activities

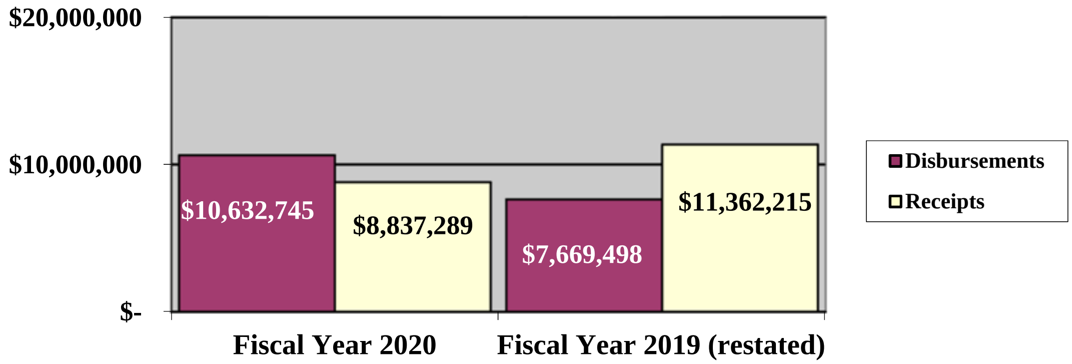
Governmental cash assets decreased by $1,795,456 from June 30, 2019 to June 30, 2020; total governmental disbursements of $10,632,745 were offset by program receipts of $1,423,170 and general receipts of $7,414,119. Program receipts supported 13.38% of the total governmental disbursements.

The primary sources of receipts for governmental activities are derived from property taxes, income taxes, and grants and entitlements. These receipt sources represent 81.89% of total governmental receipts. Real estate property is reappraised every six years.

The largest disbursement of the District is for instructional programs. Instructional disbursements totaled $4,236,753 or 39.85% of total governmental disbursements for fiscal year 2020.

The graph below presents the District's governmental activities receipts and disbursements for fiscal years 2020 and 2019.

Governmental Activities - Total Receipts vs. Total Disbursements



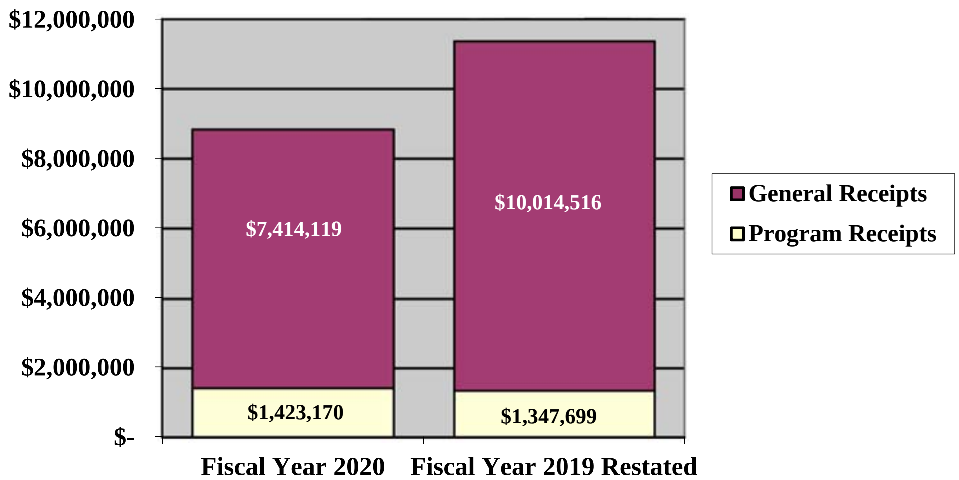
The statement of activities shows the cost of program services and the charges for services and grants off setting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

	Governmental Activities			
	Total Cost of Services 2020	Net Cost of Services 2020	Restated Total Cost of Services 2019	Restated Net Cost of Services 2019
Disbursements:				
Instruction:				
Regular	$ 3,081,236	$ 2,597,836	$ 2,991,088	$ 2,570,611
Special	823,820	378,012	758,709	248,637
Vocational	217,925	192,143	159,818	134,816
Adult/continuing	1,000	1,000	1,000	1,000
Other	112,772	111,638	74,507	65,748
Support services:				
Pupil	276,274	186,183	299,814	299,814
Instructional staff	118,508	114,908	75,632	72,032
Board of education	20,208	20,208	21,293	21,293
Administration	524,858	524,858	489,046	489,046
Fiscal	235,709	235,709	246,291	246,291
Business	20,618	20,618	17,857	17,857
Operations and maintenance of plant	547,068	528,024	504,412	501,912
Pupil transportation	194,666	172,864	256,079	237,648
Central	295,345	294,285	77,179	76,099
Operation of non-instructional services:				
Food service operations	175,480	11,865	198,808	2,443
Other non instructional services	6,846	6,280	2,751	3,000
Extracurricular	354,544	187,276	546,797	316,617
Facilities acquisition and construction	2,952,967	2,952,967	210,435	210,435
Debt service:				
Principal retirement	425,000	425,000	565,388	565,388
Interest and fiscal charges	247,901	247,901	172,594	172,594
Total	$ 10,632,745	$ 9,209,575	$ 7,669,498	$ 6,253,281

The dependence upon general receipts for instructional activities is apparent, as 77.43% of disbursements were supported through taxes and other general receipts during 2020. For all governmental activities, general receipts support is 86.62%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio are by far the primary support of the District's students.

The graph below presents the District's governmental activities receipts for fiscal year 2020 and 2019.

Governmental Activities - General and Program Receipts



The District's Funds

At June 30, 2020, the District's governmental funds reported a combined cash fund balance of $8,436,200, which is $1,795,456 less than last year's restated total of $10,231,656. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2020 and June 30, 2019, for all major and nonmajor governmental funds.

	Fund Balance June 30, 2020	Restated Fund Balance June 30, 2019	Increase (Decrease)
Major Funds:			
General	$ 6,999,068	$ 6,101,600	$ 897,468
Bond Retirement	966,590	890,345	76,245
Permanent improvement	350,832	3,105,534	(2,754,702)
Other governmental funds	119,710	134,177	(14,467)
Total	$ 8,436,200	$ 10,231,656	$ (1,795,456)

General Fund

The general fund, the District's largest major fund, had total receipts and other financing sources of $7,187,318 in 2020. The disbursements of the general fund totaled $6,289,850. The general fund's balance increased $897,468 or 14.71% from 2019 to 2020.

The table that follows assists in illustrating the receipts of the general fund.

	2020 Amount	2019 Amount	Percentage Change
Receipts:			
Taxes	$ 3,021,228	$ 2,781,164	8.63 %
Tuition	335,693	296,320	13.29 %
Earnings on investments	170,988	152,659	12.01 %
Other	54,895	55,867	(1.74) %
Intergovernmental	3,601,858	3,671,071	(1.89) %
Total	$ 7,184,662	$ 6,957,081	3.27 %

General fund tax receipts increased $240,064 or 8.63% during 2020 due to an increase in property taxes. Interest receipts increased $18,329 or 12.01% due to improved interest rates on the Districts investments. All other receipt classifications remained comparable to 2019.

The table that follows assists in illustrating the disbursements of the general fund.

	2020 Amount	2019 Amount	Percentage Change
Disbursements:			
Instruction	$ 3,718,227	$ 3,574,675	4.02 %
Support services	2,027,531	1,884,186	7.61 %
Extracurricular	186,263	332,541	(43.99) %
Facilities acquisition and construction	69,681	210,435	(66.89) %
Other operation of non-instructional	6,347	-	100.00 %
Debt service	281,801	117,083	140.68 %
Total	$ 6,289,850	$ 6,118,920	2.79 %

Disbursements related to instruction and support services fluctuated due to changes in wages and benefits. Extracurricular disbursements decreased $146,278 or 43.99% due to a decrease in sports-oriented activities. During fiscal year 2020, debt service disbursements increased, because the District signed two new lease purchase agreements in fiscal year 2019 and began making payments from the general fund.

Bond Retirement Fund

The bond retirement fund had total receipts and of $475,468 in 2020. The disbursements of the bond retirement fund totaled $399,223 in 2020. The bond retirement fund's balance increased $76,245 or 8.56% from 2019 to 2020.

Permanent Improvement Fund

The permanent improvement fund had total receipts of $372,214 in 2020. The disbursements of the permanent improvement fund totaled $3,126,916 in 2020. The permanent improvement fund's balance decreased $2,754,702 or 88.70% from 2019 to 2020.

Budgeting Highlights - General Fund

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

For the general fund, actual receipts and other financing sources of $7,176,737 were higher than original and final budgeted receipts and other financing sources by $849,838 which is primarily due to tax and intergovernmental state receipts being more than budgeted. Actual disbursements and other financing uses of $6,327,648 were $1,706,007 lower than original and final budgeted disbursements and other financing uses due to a conservative approach to budgeting used by the District.

Capital Assets and Debt Administration

Capital Assets

The District does not capitalize assets on its financial statements or record the amortization of depreciation expense; rather, the District records disbursements when capital assets are purchased.

Debt Administration

At June 30, 2020, the District had $6,405,000 in long-term obligations outstanding; of this amount, $410,000 is due within one year. A summary of the District's long-term obligations outstanding at June 30, 2020 and 2019 follows:

	Governmental Activities 2020	Governmental Activities 2019
Lease purchase agreements	$ 2,640,000	$ 2,800,000
General obligation bonds	3,765,000	4,030,000
Total long-term obligations	$ 6,405,000	$ 6,830,000

For further information regarding the District's long-term obligations, refer to Note 13 to the basic financial statements.

Current Financial Related Activities

The District is holding its own in the state of a declining economy and uncertainty in State funding. Stryker is a small rural community of 1,327 people in Northwest Ohio. It has a number of small and medium business with agriculture having a major contributing influence on the economy.

The District received approximately 51 percent of District revenue sources from local funds, 41 percent from state funds and the remaining 8 percent is from federal funds. The total expenditure per pupil was calculated at $9,955.

Over the past several years, the District has remained in a good financial position. In March 2012, the District passed a 5.8 mill emergency levy for operating expenses, which is expected to collect $335,000 annually. This levy provides a source of funds for the financial operations and stability of the District. However, future finances are not without challenges as our community changes and state funding is revised.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jill Peters, CFO, Stryker Local School District, 400 South Defiance Street, Stryker, Ohio 43557-9491.

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2020

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents. . .	$	8,436,200
Net position:		
Restricted for:		
Capital projects	$	199,147
Classroom facilities maintenance		47,529
Debt service.		966,590
Student activities		89,455
Food service operations.		12,995
Unrestricted		7,120,484
Total net position.	$	8,436,200

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	$ 3,081,236	$ 324,202	$ 159,198	$ (2,597,836)
Special	823,820	48,654	397,154	(378,012)
Vocational	217,925		25,782	(192,143)
Adult/continuing.	1,000			(1,000)
Other	112,772		1,134	(111,638)
Support services:				
Pupil.	276,274		90,091	(186,183)
Instructional staff	118,508		3,600	(114,908)
Board of education	20,208			(20,208)
Administration.	524,858			(524,858)
Fiscal.	235,709			(235,709)
Business.	20,618			(20,618)
Operations and maintenance	547,068		19,044	(528,024)
Pupil transportation.	194,666		21,802	(172,864)
Central	295,345		1,060	(294,285)
Operation of non-instructional services:				
Food service operations	175,480	80,678	82,937	(11,865)
Other non-instructional services	6,846		566	(6,280)
Extracurricular activities.	354,544	150,139	17,129	(187,276)
Facilities acquisition and construction	2,952,967			(2,952,967)
Debt service:				
Principal retirement.	425,000			(425,000)
Interest and fiscal charges	247,901			(247,901)
Total governmental activities	$ 10,632,745	$ 603,673	$ 819,497	(9,209,575)

General receipts:	
Property taxes levied for:	
General purposes	2,176,418
Debt service.	272,434
Capital outlay.	332,643
Special revenue	22,888
Income taxes levied for:	
General purposes	844,810
Debt service.	172,163
Grants and entitlements not restricted to specific programs	3,415,412
Investment earnings	170,988
Miscellaneous	6,363
Total general revenues	7,414,119
Change in net position	(1,795,456)
Net position at beginning of year (restated).	10,231,656
Net position at end of year.	$ 8,436,200

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents.	$ 6,999,068	$ 966,590	$ 350,832	$ 119,710	$ 8,436,200
Fund balances:					
Restricted:					
Debt service		$ 966,590			$ 966,590
Capital improvements			$ 199,147		199,147
Classroom facilities maintenance				$ 47,529	47,529
Food service operations				10,977	10,977
Other purposes.				2,018	2,018
Extracurricular.				89,455	89,455
Committed:					
Capital improvements			151,685		151,685
Assigned:					
Student instruction	$ 1,180				1,180
Student and staff support.	56,383				56,383
School supplies.	12,014				12,014
Budget Stabilization	1,644,837				1,644,837
Unassigned (deficit)	5,284,654			(30,269)	5,254,385
Total fund balances	$ 6,999,068	$ 966,590	$ 350,832	$ 119,710	$ 8,436,200

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Receipts:					
From local sources:					
Property taxes	$ 2,176,418	$ 272,434	$ 332,643	$ 22,888	$ 2,804,383
Income taxes.	844,810	172,163			1,016,973
Tuition.	335,693				335,693
Earnings on investments	170,988			206	171,194
Charges for services				80,678	80,678
Extracurricular.	24,095			143,240	167,335
Classroom materials and fees	19,967				19,967
Contributions and donations	8,791			21,458	30,249
Other local receipts.	2,042			1,290	3,332
Intergovernmental - state	3,557,212	30,871	39,571	104,798	3,732,452
Intergovernmental - federal	44,646			430,387	475,033
Total receipts	7,184,662	475,468	372,214	804,945	8,837,289
Disbursements:					
Current:					
Instruction:					
Regular.	2,863,040		49,298	168,898	3,081,236
Special	640,651			183,169	823,820
Vocational	101,764		116,161		217,925
Adult/continuing				1,000	1,000
Other	112,772				112,772
Support services:					
Pupil	186,183			90,091	276,274
Instructional staff	103,123		11,785	3,600	118,508
Board of education	20,208				20,208
Administration	524,858				524,858
Fiscal	220,376	8,123	7,210		235,709
Business.	20,618				20,618
Operations and maintenance	463,214		35,888	47,966	547,068
Pupil transportation	194,666				194,666
Central	294,285			1,060	295,345
Operation of non-instructional services:					
Food service operations.				175,480	175,480
Other operation of non-instructional.	6,347			499	6,846
Extracurricular activities	186,263		23,288	144,993	354,544
Facilities acquisition and construction.	69,681		2,883,286		2,952,967
Capital outlay					
Debt service:					
Principal retirement.	160,000	265,000			425,000
Interest and fiscal charges	121,801	126,100			247,901
Total disbursements	6,289,850	399,223	3,126,916	816,756	10,632,745
Excess (deficiency) of receipts over (under) disbursements.	894,812	76,245	(2,754,702)	(11,811)	(1,795,456)
Other financing sources (uses):					
Transfers in.	2,656				2,656
Transfers (out)				(2,656)	(2,656)
Total Other Financing Sources (Uses).	2,656			(2,656)	
Net change in fund balances	897,468	76,245	(2,754,702)	(14,467)	(1,795,456)
Fund balances at beginning of year (restated).	6,101,600	890,345	3,105,534	134,177	10,231,656
Fund balances at end of year.	$ 6,999,068	$ 966,590	$ 350,832	$ 119,710	$ 8,436,200

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Receipts:				
From local sources:				
Property taxes	$ 2,014,399	$ 2,014,399	$ 2,176,418	$ 162,019
Income taxes	815,000	815,000	844,810	29,810
Tuition	254,000	254,000	335,693	81,693
Earnings on investments	100,000	100,000	170,988	70,988
Classroom materials and fees	13,000	13,000	15,368	2,368
Contributions and donations	1,500	1,500	4,405	2,905
Other local receipts	2,000	2,000	1,958	(42)
Intergovernmental - state	3,082,000	3,082,000	3,557,212	475,212
Intergovernmental - federal	38,000	38,000	44,646	6,646
Total receipts	6,319,899	6,319,899	7,151,498	831,599
Disbursements:				
Current:				
Instruction:				
Regular	3,306,000	3,301,370	2,873,893	427,477
Special	787,916	835,916	640,651	195,265
Vocational	132,825	132,825	101,764	31,061
Other	259,950	259,950	112,772	147,178
Support services:				
Pupil	328,343	329,996	186,183	143,813
Instructional staff	102,860	116,901	103,123	13,778
Board of education	33,644	36,683	20,208	16,475
Administration	582,884	583,507	524,858	58,649
Fiscal	251,805	268,193	240,376	27,817
Business	20,618	20,618	20,618	
Operations and maintenance	695,240	662,602	465,874	196,728
Pupil transportation	238,455	238,455	194,666	43,789
Central	354,500	354,500	304,275	50,225
Other operation of non-instructional services	30,821	30,821	6,347	24,474
Extracurricular activities	341,863	316,158	180,558	135,600
Facilities acquisition and construction	535,931	515,160	351,482	163,678
Total disbursements	8,003,655	8,003,655	6,327,648	1,676,007
Excess (deficiency) of receipts over (under) disbursements	(1,683,756)	(1,683,756)	823,850	2,507,606
Other financing sources (uses):				
Refund of prior year's expenditures			22,748	22,748
Transfers in	7,000	7,000		(7,000)
Transfers (out)	(30,000)	(30,000)		30,000
Sale of capital assets			2,491	2,491
Total other financing sources (uses)	(23,000)	(23,000)	25,239	48,239
Net change in fund balance	(1,706,756)	(1,706,756)	849,089	2,555,845
Unencumbered fund balance beginning of year	6,045,052	6,045,052	6,045,052	
Prior year encumbrances appropriated	35,350	35,350	35,350	
Unencumbered fund balance end of year	$ 4,373,646	$ 4,373,646	$ 6,929,491	$ 2,555,845

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
JUNE 30, 2020

	Custodial
Assets:	
Equity in pooled cash and investments. . . .	$ 684
Net position:	
Restricted for individuals, organizations and other governments . .	$ 684

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Custodial
Additions:	
From local sources:	
Other local revenues	$ 1,200
Deductions:	
Support services:	
Administration	1,200
Net position at beginning of year (restated)	684
Net position at end of year	$ 684

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1 – Reporting Entity

Stryker Local School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Stryker Local School District is a local school district as defined by §3311.22 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's one instructional/support facilities staffed by 23 non-certified and 42 certified full-time teaching personnel who provide services to 358 students and other community members.

Primary Government

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

Component Units

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 organization for which the School District authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the School District. Component units may also include organizations that are fiscally dependent on the School District in that the District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

Jointly Governed Organizations and Public Entity Risk Pools

The School District is associated with organizations, which are defined as jointly governed organizations and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Career Center, Northwestern Ohio Educational Research Council, Inc., the Northern Buckeye Health Plan Employee Insurance Benefits Program; the Northern Buckeye Health Plan Workers' Compensation Group Rating Plan and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Notes 15 and 16 to the basic financial statements.

The School District's management believes these financial statements present all activities for which the School District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the School District's accounting policies.

Basis of Presentation

The School District's basic financial statements consist of government-wide financial 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 statement of net position presents the cash balance of the governmental activities of the School District at fiscal year end. The statement of activities compares disbursements with program receipts for each function or program of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the School District's general receipts.

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

Fund Accounting

The School District uses funds to maintain its financial records during the 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 two categories, governmental and fiduciary.

Governmental Funds The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the School District's major funds:

> ***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Bond Retirement Fund*** The bond retirement fund is used to account for the accumulation or resources for, and the payment of, long-term debt principal, interest, and related costs.
>
> ***Permanent Improvement Fund*** The permanent improvement fund is used to account for all transactions related to the acquiring, constructing or improving of such permanent improvements.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished form custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodail funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Basis of Accounting

The School District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the School District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate.

The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the District's Chief Fiscal Officer.

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

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

Cash and Investments

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

Investments of the School District's 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. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During fiscal year 2020, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable certificates of deposit and negotiable certificates of deposit. With the exception of STAR Ohio, investments are reported at cost.

During fiscal year 2020, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during fiscal year 2020 was $170,988 and $48,861, which were assigned from other School District funds.

Inventory and Prepaid Items

The School District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Compensated Absences

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the School District's cash basis of accounting.

Pensions/Other Postemployment Benefits (OPEB)

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The School District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. The School District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund transfers and advances are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants restricted to cash disbursement for specified purposes.

The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.
>
> ***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.
>
> ***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
>
> ***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District's Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or a School District official delegated by that authority by resolution or by State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.
>
> ***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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.

Note 3 – Accountability and Compliance

Accountability

For fiscal year 2020, the District has implemented GASB Statement No. 84 "Fiduciary Activities" and GASB Statement No. 90 "*Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the School District will no longer be reporting agency funds. The School District reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental or proprietary funds. These fund reclassifications resulted in the restatement of the School District's financial statements.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the School District.

A fund cash balance restatement is required in order to implement GASB Statement No 84. The June 30, 2020, fund cash balances have been restated as follows:

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Fund cash balance as previously reported	$ 6,101,600	$ 890,345	$ 3,105,534	$ 101,047	$ 10,198,526
GASB Statement No. 84	-	-	-	33,130	33,130
Restated Fund Cash Balance, at June 30, 2019	$ 6,101,600	$ 890,345	$ 3,105,534	$ 134,177	$ 10,231,656

A net cash position restatement is required in order to implement GASB Statement No 84. The governmental activities at June 30, 2020 have been restated as follows:

	Governmental Activities
Net cash position as previously reported	$ 10,198,526
GASB Statement No. 84	33,130
Restated net cash position, at June 30, 2019	$ 10,231,656

Due to the implementation of GASB Statement No. 84, the School District will no longer be reporting agency funds. At June 30, 2020, agency funds reported assets and net cash position of $33,814. The new classification of custodial funds is reporting a beginning net position of $684.

Compliance

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

In addition, the District recorded $38,177 of income tax revenues collected for debt charges in the General fund. Ohio law requires these monies be recorded in the Bond Retirement Fund.

Deficit Fund Balance

Fund balances at June 30, 2020 included the following individual fund deficit:

Nonmajor funds	Deficit
Title VI-B, School Improvement	$ 4,224
Title I	15,225
Miscellaneous Federal Grants	10,820

The general fund is liable for the deficit in these funds and provides transfers when cash is required, not when accruals occur.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are as follows:

(a) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances (cash basis); and,

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

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis for the general fund is as follows:

	General
Budget Basis	$849,089
Funds Budgeted Elsewhere	14,549
Adjustment for Encumbrance	33,830
Cash Basis	$897,468

Note 5 – Deposits and Investments

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

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

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

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

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

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

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked 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 requirements 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 (STAR Ohio).

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. Except as noted above, 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.

At year end, the School District had $1,510 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At June 30, 2020, the carrying amount of all School District deposits was $ 3,358,514 and the bank balance of all School District deposits was $ 3,399,278. The bank balance was insured by the FDIC.

Investments

As of June 30, 2020, the School District had the following investments and maturities:

			Investment Maturities at Fair Value (in Years)		
Investment Type	Carrying Value	Fair Value	Less than 1	1-2	3-5
STAR Ohio	$3,078,752	$3,078,752	$3,078,752		
Negotiable CD's	1,998,108	2,077,514	768,647	$787,076	$521,791
Total Investments	$5,076,860	$5,156,266	$3,847,399	$787,076	$521,791

The weighted average maturity of investments is 0.74 years.

Interest Rate Risk The Ohio Revised Code generally limits securities purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchases of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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 The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the School District at June 30, 2020:

Investment type	Carrying Value	% of Total
STAR Ohio	$ 3,078,752	60.64
Negotiable CD's	1,998,108	39.36
Total	$ 5,076,860	100.00

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statement as of June 30, 2020:

Cash and Investments per note	
Carrying amount of deposits	$ 3,358,514
Investments	5,076,860
Cash on hand	1,510
Total	$ 8,436,884

Cash and Investments per Statement of Net Position - Cash Basis	
Governmental activities	$ 8,436,200
Custodial funds	684
Total	$ 8,436,884

Note 6 – Interfund Transactions

Transfers for the fiscal year ended June 30, 2020, as reported on the fund financial statements, consist of the following:

Transfers to nonmajor governmental funds from:	Amount
General fund	$ 2,656

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

Interfund transfers between governmental funds are eliminated for reporting purposes in the statement of activities - cash basis. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, 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 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2018, were levied after April 1, 2019 and are collected 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 Williams 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, 2020, are available to finance fiscal year 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	Amount	Percent	Amount	Percent
Commercial/Industrial	$ 5,161,200	6.56	$ 5,164,730	6.51
Agricultural/Residential	56,646,560	72.03	56,921,000	71.78
Public Utility	16,837,820	21.41	17,213,470	21.71
Total	$ 78,645,580	100.00	$ 79,299,200	100.00
Tax rate per $1,000 of assessed valuation	$48.00		$48.00	

Note 8 – Income Taxes

The School District levies a voted tax of 1.00 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax and is credited to the General Fund. The School District levies a voted tax of .25 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2006, and is a continuing tax and is credited to the General Fund. Also, the School District levies a .25 percent for the retirement of bonds, on the income of residents and of estates. The tax was effective on January 1, 2006, and is a continuing tax and is credited to the Bond Retirement Fund. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual school district income tax return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund and Bond Retirement Fund.

Note 9 – 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. During fiscal year 2019, the School District contracted with various companies for the following insurance coverage:

Coverage provided by the Ohio School Plan is as follows:

Buildings and Contents - replacement cost	$ 67,143,558
Automobile Liability	3,000,000
General School District Liability	
Per Occurrence	3,000,000
Total Per Year	5,000,000

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

Comprehensive

The School District maintains comprehensive insurance coverage with the Ohio School Plan for liability, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are fully insured.

The School District joined together with other school districts in Ohio to participate in the Schools of Ohio Risk Authority a public entity insurance purchasing pool (Note 16). Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

Settled claims have not exceeded the commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverages from last year.

Employee Insurance Benefits Program

The School District participates in the Northern Buckeye Health Plan (NBHP), Northwest Division of OHI, a self-insurance pool (Note 16), for insurance benefits to employees. The School District pays monthly premiums to NBHP for the benefits offered to its employees, which includes health, dental, and life insurance. NBHP is responsible for the management and operations of the program. The agreement with NBHP provides for additional assessment to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from NBHP, a participant is responsible for any claims not processed and paid and any related administrative costs.

Workers' Compensation Group Program

The School District participates in the Northern Buckeye Health Plan, Northern Division of OHI Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool (Note 16). The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

Note 10 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

Pensions and 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 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 remainder of this note includes the required pension disclosures. See Note 11 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, 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 62 with 10 years of service credit; or
	Age 55 with 25 years of service credit	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, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2020, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was $87,127 for fiscal year 2020.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 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. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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. The member determines how to allocate the member and employer money among various investment choices offered by STRS. 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 is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

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. New members must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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. The fiscal year 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2020, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was $333,437 for fiscal year 2020.

Net Pension Liability

The net pension liability was measured as of June 30, 2019, 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	0.01724890%	0.02022836%	
Proportion of the net pension liability current measurement date	0.01747280%	0.02004786%	
Change in proportionate share	0.00022390%	-0.00018050%	
Proportionate share of the net pension liability	$ 1,045,428	$ 4,433,464	$ 5,478,892

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, 2019, 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%)
District's proportionate share of the net pension liability	$ 1,465,019	$ 1,045,428	$ 693,549

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	July 1, 2019
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, 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.

Actuarial assumptions used in the July 1, 2019, 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 Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. 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, 2019. 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, 2019.

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%)
District's proportionate share of the net pension liability	$ 6,479,013	$ 4,433,464	$ 2,701,801

Note 11 – Defined Benefit OPEB Plans

See note 10 for a description of the net OPEB liability

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, no allocation 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 2020, this amount was $19,600. 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 2020, the School District's surcharge obligation was $10,379.

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 $10,379 for fiscal year 2020.

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, 2021. 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. All benefit recipients 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 fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset)

The net OPEB liability (asset) was measured as of June 30, 2019, 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:

	SERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.01744070%	0.02022836%	
Proportion of the net OPEB liability/asset current measurement date	0.01780220%	0.02004786%	
Change in proportionate share	0.00036150%	-0.00018050%	
Proportionate share of the net OPEB liability	$ 447,688	$ -	$ 447,688
Proportionate share of the net OPEB asset	$ -	$ (332,041)	$ (332,041)

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, 2019, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

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

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

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

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

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2020, was 3.70 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 3.13 percent, as of June 30, 2020 (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 (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net OPEB liability	$ 543,408	$ 447,688	$ 371,579

	1% Decrease (6.00 % decreasing to 3.75 %)	Current Trend Rate (7.00 % decreasing to 4.75 %)	1% Increase (8.00 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	$ 358,689	$ 447,688	$ 565,768

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

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
Health Care Cost Trends	
Medical	
Pre-Medicare	5.87 percent initial, 4 percent ultimate
Medicare	4.93 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	7.73 percent initial, 4 percent ultimate
Medicare	9.62 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, 2019, 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, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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	%		

* Target weights will be phased in over a 24-month period concluding on July1, 2019.

** 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 actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS 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 as of June 30, 2019. 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 as of June 30, 2019.

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, 2019, 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%)
District's proportionate share of the net OPEB asset	$ 283,331	$ 332,041	$ 372,994

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 376,519	$ 332,041	$ 277,566

Note 12 – Other Employee Benefits

Compensated Absences

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Clerical, Technical, and Maintenance and Operation employees with one or more years of service are entitled to vacation ranging from 5 to 25 days upon hiring. Teachers do not earn vacation time.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rated basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to 30 percent of the accumulated sick leave to a maximum of 63 days, except that those employees who elect to retire within twelve months of the earliest permissible retirement date shall be paid 50 percent of the accumulated sick leave to maximum of 40 days.

Health Care Benefits

The District participates in the Northern Buckeye Health Plan (NBHP), Northwest Division of OHI, a self insurance pool, for insurance benefits to employees. The District pays monthly premiums to NBHP for the benefits offered to its employees, which include health, dental, vision, and life insurance. NBHP is responsible for the management and operations of the program. The agreement with NBHP provides for additional assessment to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from NBHP, a participant is responsible for any claims not processed and paid and any related administrative costs.

Note 13 – Debt

Long Term Obligations

The changes in the School District's notes payable during fiscal year 2020 were as follows:

	Balance Outstanding 06/30/19	Reductions	Balance Outstanding 06/30/20	Amounts Due in One Year
Governmental Activities:				
UTGO Current Refunding Bonds				
Series 2016A	$ 2,940,000	$ (175,000)	$ 2,765,000	$ 175,000
LTGO Current Refunding Bonds				
Series 2016B	1,090,000	(90,000)	1,000,000	85,000
Lease Purchase Agreement	2,800,000	(160,000)	2,640,000	150,000
Total Governmental Activities	$ 6,830,000	$ (425,000)	$ 6,405,000	$ 410,000

Lease-Purchase Agreement

During fiscal year 2019, the School District entered into a lease-purchase agreement; with Huntington National Bank for the purpose of facilitating the acquisition, construction renovation and improvement, furnishing, equipping and installation of a School District auditorium. The $2,800,000 in proceeds are to be repaid over fourteen years with a final maturity of December 1, 2033. Principal and interest payments related to this agreement are made from the general fund.

Principal and interest requirements to retire the lease-purchase obligation at June 30, 2020 follows:

Fiscal Year	Lease Purchase Agreement		
Ending June 30,	Principal	Interest	Total
2021	$ 150,000	$ 89,519	$ 239,519
2022	155,000	84,196	239,196
2023	160,000	78,700	238,700
2024	165,000	73,028	238,028
2025	170,000	67,183	237,183
2026 - 2030	950,000	240,635	1,190,635
2031 - 2034	890,000	63,519	953,519
Total	$ 2,640,000	$ 696,780	$ 3,336,780

The School District had outstanding UTGO current refunding bonds of $3,290,000 (interest rates of 1.5 to 4.0 percent). The bonds were issued in December 2016 and will mature in January 2033.

The School District had outstanding LTGO current refunding bonds of $1,215,000 (interest rates of 1.5 to 4.0 percent). The bonds were issued in December 2016 and will mature in January 2030.

UTGO Current Refunding Bonds, Series 2016A

Proceeds from the outstanding bonds were used to refund the school improvement bonds series 2016A. These bonds were issued on December 8, 2016. The bonds consisted of $3,350,000 in current interest bonds ($1,520,000 issued as serial bonds and $1,830,000 issued as term bonds).

The 2016A Serial Bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

Maturity Date (January 15)	**Principal Amount**	**Interest Rate**
2021	$175,000	1.75%
2022	185,000	1.75%
2023	185,000	2.00%
2024	195,000	2.00%
2025	195,000	2.00%

Optional Redemption

The Series 2016A Bonds which are Current Interest Bonds maturing on or after January 15, 2027 are subject to optional redemption prior, in whole or in part on any date in any order maturity determined by the Board of Education and by lot within a maturity, at the option of the Board of Education and by lot within maturity, at the option of the Board of Education on or after January 15, 2025 at par plus accrued interest thereon.

Mandatory Redemption

The Series 2016A Bonds maturing on January 15, 2027 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2026 in the principal amount of $200,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016A Bonds maturing on January 15, 2027 ($210,000) will be payable on January 15, 2027.

The Series 2016A Bonds maturing on January 15, 2029 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2028 in the principal amount of $215,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016A Bonds maturing on January 15, 2029 ($225,000) will be payable on January 15, 2029.

The Series 2016A Bonds maturing on January 15, 2031 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2030 in the principal amount of $235,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016A Bonds maturing on January 15, 2031 ($245,000) will be payable on January 15, 2031.

The Series 2016A Bonds maturing on January 15, 2033 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2032 in the principal amount of $255,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016A Bonds maturing on January 15, 2033 ($245,000) will be payable on January 15, 2033.

LTGO Current Refunding Bonds, Series 2016B

Proceeds from the outstanding bonds were used to refund the school improvement bonds series 2016B. These bonds were issued on December 8, 2016. The bonds consisted of $1,215,000 in current interest bonds ($6700,000 issued as serial bonds and $545,000 issued as term bonds).

The 2016B Serial Bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

Maturity Date (January 15)	Principal Amount	Interest Rate
2021	$85,000	1.75%
2022	90,000	1.75%
2023	95,000	2.00%
2024	90,000	2.00%
2025	95,000	2.00%

Optional Redemption

The Series 2016B Bonds which are Current Interest Bonds maturing on or after January 15, 2028 are subject to optional redemption prior, in whole or in part on any date in any order maturity determined by the Board of Education and by lot within a maturity, at the option of the Board of Education and by lot within maturity, at the option of the Board of Education on or after January 15, 2025 at par plus accrued interest thereon.

Mandatory Redemption

The Series 2016B Bonds maturing on January 15, 2028 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2026 in the following principal amounts as specified below:

Date of Principal Redemption	Principal Amount to be Redeemed
January 15, 2026	$100,000
January 15, 2027	105,000

Unless otherwise retired prior to maturity, the remaining principal amount of Series 2016B Bonds maturing on January 15, 2028 ($110,000) will be payable on January 15, 2028.

The Series 2016B Bonds maturing on January 15, 2030 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2029 in the principal amount of $115,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016B Bonds maturing on January 15, 2030 ($115,000) will be payable on January 15, 2030.

Total expenditures for interest for the above debt for the period ended June 30, 2020 was $126,100.

The scheduled payments of principal and interest on the bonds and notes as of June 30, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	$ 260,000	$ 121,463	$ 381,463
2022	275,000	116,912	391,912
2023	280,000	112,100	392,100
2024	285,000	106,500	391,500
2025	290,000	100,800	390,800
2026 - 2030	1,630,000	349,600	1,979,600
2031 - 2033	745,000	59,600	804,600
Total	$ 3,765,000	$ 966,975	$ 4,731,975

Note 14 – Set-Aside Calculations and Fund Reserves

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

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

	Capital Acquisition
Set-Aside Cash Balance as of June 30, 2019	$ -
Current Year Set-Aside Requirement	66,613
Current Year Offsets	(406,209)
Current Year Qualifying Disbursements	(354,580)
Total Restricted Assets	$ (694,176)
Cash Balance Carried Forward to FY 2021	$ -

Note 15 – Jointly Governed Organizations

Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. NWOCA is governed by its participating members, which consists of a representative from each member entity and a representative from the fiscal agent. The District paid $1,125 to NWOCA for various services. Financial information can be obtained fromTammy Butler, who serves as Treasurer, 209 Nolan Parkway, Archbold, Ohio 43502.

Northern Buckeye Education Council

The Northern Buckeye Education Council (the Council) was established in 1979 to foster cooperation among school districts located in Defiance, Fulton, Henry, Lucas, Williams and Wood Counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the counties in which the member educational entities are located. The Board is elected from an assembly consisting of a representative from each participating educational entity. During fiscal year 2020, the District paid $28,244 to NWOCA for its membership fee. To obtain financial information write to the Northern Buckeye Education Council, Tammy Butler , who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

Four County Career Center

The Four County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of five representatives from the Northwest Ohio Educational Service Center - one each from the counties of Defiance, Fulton, Henry, and Williams and one additional representative; one representative from each of the city school districts; one representative from each of the exempted village school districts. The Four County Career Center possesses its own budgeting and taxing authority. To obtain financial information write to the Four County Career Center, Connie Nicely, who serves as Treasurer, 22-900 State Route 34, Archbold, Ohio 43502.

Northwestern Ohio Educational Research Council, Inc.

The Northwestern Ohio Educational Research Council, Inc. (NWOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials and provide opportunities for training. The NWOERC serves a twenty-five county area of Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. During fiscal year 2020, the District paid $0 to NWOERC for its membership fee. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., P.O. Box 456, Ashland, Ohio 44805.

Note 16 – Group Purchasing Pools

Employee Insurance Benefits Program

The District participates in the Northern Buckeye Health Plan, Northwest Division of the Optimal Health Initiative Consortium (OHI) is a public entity shared risk pool consisting of educational entities throughout the state. The Pool is governed by OHI and its participating members. The District contributed a total of $653,868 to

Northern Buckeye Health Plan, Northwest Division of OHI for all four plans. Financial information for the period can be obtained fromCharlie LeBoeuf, Treasurer, at 201 East 5th Street, Suite 2100, Cincinnati, Ohio 45242.

Workers' Compensation Group Rating Plan

The District participates in a group-rating plan for workers' compensation as established under §4123.29 of the Ohio Revised Code. The Northern Buckeye Health Plan, Northwest Division of Workers' Compensation Group Rating Plan (WCGRP) was established through the as a group purchasing pool. The group was formed to create a workers' compensation group rating plan which would allow employers to group together to achieve a potentially lower premium rate than they may otherwise be able to acquire as individual employers. The Optimal Health Initiatives has created a workers' compensation group rating and risk management program which will potentially reduce the workers' compensation premiums for the District.

Optimal Health Initiatives has retained Sheakley UniService as the servicing agent to perform administrative, actuarial, cost control, claims, and safety consulting services and unemployment claims services for program participants. During this fiscal year, the District paid an enrollment fee of $0 to WCGRP to cover the costs of administering the program.

Schools of Ohio Risk Sharing Authority

The District participates in the Schools of Ohio Risk Sharing Authority (SORSA), which was established in 2002 pursuant to Articles of Incorporation filed under Chapter 1702 of the Ohio Revised Code – Non-Profit Corporations and functioning under authority granted by § 2744.081 of the Ohio Revised Code. SORSA's purpose is to provide a joint self-insurance pool and to assist member school districts in preventing and reducing losses and injuries to property and persons that might result in claims being made against members of SORSA, their employees or officers.

A nine-person Board of Directors manages the business and affairs of SORSA and is elected annually by the members of the pool. The Board of Directors consists of Superintendents, Treasurers, or Business Managers from the participating school districts. The insurance brokerage firm of Willis Pooling is contracted to provide reinsurance brokerage, underwriting, rating, billing and consulting services. The Frank Gates Service Company provides insurance claims settlement and adjustment services. Financial information can be obtained from SORSA Executive Director at 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483.

Note 17 – 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 are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2020.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 resulted in an additional $379 being due the School District.

Litigation

There are currently no matters in litigation with the School District as defendant.

Note 18 – Related Party Transactions

Ben Woolace, a Board Member, is owner of Woolace Electric, a local company who performed various repairs to the Districts grounds during fiscal year 2020. The District remitted $1,122 during fiscal year 2020. The services were approved at arm's length, with full knowledge by District officials, of Mr. Woolace interest, and Mr. Woolace took no part in the deliberation or decision by District officials with respect to the services.

Jason Leupp, a Board Member, is owner of Freedom Sales & Rentals, a company who who the District purchased an electric blower for concession cleanup and a triger switch for the electric blower during fiscal year 2020 for $201.43. The purchase was approved at arm's length, with full knowledge by District officials, of Mr. Leupp interest, and Mr. Leupp took no part in the deliberation or decision by District officials with respect to the purchase.

Note 19 – Tax Abatements Entered Into By Other Governments

The Village of Stryker entered into Community Redevelopment Area (CRA) agreements with Baltosser Properties and Drewfund, LLC for the abatement of property taxes and to bring jobs and economic development into the Village. The agreement affects the property tax receipts collected and distributed to the District. Under the agreement, the District will forgo future property taxes in the amount of $2,232 annually based on the effective millage rate in place at the time of the agreement.

Note 20 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. In addition, the impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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

Financial Highlights

Key financial highlights for 2019 are as follows:

- The total cash-basis net position of the District increased $3,685,754 or 56.59% from fiscal year 2018.

- General receipts accounted for $10,014,516 or 88.73% of total governmental activities receipts. Program specific receipts accounted for $1,272,218 or 11.27% of total governmental activities receipts.

- The District had $7,600,980 in disbursements related to governmental activities; $1,272,218 of these disbursements were offset by program specific charges for services, grants or contributions. General receipts of $10,014,516 were adequate to provide for these programs.

- The District's major funds are the general fund and the permanent improvement fund. The general fund, the District's largest major fund, had total receipts of $6,957,081 in 2019. The disbursements and other financing uses of the general fund totaled $6,141,990. The general fund's balance increased $815,091 or 15.42% from 2018 to 2019.

- The permanent improvement fund had total receipts and other financing sources of $3,150,023 in 2019. The disbursements of the permanent improvement fund totaled $403,372 in 2019. The permanent improvement fund's balance increased $2,746,651 or 765.33% from 2018 to 2019.

Using these Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as is applicable to the District's cash basis of accounting.

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

Reporting the District as a Whole

Statement of Net Position – Cash Basis and the Statement of Activities – Cash Basis

The statement of net position – cash basis and the statement of activities – cash basis answer the question, "How did the District perform financially during 2019?" These statements only present the District's net position using the cash basis of accounting, which is a financial reporting framework other than accounting principles generally accepted in the United States of America. This financial reporting framework takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

As a result of the use of this cash basis of accounting, certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, and the effects of these items on revenues and expenses are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position – cash basis and statement of activities – cash basis, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at the year-end available for spending in future periods. The governmental fund financial statements provide a detailed view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be readily spent to finance various District programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds, whose activity or balances are not large enough to warrant separate reporting, is aggregated and presented in a single column.

Fiduciary Funds

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

Notes to the Financial Statements

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

The District as a Whole

The table below provides a summary of the District's net position for 2019 and 2018.

Net Position (Cash Basis)

	Governmental Activities 2019	Governmental Activities 2018
Assets:		
Equity in pooled cash and investments	$ 10,198,526	$ 6,512,772
Total assets	$ 10,198,526	$ 6,512,772
Net Position:		
Restricted	$ 3,982,983	$ 1,051,912
Unrestricted	6,215,543	5,460,860
Total net position	$ 10,198,526	$ 6,512,772

Total cash basis net position of the District increased $3,685,754, which represents a 56.59% increase from the District's net position at June 30, 2018. This increase is primarily due to proceeds of lease purchase being received. A portion of the District's net position, $3,982,983, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $6,215,543 may be used to meet the District's ongoing obligations to the students and creditors.

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

Change in Net Position

	Governmental Activities 2019	Governmental Activities 2018
Receipts:		
Program receipts:		
Charges for services and sales	$ 524,671	$ 425,422
Operating grants and contributions	747,547	757,912
General receipts:		
Property taxes	2,587,390	2,628,240
Income taxes	972,798	938,924
Grants and entitlements	3,497,049	3,502,187
Investment earnings	152,659	74,043
Proceeds of leasse-purchase transaction	2,800,000	334,960
Miscellaneous	4,620	7,956
Total receipts	11,286,734	8,669,644

Change in Net Position - (Continued)

	Governmental Activities 2019	Governmental Activities 2018
Disbursements:		
Instruction:		
Regular	$ 2,991,088	$ 3,010,588
Special	758,709	811,166
Vocational	159,818	132,217
Adult/continuing	1,000	1,000
Other	70,835	18,701
Support services:		
Pupil	299,814	235,827
Instructional staff	75,632	59,332
Board of education	21,293	14,891
Administration	489,046	471,641
Fiscal	246,291	220,800
Business	17,857	16,324
Operations and maintenance	504,412	531,540
Pupil transportation	256,079	217,046
Central	77,179	69,328
Operation of non-instructional services:		
Food service operations	198,808	198,337
Other non-instructional services	2,751	304
Extracurricular activities	481,951	413,184
Facilities acquisition and construction	210,435	54,242
Capital outlay	-	334,960
Debt service:		
Principal retirement	565,388	313,381
Interest and fiscal charges	172,594	137,717
Total disbursements	7,600,980	7,262,526
Change in net position	3,685,754	1,407,118
Net position at beginning of year	6,512,772	5,105,654
Net position at end of year	$10,198,526	$ 6,512,772

Governmental Activities

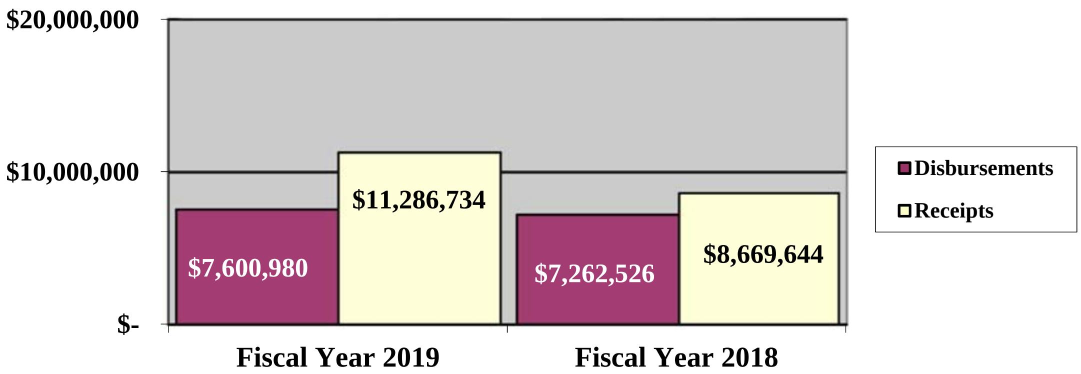
Governmental cash assets increased by $3,685,754 from June 30, 2018 to June 30, 2019; total governmental disbursements of $7,600,980 were offset by program receipts of $1,272,218 and general receipts of $10,014,516. Program receipts supported 16.74% of the total governmental disbursements.

The primary sources of receipts for governmental activities are derived from property taxes, income taxes, grants and entitlements and proceeds of lease purchase transaction receipts. These receipt sources represent 87.33% of total governmental receipts. Real estate property is reappraised every six years.

The largest disbursement of the District is for instructional programs. Instructional disbursements totaled $3,981,450 or 52.38% of total governmental disbursements for fiscal year 2019.

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

Governmental Activities - Total Receipts vs. Total Disbursements



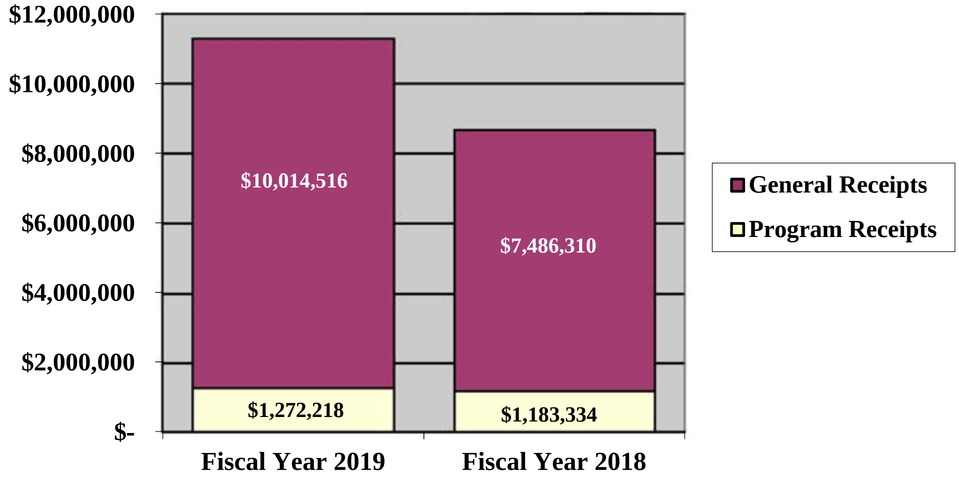
The statement of activities shows the cost of program services and the charges for services and grants off setting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

	Governmental Activities			
	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Disbursements:				
Instruction:				
Regular	$ 2,991,088	$ 2,570,611	$ 3,010,588	$ 2,603,372
Special	758,709	248,637	811,166	354,152
Vocational	159,818	134,816	132,217	106,542
Adult/continuing	1,000	1,000	1,000	1,000
Other	70,835	69,793	18,701	17,060
Support services:				
Pupil	299,814	299,814	235,827	235,827
Instructional staff	75,632	72,032	59,332	55,732
Board of education	21,293	21,293	14,891	14,891
Administration	489,046	489,046	471,641	471,641
Fiscal	246,291	246,291	220,800	220,800
Business	17,857	17,857	16,324	16,324
Operations and maintenance of plant	504,412	501,912	531,540	531,540
Pupil transportation	256,079	237,648	217,046	199,681
Central	77,179	76,099	69,328	69,328
Operation of non-instructional services:				
Food service operations	198,808	3,000	198,337	12,946
Other non instructional services	2,751	2,443	304	(195)
Extracurricular	481,951	388,053	413,184	328,251
Capital outlay	-	-	334,960	334,960
Facilities acquisition and construction	210,435	210,435	54,242	54,242
Debt service:				
Principal retirement	565,388	565,388	313,381	313,381
Interest and fiscal charges	172,594	172,594	137,717	137,717
Total	$ 7,600,980	$ 6,328,762	$ 7,262,526	$ 6,079,192

The dependence upon general receipts for instructional activities is apparent, as 75.97% of disbursements were supported through taxes and other general receipts during 2019. For all governmental activities, general receipts support is 83.26%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio are by far the primary support of the District's students.

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

Governmental Activities - General and Program Receipts



The District's Funds

At June 30, 2019, the District's governmental funds reported a combined cash fund balance of $10,198,526, which is $3,685,754 more than last year's total of $6,512,772. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2019 and June 30, 2018, for all major and nonmajor governmental funds.

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Increase
Major Funds:			
General	$ 6,101,600	$ 5,286,509	$ 815,091
Permanent improvement	3,105,534	358,883	2,746,651
Other governmental funds	991,392	867,380	124,012
Total	$ 10,198,526	$ 6,512,772	$ 3,685,754

General Fund

The general fund, the District's largest major fund, had total receipts of $6,957,081 in 2019. The disbursements and other financing uses of the general fund totaled $6,141,990. The general fund's balance increased $815,091 or 15.42% from 2018 to 2019.

The table that follows assists in illustrating the receipts of the general fund.

	2019 Amount	2018 Amount	Percentage Change
Receipts:			
Taxes	$ 2,781,164	$ 2,755,482	0.93 %
Tuition	296,320	243,240	21.82 %
Earnings on investments	152,659	74,043	106.18 %
Other	55,867	31,347	78.22 %
Intergovernmental	3,671,071	3,668,454	0.07 %
Total	$ 6,957,081	$ 6,772,566	2.72 %

General fund tax receipts increased $25,682 or 0.93% during 2019 due to an increase in income taxes. Interest receipts increased $78,616 or 106.18% due to improved interest rates on the Districts investments. All other receipt classifications remained comparable to 2018.

The table that follows assists in illustrating the disbursements of the general fund.

	2019 Amount	2018 Amount	Percentage Change
Disbursements:			
Instruction	$ 3,574,675	$ 3,586,370	(0.33) %
Support services	1,884,186	1,784,048	5.61 %
Extracurricular	332,541	244,482	36.02 %
Facilities acquisition and construction	210,435	-	100.00 %
Capital outlay	-	140,460	(100.00) %
Debt service	117,083	29,935	291.12 %
Total	$ 6,118,920	$ 5,785,295	5.77 %

Disbursements related to instruction and support services fluctuated due to changes in wages and benefits. Extracurricular disbursements increased $88,059 or 36.02% due to an increase in sports-oriented activities. During fiscal year 2019, expenditures increased due to payments being made on new leases.

Permanent Improvement Fund

The permanent improvement fund had total receipts and other financing sources of $3,150,023 in 2019. The disbursements of the permanent improvement fund totaled $403,372 in 2019. The permanent improvement fund's balance increased $2,746,651 or 765.33% from 2018 to 2019.

Budgeting Highlights - General Fund

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

For the general fund, original budgeted disbursements and other financing uses of $7,274,715 were increased to $10,077,926 in the final budget. Actual disbursements and other financing uses of $6,168,448 were $3,909,478 lower than budgeted disbursements and other financing uses. These differences were the result of proceeds from a lease transactions received and appropriated and the conservative approach to budgeting used by the District.

Capital Assets and Debt Administration

Capital Assets

The District does not capitalize assets on its financial statements or record the amortization of depreciation expense; rather, the District records disbursements when capital assets are purchased.

Debt Administration

At June 30, 2019, the District had $6,830,000 in long-term obligations outstanding; of this amount, $425,000 is due within one year. A summary of the District's long-term obligations outstanding at June 30, 2019 and 2018 follows:

	Governmental Activities 2019	Governmental Activities 2018
Lease purchase agreements	$ 2,800,000	$ 305,388
General obligation bonds	4,030,000	4,290,000
Total long-term obligations	$ 6,830,000	$ 4,595,388

For further information regarding the District's long-term obligations, refer to Note 13 to the basic financial statements.

Current Financial Related Activities

The District is holding its own in the state of a declining economy and uncertainty in State funding. Stryker is a small rural community of 1,327 people in Northwest Ohio. It has a number of small and medium business with agriculture having a major contributing influence on the economy.

The District received approximately 51 percent of District revenue sources from local funds, 41 percent from state funds and the remaining 8 percent is from federal funds. The total expenditure per pupil was calculated at $9,877.

Over the past several years, the District has remained in a good financial position. In March 2012, the District passed a 5.8 mill emergency levy for operating expenses, which is expected to collect $335,000 annually. This levy provides a source of funds for the financial operations and stability of the District. However, future finances are not without challenges as our community changes and state funding is revised.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jill Peters, CFO, Stryker Local School District, 400 South Defiance Street, Stryker, Ohio 43557-9491.

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2019

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents. . .	$ 10,198,526
Net position:	
Restricted for:	
Capital projects	$ 2,987,572
Classroom facilities maintenance	35,522
Debt service.	890,345
Student activities	44,885
Food service operations.	24,659
Unrestricted	6,215,543
Total net position.	$ 10,198,526

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

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

	Disbursements	Program Receipts: Charges for Services and Sales	Program Receipts: Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position: Governmental Activities
Governmental activities:				
Instruction:				
Regular	$ 2,991,088	$ 309,038	$ 111,439	$ (2,570,611)
Special	758,709	35,697	474,375	(248,637)
Vocational	159,818		25,002	(134,816)
Adult/continuing	1,000			(1,000)
Other	70,835		1,042	(69,793)
Support services:				
Pupil	299,814			(299,814)
Instructional staff	75,632		3,600	(72,032)
Board of education	21,293			(21,293)
Administration	489,046			(489,046)
Fiscal	246,291			(246,291)
Business	17,857			(17,857)
Operations and maintenance	504,412		2,500	(501,912)
Pupil transportation	256,079		18,431	(237,648)
Central	77,179		1,080	(76,099)
Operation of non-instructional services:				
Food service operations	198,808	95,425	100,383	(3,000)
Other non-instructional services	2,751		308	(2,443)
Extracurricular activities	481,951	84,511	9,387	(388,053)
Facilities acquisition and construction	210,435			(210,435)
Debt service:				
Principal retirement	565,388			(565,388)
Interest and fiscal charges	172,594			(172,594)
Total governmental activities	$ 7,600,980	$ 524,671	$ 747,547	(6,328,762)

General receipts:	
Property taxes levied for:	
General purposes	1,973,214
Debt service	281,208
Capital outlay	310,080
Special revenue	22,888
Income taxes levied for:	
General purposes	807,950
Debt service	164,848
Grants and entitlements not restricted to specific programs	3,497,049
Investment earnings	152,659
Proceeds of lease purchase transaction	2,800,000
Miscellaneous	4,620
Total general revenues	10,014,516
Change in net position	3,685,754
Net position at beginning of year	6,512,772
Net position at end of year	$ 10,198,526

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Total assets	$ 6,101,600	$ 3,105,534	$ 991,392	$ 10,198,526
Fund balances:				
Restricted:				
Debt service			$ 890,345	$ 890,345
Capital improvements		$ 2,987,572		2,987,572
Classroom facilities maintenance			35,522	35,522
Food service operations			22,842	22,842
Other purposes			1,817	1,817
Extracurricular			44,885	44,885
Committed:				
Capital improvements		117,962		117,962
Assigned:				
Student instruction	$ 150			150
Student and staff support	12,838			12,838
Extracurricular activities	12,300			12,300
Facilities acquisition and construction	22,500			22,500
School supplies	8,760			8,760
Subsequent year's appropriations	4,522,898			4,522,898
Unassigned (deficit)	1,522,154		(4,019)	1,518,135
Total fund balances	$ 6,101,600	$ 3,105,534	$ 991,392	$ 10,198,526

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Receipts:				
From local sources:				
Property taxes	$ 1,973,214	$ 310,080	$ 304,096	$ 2,587,390
Income taxes	807,950		164,848	972,798
Tuition	296,320			296,320
Earnings on investments	152,659		208	152,867
Charges for services			95,425	95,425
Extracurricular	30,025		83,680	113,705
Classroom materials and fees	19,221			19,221
Contributions and donations	3,226		12,757	15,983
Other local receipts	3,395		2,980	6,375
Intergovernmental - state	3,630,042	39,943	57,603	3,727,588
Intergovernmental - federal	41,029		458,033	499,062
Total receipts	6,957,081	350,023	1,179,630	8,486,734
Disbursements:				
Current:				
Instruction:				
Regular	2,890,045		101,043	2,991,088
Special	507,612		251,097	758,709
Vocational	106,183	49,999	3,636	159,818
Adult/continuing			1,000	1,000
Other	70,835			70,835
Support services:				
Pupil	299,814			299,814
Instructional staff	72,032		3,600	75,632
Board of education	21,293			21,293
Administration	489,046			489,046
Fiscal	231,997	6,401	7,893	246,291
Business	17,857			17,857
Operations and maintenance	469,669	21,342	13,401	504,412
Pupil transportation	206,379	49,700		256,079
Central	76,099		1,080	77,179
Operation of non-instructional services:				
Food service operations			198,808	198,808
Other operation of non-instructional		2,456	295	2,751
Extracurricular activities	332,541	42,575	106,835	481,951
Facilities acquisition and construction	210,435			210,435
Debt service:				
Principal retirement	110,888	194,500	260,000	565,388
Interest and fiscal charges	6,195	36,399	130,000	172,594
Total disbursements	6,118,920	403,372	1,078,688	7,600,980
Excess (deficiency) of receipts over (under) disbursements	838,161	(53,349)	100,942	885,754
Other financing sources (Uses):				
Transfers in			23,070	23,070
Transfers (out)	(23,070)			(23,070)
Proceeds of lease purchase agreement		2,800,000		2,800,000
Total other financing sources (Uses)	(23,070)	2,800,000	23,070	2,800,000
Net change in fund balances	815,091	2,746,651	124,012	3,685,754
Fund balances at beginning of year	5,286,509	358,883	867,380	6,512,772
Fund balances at end of year	$ 6,101,600	$ 3,105,534	$ 991,392	$ 10,198,526

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Receipts:				
From local sources:				
Property taxes	$ 1,991,500	$ 1,991,500	$ 1,973,214	$ (18,286)
Income taxes	780,000	780,000	807,950	27,950
Tuition	232,000	232,000	296,320	64,320
Earnings on investments	80,000	80,000	152,659	72,659
Classroom materials and fees	12,000	12,000	14,569	2,569
Contributions and donations	1,000	1,000	1,300	300
Other local receipts	15,000	15,000	3,320	(11,680)
Intergovernmental - state	3,594,100	3,594,100	3,630,042	35,942
Intergovernmental - federal	46,000	46,000	41,029	(4,971)
Total receipts	6,751,600	6,751,600	6,920,403	168,803
Disbursements:				
Current:				
Instruction:				
Regular	3,206,770	3,206,770	2,869,946	336,824
Special	612,994	637,794	507,612	130,182
Vocational	123,270	123,270	106,183	17,087
Other	171,360	171,360	74,507	96,853
Support services:				
Pupil	313,310	329,471	299,814	29,657
Instructional staff	60,226	77,236	72,032	5,204
Board of education	37,344	35,905	21,693	14,212
Administration	496,347	503,090	489,046	14,044
Fiscal	253,945	259,146	231,997	27,149
Business	17,857	17,857	17,857	
Operations and maintenance	984,115	727,630	469,669	257,961
Pupil transportation	218,975	231,265	206,379	24,886
Central	88,400	83,801	76,099	7,702
Extracurricular activities	447,242	485,331	342,484	142,847
Facilities acquisition and construction	222,888	354,888	350,018	4,870
Total disbursements	7,255,043	7,244,814	6,135,336	1,109,478
Excess (deficiency) of receipts over (under) disbursements	(503,443)	(493,214)	785,067	1,278,281
Other financing sources (uses):				
Refund of prior year's expenditures			9,168	9,168
Refund of prior year's receipts		(7,088)	(7,088)	
Transfers in	7,700	7,700	4,954	(2,746)
Transfers (out)	(19,672)	(2,826,024)	(26,024)	2,800,000
Sale of capital assets			2,985	2,985
Total other financing sources (uses)	(11,972)	(2,825,412)	(16,005)	2,809,407
Net change in fund balance	(515,415)	(3,318,626)	769,062	4,087,688
Unencumbered fund balance beginning of year	5,255,742	5,255,742	5,255,742	
Prior year encumbrances appropriated	20,248	20,248	20,248	
Unencumbered fund balance end of year	$ 4,760,575	$ 1,957,364	$ 6,045,052	$ 4,087,688

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STRYKER LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUND
JUNE 30, 2019

	Agency
Assets:	
Equity in pooled cash and investments	$ 33,814
Net position:	
Held in trust for students	$ 33,814

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1 – Reporting Entity

Stryker School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Stryker Local School District is a local school district as defined by §3311.22 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's one instructional/support facilities staffed by 22 non-certified and 42 certified full-time teaching personnel who provide services to 358 students and other community members.

Primary Government

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

Component Units

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 organization for which the School District authorizes the issuance of debt or the levying of taxes or determines the budget if there is also the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the School District. Component units may also include organizations that are fiscally dependent on the School District in that the District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

Jointly Governed Organizations and Public Entity Risk Pools

The School District is associated with organizations, which are defined as jointly governed organizations and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Career Center, Northwestern Ohio Educational Research Council, Inc., the Northern Buckeye Health Plan Employee Insurance Benefits Program; the Northern Buckeye Health Plan Workers' Compensation Group Rating Plan and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Notes 15 and 16 to the basic financial statements.

The School District's management believes these financial statements present all activities for which the School District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the School District's accounting policies.

Basis of Presentation

The School District's basic financial statements consist of government-wide financial 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 statement of net position presents the cash balance of the governmental activities of the School District at fiscal year end. The statement of activities compares disbursements with program receipts for each function or program of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the School District's general receipts.

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

Fund Accounting

The School District uses funds to maintain its financial records during the 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 two categories, governmental and fiduciary.

Governmental Funds The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The following are the School District's major funds:

> ***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Permanent Improvement Fund*** The permanent improvement fund is used to account for all transactions related to the acquiring, constructing or improving of such permanent improvements.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are 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 agency fund accounts for various student-managed activities.

Basis of Accounting

The School District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the School District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate.

The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the District's Chief Fiscal Officer.

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

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

Cash and Investments

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

Investments of the School District's 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. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During fiscal year 2019, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), non-negotiable certificates of deposit and negotiable certificates of deposit. With the exception of STAR Ohio, investments are reported at cost.

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

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during fiscal year 2019 was $152,659 and $48,861, which were assigned from other School District funds.

Inventory and Prepaid Items

The School District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Compensated Absences

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the School District's cash basis of accounting.

Pensions/Other Postemployment Benefits (OPEB)

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The School District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. The School District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund transfers and advances are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants restricted to cash disbursement for specified purposes.

The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.
>
> ***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.
>
> ***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
>
> ***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District's Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or a School District official delegated by that authority by resolution or by State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.
>
> ***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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.

Note 3 – Accountability and Compliance

Accountability

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

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

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

Compliance

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

Deficit Fund Balance

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

Nonmajor funds	Deficit
Title VI-B, School Improvement	$ 4,019

The general fund is liable for the deficit in this fund and provides transfers when cash is required, not when accruals occur.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are as follows:

(a) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances (cash basis); and,

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

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the cash basis for the general fund is as follows:

	General
Budget Basis	$769,062
Funds Budgeted Elsewhere	10,679
Adjustment for Encumbrance	35,350
Cash Basis	$815,091

Note 5 – Deposits and Investments

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

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

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

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

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

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

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked 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 requirements 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 (STAR Ohio).

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. Except as noted above, 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.

At year end, the School District had $1,510 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At June 30, 2019, the carrying amount of all School District deposits was $ 5,204,598 and the bank balance of all School District deposits was $ 5,223,213. Of the bank balance, $100,000 was exposed to custodial risk as discussed below and $ 5,123,213 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2019, the School District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments

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

			Investment Maturities at Fair Value (in Years)		
Investment Type	Carrying Value	Fair Value	Less than 1	1-2	3-5
STAR Ohio	$ 3,028,124	$ 3,028,124	$ 3,028,124		
Negotiable CD's	1,998,108	2,026,795	250,527	$ 751,550	$ 1,024,718
Total Investments	$ 5,026,232	$ 5,054,919	$ 3,278,651	$ 751,550	$ 1,024,718

Interest Rate Risk The Ohio Revised Code generally limits securities purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchases of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District.

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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 The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the School District at June 30, 2019:

Investment Type	Carrying Value	% of Total
STAR Ohio	$ 3,028,124	60.25
Negotiable CD's	1,998,108	39.75
Total	$ 5,026,232	100.00

Reconciliation of Cash and Investment to the Statement of Net Position

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

Cash and Investments per note	
Carrying amount of deposits	$ 5,204,598
Investments	5,026,232
Cash on hand	1,510
Total	$ 10,232,340

Cash and Investments per Statement of Net Position - Cash Basis	
Governmental activities	$ 10,198,526
Agency funds	33,814
Total	$ 10,232,340

Note 6 – Interfund Transactions

Transfers for the fiscal year ended June 30, 2019, as reported on the fund financial statements, consist of the following:

Transfers to nonmajor governmental funds from:	
General fund	$ 23,070

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

Interfund transfers between governmental funds are eliminated for reporting purposes in the statement of activities - cash basis. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 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 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 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 Williams 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 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

	2018 Second Half Collections		2019 First Half Collections	
	Amount	Percent	Amount	Percent
Commercial/Industrial	$ 5,377,490	6.86	$ 5,161,200	6.56
Agricultural/Residential	58,860,520	75.12	56,646,560	72.03
Public Utility	14,121,910	18.02	16,837,820	21.41
Total	$ 78,359,920	100.00	$ 78,645,580	100.00
Tax rate per $1,000 of assessed valuation	$48.80		$48.00	

Note 8 – Income Taxes

The School District levies a voted tax of 1.00 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax and is credited to the General Fund. The School District levies a voted tax of .25 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2006, and is a continuing tax and is credited to the General Fund. Also, the School District levies a .25 percent for the retirement of bonds, on the income of residents and of estates. The tax was effective on January 1, 2006, and is a continuing tax and is credited to the Bond Retirement Fund. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual school district income tax return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund and Bond Retirement Fund.

Note 9 – 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. During fiscal year 2019, the School District contracted with various companies for the following insurance coverage:

Coverage provided by the Ohio School Plan is as follows:

Buildings and Contents - replacement cost	$ 67,143,558
Automobile Liability	3,000,000
General School District Liability	
Per Occurrence	3,000,000
Total Per Year	5,000,000

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

Comprehensive

The School District maintains comprehensive insurance coverage with the Ohio School Plan for liability, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are fully insured.

The School District joined together with other school districts in Ohio to participate in the Schools of Ohio Risk Authority a public entity insurance purchasing pool (Note 16). Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

Settled claims have not exceeded the commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverages from last year.

Employee Insurance Benefits Program

The School District participates in the Northern Buckeye Health Plan (NBHP), Northwest Division of OHI, a self-insurance pool (Note 16), for insurance benefits to employees. The School District pays monthly premiums to NBHP for the benefits offered to its employees, which includes health, dental, and life insurance. NBHP is responsible for the management and operations of the program. The agreement with NBHP provides for additional assessment to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from NBHP, a participant is responsible for any claims not processed and paid and any related administrative costs.

Workers' Compensation Group Program

The School District participates in the Northern Buckeye Health Plan, Northern Division of OHI Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool (Note 16). The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

Note 10 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

Pensions and 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 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 remainder of this note includes the required pension disclosures. See Note 11 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, 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 .5 percent was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was $84,066 for fiscal year 2019.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 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 year 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. The member determines how to allocate the member and employer money among various investment choices offered by STRS. 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 is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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. The fiscal year 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2019, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was $322,511 for fiscal year 2019.

Net Pension Liability

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	0.01712830%	0.00192299%	
Current Measurement Date	0.01724890%	0.02022836%	
Change in Proportionate Share	0.00012060%	0.01830537%	
Proportionate Share of the Net Pension Liability	$987,876	$4,447,762	$5,435,638

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	$1,391,498	$987,876	$649,466

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 percent
Cost-of-Living Adjustments		0.0 percent, effective July 1, 2017
(COLA)		

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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, 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.

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	$6,495,371	$4,447,762	$2,714,739

Note 11 – Defined Benefit OPEB Plans

See note 10 for a description of the net OPEB liability

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, no allocation 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 $9,163.

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 $12,165 for fiscal year 2019.

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, 2021. 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. All benefit recipients 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 fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset)

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:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.01739260%	0.01922991%	
Current Measurement Date	0.01744070%	0.02022836%	
Change in Proportionate Share	0.00004810%	0.00099845%	
Proportionate Share of the:			
Net OPEB Liability	$483,852		$483,852
Proportionate Share of the:			
Net OPEB Asset		$325,049	$325,049

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 below:

Inflation		3.00 percent
Wage Increases		3.50 percent to 18.20 percent
Investment Rate of Return		7.50 percent net of investment
		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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018, was 3.7063 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 (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% 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	$587,117	$483,852	$402,086

	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	$390,380	$483,852	$607,626

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 below:

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
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.

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 actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS 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 as of June 30, 2019. 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 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	$278,598	$325,049	$364,089

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	$361,886	$325,049	$287,639

Note 12 – Other Employee Benefits

Compensated Absences

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Clerical, Technical, and Maintenance and Operation employees with one or more years of service are entitled to vacation ranging from 5 to 25 days upon hiring. Teachers do not earn vacation time.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rated basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to 30 percent of the accumulated sick leave to a maximum of 63 days, except that those employees who elect to retire within twelve months of the earliest permissible retirement date shall be paid 50 percent of the accumulated sick leave to maximum of 40 days.

Health Care Benefits

The District participates in the Northern Buckeye Health Plan (NBHP), Northwest Division of OHI, a self insurance pool, for insurance benefits to employees. The District pays monthly premiums to NBHP for the benefits offered to its employees, which include health, dental, vision, and life insurance. NBHP is responsible for the management and operations of the program. The agreement with NBHP provides for additional assessment to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from NBHP, a participant is responsible for any claims not processed and paid and any related administrative costs.

Note 13 – Debt

Long Term Obligations

The changes in the School District's notes payable during fiscal year 2019 were as follows:

	Outstanding June 30, 2018	Additions	Deletions	Outstanding June 30, 2019	Amounts Due Within One Year
Governmental Activities					
UTGO Current Refunding Bonds Series 2016A	$ 3,115,000		$ (175,000)	$ 2,940,000	$ 175,000
LTGO Current Refunding Bonds Series 2016B	1,175,000		(85,000)	1,090,000	90,000
Lease Purchase Agreements	305,388	$2,800,000	(305,388)	2,800,000	160,000
Total Governmental Activities	$ 4,595,388	$ 2,800,000	$ (565,388)	$ 6,830,000	$ 425,000

Lease-Purchase Agreement

During fiscal year 2018, the School District entered into two lease-purchase agreements; (1) with Musco Finance, LLC for the purpose of funding lighting systems and (2) with UniFi Equipment Finance, Inc. for the purpose of funding a security system. The $334,960 in proceeds are to be repaid over eleven years with a final maturity of February 5, 2028. Principal and interest payments related to this lease-purchase agreement are made from the general fund and the permanent improvement fund (a nonmajor governmental fund). During fiscal year 2019, this lease was paid in full.

During fiscal year 2019, the School District entered into a lease-purchase agreement; with Huntington National Bank for the purpose of facilitating the acquisition, construction renovation and improvement, furnishing, equipping and installation of a School District auditorium. The $2,800,000 in proceeds are to be repaid over fourteen years with a final maturity of December 1, 2033. Principal and interest payments related to this agreement are made from the general fund.

Principal and interest requirements to retire the lease-purchase obligation at June 30, 2019 follows:

	Lease-Purchase Agreement		
Fiscal Year Ending June 30	Principal	Interest	Total
2020	$160,000	$121,801	$281,801
2021	150,000	89,519	$239,519
2022	155,000	84,196	$239,196
2023	160,000	78,700	$238,700
2024	165,000	73,028	$238,028
2025-2029	915,000	273,180	$1,188,180
2030-2034	1,095,000	98,156	$1,193,156
Total	$2,800,000	$818,580	$3,618,580

The School District had outstanding UTGO current refunding bonds of $3,290,000 (interest rates of 1.5 to 4.0 percent). The bonds were issued in December 2016 and will mature in January 2033.

The School District had outstanding LTGO current refunding bonds of $1,215,000 (interest rates of 1.5 to 4.0 percent). The bonds were issued in December 2016 and will mature in January 2030.

UTGO Current Refunding Bonds, Series 2016A

Proceeds from the outstanding bonds were used to refund the school improvement bonds series 2016A. These bonds were issued on December 8, 2016. The bonds consisted of $3,350,000 in current interest bonds ($1,520,000 issued as serial bonds and $1,830,000 issued as term bonds).

The 2016A Serial Bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

Maturity Date (January 15)	Principal Amount	Interest Rate
2020	$175,000	1.75%
2021	175,000	1.75%
2022	185,000	1.75%
2023	185,000	2.00%
2024	195,000	2.00%
2025	195,000	2.00%

Optional Redemption

The Series 2016A Bonds which are Current Interest Bonds maturing on or after January 15, 2027 are subject to optional redemption prior, in whole or in part on any date in any order maturity determined by the Board of Education and by lot within a maturity, at the option of the Board of Education and by lot within maturity, at the option of the Board of Education on or after January 15, 2025 at par plus accrued interest thereon.

Mandatory Redemption

The Series 2016A Bonds maturing on January 15, 2027 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2026 in the principal amount of $200,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016A Bonds maturing on January 15, 2027 ($210,000) will be payable on January 15, 2027.

The Series 2016A Bonds maturing on January 15, 2029 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2028 in the principal amount of $215,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016A Bonds maturing on January 15, 2029 ($225,000) will be payable on January 15, 2029.

The Series 2016A Bonds maturing on January 15, 2031 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2030 in the principal amount of $235,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016A Bonds maturing on January 15, 2031 ($245,000) will be payable on January 15, 2031.

The Series 2016A Bonds maturing on January 15, 2033 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2032 in the principal amount of $255,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016A Bonds maturing on January 15, 2033 ($245,000) will be payable on January 15, 2033.

LTGO Current Refunding Bonds, Series 2016B

Proceeds from the outstanding bonds were used to refund the school improvement bonds series 2016B. These bonds were issued on December 8, 2016. The bonds consisted of $1,215,000 in current interest bonds ($6700,000 issued as serial bonds and $545,000 issued as term bonds).

The 2016B Serial Bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

Maturity Date (January 15)	Principal Amount	Interest Rate
2020	$90,000	1.75%
2021	85,000	1.75%
2022	90,000	1.75%
2023	95,000	2.00%
2024	90,000	2.00%
2025	95,000	2.00%

Optional Redemption

The Series 2016B Bonds which are Current Interest Bonds maturing on or after January 15, 2028 are subject to optional redemption prior, in whole or in part on any date in any order maturity determined by the Board of Education and by lot within a maturity, at the option of the Board of Education and by lot within maturity, at the option of the Board of Education on or after January 15, 2025 at par plus accrued interest thereon.

Mandatory Redemption

The Series 2016B Bonds maturing on January 15, 2028 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2026 in the following principal amounts as specified below:

Date of Principal Redemption	Principal Amount to be Redeemed
January 15, 2026	$100,000
January 15, 2027	105,000

Unless otherwise retired prior to maturity, the remaining principal amount of Series 2016B Bonds maturing on January 15, 2028 ($110,000) will be payable on January 15, 2028.

The Series 2016B Bonds maturing on January 15, 2030 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the principal amount redeemed plus interest accrued to the redemption date, on January 15, 2029 in the principal amount of $115,000; and unless otherwise retired prior to maturity, the remaining principal amount of Series 2016B Bonds maturing on January 15, 2030 ($115,000) will be payable on January 15, 2030.

Total expenditures for interest for the above debt for the period ended June 30, 2019 was $172,594.

The scheduled payments of principal and interest on the bonds and notes as of June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$ 265,000	$ 126,100	$ 391,100
2021	260,000	121,463	381,463
2022	275,000	116,912	391,912
2023	280,000	112,100	392,100
2024	285,000	106,500	391,500
2025 - 2029	1,570,000	406,600	1,976,600
2030 - 2033	1,095,000	103,400	1,198,400
Total	$ 4,030,000	$1,093,075	$ 5,123,075

Note 14 – Set-Aside Calculations and Fund Reserves

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

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

	Capital Acquisition
Set-Aside Cash Balance as of June 30, 2018	$ -
Current Year Set-Aside Requirement	66,109
Current Year Offsets	(282,054)
Current Year Qualifying Expenditures	(384,435)
Total Restricted Assets	$ (600,380)
Cash Balance Carried Forward to FY 2020	$ -

Note 15 – Jointly Governed Organizations

Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. NWOCA is governed by its participating members, which consists of a representative from each member entity and a representative from the fiscal agent. The District paid $1,125 to NWOCA for various services. Financial information can be obtained fromTammy Butler, who serves as Treasurer, 209 Nolan Parkway, Archbold, Ohio 43502.

Northern Buckeye Education Council

The Northern Buckeye Education Council (the Council) was established in 1979 to foster cooperation among school districts located in Defiance, Fulton, Henry, Lucas, Williams and Wood Counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the counties in which the member educational entities are located. The Board is elected from an assembly consisting of a representative from each participating educational entity. During fiscal year 2019, the District paid $27,697 to NWOCA for its membership fee. To obtain financial information write to the Northern Buckeye Education Council, Tammy Butler , who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

Four County Career Center

The Four County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of five representatives from the Northwest Ohio Educational Service Center - one each from the counties of Defiance, Fulton, Henry, and Williams and one additional representative; one representative from each of the city school districts; one representative from each of the exempted village school districts. The Four County Career Center possesses its own budgeting and taxing authority. To obtain financial information write to the Four County Career Center, Connie Nicely, who serves as Treasurer, 22-900 State Route 34, Archbold, Ohio 43502.

Northwestern Ohio Educational Research Council, Inc.

The Northwestern Ohio Educational Research Council, Inc. (NWOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials and provide opportunities for training. The NWOERC serves a twenty-five county area of Northwest Ohio. The Board of

Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. During fiscal year 2019, the District paid $0 to NWOERC for its membership fee. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., P.O. Box 456, Ashland, Ohio 44805.

Note 16 – Group Purchasing Pools

Employee Insurance Benefits Program

The District participates in the Northern Buckeye Health Plan, Northwest Division of the Optimal Health Initiative Consortium (OHI) is a public entity shared risk pool consisting of educational entities throughout the state. The Pool is governed by OHI and its participating members. The District contributed a total of $608,377 to Northern Buckeye Health Plan, Northwest Division of OHI for all four plans. Financial information for the period can be obtained fromCharlie LeBoeuf, Treasurer, at 201 East 5th Street, Suite 2100, Cincinnati, Ohio 45242.

Workers' Compensation Group Rating Plan

The District participates in a group-rating plan for workers' compensation as established under §4123.29 of the Ohio Revised Code. The Northern Buckeye Health Plan, Northwest Division of Workers' Compensation Group Rating Plan (WCGRP) was established through the as a group purchasing pool. The group was formed to create a workers' compensation group rating plan which would allow employers to group together to achieve a potentially lower premium rate than they may otherwise be able to acquire as individual employers. The Optimal Health Initiatives has created a workers' compensation group rating and risk management program which will potentially reduce the workers' compensation premiums for the District.

Optimal Health Initiatives has retained Sheakley UniService as the servicing agent to perform administrative, actuarial, cost control, claims, and safety consulting services and unemployment claims services for program participants. During this fiscal year, the District paid an enrollment fee of $0 to WCGRP to cover the costs of administering the program.

Schools of Ohio Risk Sharing Authority

The District participates in the Schools of Ohio Risk Sharing Authority (SORSA), which was established in 2002 pursuant to Articles of Incorporation filed under Chapter 1702 of the Ohio Revised Code – Non-Profit Corporations and functioning under authority granted by § 2744.081 of the Ohio Revised Code. SORSA's purpose is to provide a joint self-insurance pool and to assist member school districts in preventing and reducing losses and injuries to property and persons that might result in claims being made against members of SORSA, their employees or officers.

A nine-person Board of Directors manages the business and affairs of SORSA and is elected annually by the members of the pool. The Board of Directors consists of Superintendents, Treasurers, or Business Managers from the participating school districts. The insurance brokerage firm of Willis Pooling is contracted to provide reinsurance brokerage, underwriting, rating, billing and consulting services. The Frank Gates Service Company provides insurance claims settlement and adjustment services. Financial information can be obtained from SORSA Executive Director at 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483.

Note 17 – 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 are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2019.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional school districts must comply with minimum hours of instruction instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. ODE has finalized the impact of enrollment adjustments to the June 30, 2019, foundation funding for the School District. The District owes $11.339 to ODE as a result of these adjustments.

Litigation

There are currently no matters in litigation with the School District as defendant.

Note 18 – Related Party Transactions

Ben Woolace, a Board Member, is owner of Woolace Electric, a local company who performed various repairs to the Districts grounds during fiscal year 2019. The District remitted $766 during fiscal year 2019. The services were approved at arm’s length, with full knowledge by District officials, of Mr. Woolace interest, and Mr. Woolace took no part in the deliberation or decision by District officials with respect to the services.

Jason Leupp, a Board Member, is owner of Freedom Sales & Rentals, a company who who the District purchased an upgraded seat and a Fastrak 23HP 54” Rear mower from during fiscal year 2019 for $6,450. The purchase was approved at arm’s length, with full knowledge by District officials, of Mr. Leupp interest, and Mr. Leupp took no part in the deliberation or decision by District officials with respect to the purchase.

Note 19 – Tax Abatements Entered Into By Other Governments

The Village of Stryker entered into Community Redevelopment Area (CRA) agreements with Baltosser Properties and Drewfund, LLC for the abatement of property taxes and to bring jobs and economic development into the Village. The agreement affects the property tax receipts collected and distributed to the District. Under the agreement, the District will forgo future property taxes in the amount of $2,266 annually based on the effective millage rate in place at the time of the agreement.

Note 20 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. In addition, the impact on the School District’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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OHIO AUDITOR OF STATE
KEITH FABER

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Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Stryker Local School District
Williams County
400 South Defiance Street
Stryker, Ohio 43557-9491

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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stryker Local School District, Williams County, Ohio (the District) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 22, 2021, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities.* In addition, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2020-002 and 2020-003 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2020-001 and 2020-003.

District's Response to Findings

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

February 22, 2021

SCHEDULE OF FINDINGS
JUNE 30, 2020 AND 2019

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

FINDING NUMBER 2020-001

Noncompliance

Ohio Rev. Code § 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

Ohio Admin. Code § 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the District to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

As a cost savings measure, the District prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting Standards Board, report on the basis of cash receipts and cash disbursements, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumably material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the District may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the District's ability to evaluate and monitor the overall financial condition of the District. To help provide the users with more meaningful financial statements, the District should prepare its annual financial statements according to generally accepted accounting principles.

Officials' Response:

Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.

FINDING NUMBER 2020-002

Material Weakness – Fund Balance Classification

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

In addition, Governmental Accounting Standards Board (GASB) Statement No. 54 requires, in part and codified as GASB Code 1800.165 - .179, fund balance be divided into one of five classifications based on the extent to which constraints are imposed upon the resources.

The following fund balance classification errors were identified in the accompanying financial statements:

- In 2020 and 2019, General Fund subsequent year appropriations in excess of estimated receipts were incorrectly classified as unassigned instead of assigned fund balance in the amounts of $1,644,837 and $4,522,898, respectively.

- The District collected a property tax based on inside millage which the Board has committed for permanent improvements and recorded the receipts in the Permanent Improvements Fund. The balances from this fund of $151,685 and $117,962 in 2020 and 2019, respectively, were incorrectly classified as restricted rather than as committed.

These errors were not identified and corrected prior to the District preparing its financial statements due to deficiencies in the District's internal controls over financial report monitoring. Failure to complete accurate financial statements could lead to the Board and management making misinformed decisions. The accompanying financial statements have been adjusted to reflect these changes.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate the District should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Treasurer and members of the District Board, to help identify and correct errors and omissions. In addition, the Fiscal Officer should also review Audit Bulletin 2011-004 for information on Governmental Accounting Standards Board Statement No. 54 to help ensure that all accounts are being properly posted to the financial statements.

Officials' Response:

We did not receive a response from Officials to this finding.

FINDING NUMBER 2020-003

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose .

In 2020, the District inappropriately recorded $38,177 of income tax revenue collected for debt charges in the General Fund. Given the source of the revenue, this should have been recorded in Bond Retirement Fund. An audit adjustment is reflected in the financial statements and in the accounting records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The District should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials' Response:

We did not receive a response from Officials to this finding.

STRYKER LOCAL SCHOOL

400 South Defiance Street – Stryker, OH 43557-9491 – Phone (419) 682-6961 Fax 682-2646

Nate Johnson Superintendent | **Jill Peters** Treasurer/CFO | **Dave Schultz** Principal | **Mike Donovan** Guidance

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Finding first reported in 2012, Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03 (B) – for not reporting in accordance with generally accepted accounting principles.	Not corrected and reissued as Finding 2020-001 in this report.	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.
2018-002	Material weakness – for financial statement reporting errors.	Corrected.	

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OHIO AUDITOR OF STATE
KEITH FABER

STRYKER LOCAL SCHOOL DISTRICT

WILLIAMS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/11/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370