VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2019

OHIO AUDITOR OF STATE
KEITH FABER

VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY
JUNE 30, 2019

TABLE OF CONTENTS

TITLE	PAGE

VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY
JUNE 30, 2019

TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

53 Johnson Road
The Plains, Ohio 45780-1231
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Vinton County Local School District
Vinton County
307 West High Street
McArthur, Ohio 45651

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, and Schedules of Net Pension and Other Post-employment Benefit Liabilities/Assets and Pension and Other Post-employment Benefit Contributions listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2020

This page intentionally left blank.

The discussion and analysis of the Vinton County Local School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of Vinton County Local School District exceeded its liabilities and deferred inflows of resources at June 30, 2019 by $36,147,814. Of this amount, $37,628,627 represents the net investment in capital assets and $3,735,450 that is restricted for specific purposes. The remaining ($5,216,263) represents unrestricted net position.
- In total, net position of governmental activities increased by $2,530,046 which represents a 8 percent increase from 2018.
- General revenues accounted for $24,083,622 or 80 percent of total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $5,839,500 or 20 percent of total revenues of $29,923,122.
- The District had $27,393,076 in expenses related to governmental activities; only $5,839,500 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) and net position carried over from prior year were used to provide for the remainder of these programs.
- The District recognizes one major governmental fund: the General Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had $25,735,478 in revenues and other financing sources and $24,809,800 in expenditures and other financing uses in fiscal year 2019.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Vinton County Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

Reporting the District as a Whole

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference between these reported as net position. Over time, increases and decreases in net position are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The statement of activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District's activities are shown as governmental activities. All of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues, including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the General Fund.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one of two categories: governmental and fiduciary funds.

<u>Governmental Funds</u>

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Fund

The District's only fiduciary fund is an agency fund. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Fiduciary funds use the accrual basis of accounting.

Notes to the Basic Financial Statements

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

Government-Wide Financial Analysis

Recall that the statement of net position provides the perspective of the District as a whole, showing assets, liabilities, deferred inflows/outflows of resources, and the difference between them (net position). Table 1 provides a summary of the District's net position for 2019 compared to fiscal year 2018:

Table 1
Net Position
Governmental Activities

	2019	2018
Assets		
Current and Other Assets	$34,812,537	$32,413,731
Capital Assets, Net	41,817,403	43,943,417
Total Assets	76,629,940	76,357,148
Deferred Outflows of Resources	7,102,304	9,228,047
Liabilities		
Current and Other Liabilities	2,790,081	2,812,132
Long-Term Liabilities	33,758,148	41,531,655
Total Liabilities	36,548,229	44,343,787
Deferred Inflows of Resources	11,036,201	7,623,640
Net Position		
Net Investment in Capital Assets	37,628,627	39,227,190
Restricted	3,735,450	3,936,019
Unrestricted (Deficit)	(5,216,263)	(9,545,441)
Total Net Position	$36,147,814	$33,617,768

Current and other assets increased $2,398,806 from fiscal year 2018 due primarily to increases in cash and cash equivalents held by the District and the recognition of a net OPEB asset. Capital assets, net decreased $2,126,014 as a result of current depreciation and deletions exceeding additions for the fiscal year. Deferred outflows of resources decreased $2,125,743 due to changes in actuarially determined deferral related to the District's proportionate share of the state-wide net pension and OPEB liabilities.

Current and other liabilities decreased $22,051 between years due to decreases in accounts and contracts payable, which was partially offset by an increase in accrued wages and benefits payable. Long-term liabilities decreased by $7,773,507 due to the repayment of outstanding debt balances and decreases in actuarially determined net pension and OPEB liability estimates. Deferred inflows of resources increased by $3,412,561 due to an increase in actuarially determined deferrals related to the District's proportionate share of the state-wide net pension and OPEB liabilities.

Table 2 shows the changes in net position for fiscal year 2019 and provides a comparison to fiscal year 2018.

Table 2
Changes in Net Position
Governmental Activities

	2019	2018*
Revenues		
Program Revenue		
Charges for Services and Sales	$788,130	$802,067
Operating Grants and Contributions	5,051,370	4,870,058
Total Program Revenue	5,839,500	5,672,125
General Revenue		
Property and Other Taxes	5,848,724	5,822,136
Unrestricted Grants and Entitlements	17,561,645	17,176,998
Unrestricted Gifts and Contributions	1,603	12,545
Investment Earnings	635,326	204,829
Insurance Recoveries	12,800	35,815
Miscellaneous	23,524	124,526
Total General Revenue	24,083,622	23,376,849
Total Revenues	29,923,122	29,048,974

*Presentation adjustments were made for consistency between years.

Property taxes and unrestricted grants remained relatively consistent between years. Investment earnings increased between years due to improved market conditions between years.

Table 2
Changes in Net Position
Governmental Activities
(Continued)

	2019	2018*
Expenses		
Program Expenses		
Instruction		
Regular	$11,348,293	$7,672,328
Special	2,660,863	1,547,329
Vocational	303,104	164,606
Other	1,800,751	1,822,712
Support Services		
Pupils	1,466,939	881,016
Instructional Staff	866,474	696,171
Board of Education	378,645	357,830
Administration	2,117,619	1,175,111
Fiscal	465,526	279,489
Operation and Maintenance of Plant	2,022,788	1,603,296
Pupil Transportation	2,090,719	1,336,795
Central	59,211	51,584
Operation of Non-Instructional Services	1,161,644	864,244
Extracurricular Activities	419,729	322,506
Debt Service:		
Interest and Fiscal Charges	230,771	216,175
Total Expenses	27,393,076	18,991,192
Change in Net Position	2,530,046	10,057,782
Net Position Beginning of Year	33,617,768	23,559,986
Net Position End of Year	$36,147,814	$33,617,768

*Presentation adjustments were made for consistency between years.

The most significant program expenses for the District are Regular Instruction, Special Instruction, Other Instruction, Pupils Support Services, Instructional Staff, Administration, Operation and Maintenance of Plant, Pupil Transportation and Non-Instructional Services. These programs account for 93 percent of the total governmental activities. Regular Instruction accounts for 41 percent of the total and represents costs associated with providing general educational services. Special Instruction accounts for 10 percent of the total and represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Other Instruction accounts for 7 percent of the total and represents costs associated with open enrollment and community school tuition. Pupils, which represent 5 percent of the total cost, represent costs associated with activities designed to assess and improve the well-being of pupils and supplement the teaching process. Instructional Staff accounts for 3 percent of the total and represents costs associated with assisting instructional staff with providing learning experiences for students. Administration accounts for 8 percent of the total and represents costs associated with the overall administrative responsibility for each building and the District as a whole. Operation and Maintenance of Plant accounts for 7 percent of the total and represents costs associated with operating and maintaining the District's facilities. Pupil Transportation accounts for 8 percent of the total and represents costs associated with providing transportation services for students between home and school and to school activities. Non-Instructional Services accounts for 4 percent of the total and primarily represents food service operations.

The majority of the funding for the most significant programs indicated above is from grants and entitlements not restricted for specific programs, property taxes, and operating grants and contributions. Operating grants and contributions, property taxes, and grants and entitlements account for 95 percent of total revenues.

As noted previously, the net position for the governmental activities increased $2,530,046 or 8 percent. Total revenues increased $874,148 or 3 percent from last year, primarily the result of small increases for operating grants and contributions, unrestricted grants and entitlements, and investment earnings. Expenses increased $8,401,884 or 44 percent from last year, primarily due to negative pension and OPEB expenses of $1,150,208, compared to the negative pension and OPEB expense of $9,739,134 for the prior year, which resulted in a net increase in expenses of $8,588,926. These negative expenses were allocated amongst the various functions.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and intergovernmental revenue and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 20 percent and intergovernmental revenue made up 75 percent of the total revenue for the governmental activities in fiscal year 2019.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at $100,000 and taxed at 1.0 mill, $35.00 annually. If three years later the home was reappraised and the value increased to $200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive $35.00 annually. Therefore, the District must regularly return to the voters to maintain a constant level of service.

The District voters approved a bond retirement tax levy for 3.82 mills in November 1997 as part of a $5,010,000 bond issue for the construction of a new high school. Of the 3.82 mills, 3.32 mills are used for the retirement of the bonds and the remaining .5 mills are used for repairs and maintenance of the new facilities. The District voters also approved a bond retirement tax levy for 1.48 mills as part of the construction of the new elementary schools in addition to high school and new middle school. In fiscal year 2019, these levies generated $213,946 in tax revenue for debt service payments.

The District's intergovernmental revenue consists of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2019, the District received $17,685,593 through the State's foundation program, which represents 59 percent of the total revenue for the governmental activities. The District relies heavily on this state funding to operate at the current level of service.

Instruction accounts for 59 percent of governmental activities program expenses. Support services expenses make up 35 percent of governmental activities program expenses. The statement of activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows the total cost of services and the net cost of services for fiscal year 2019 as compared to 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Net Cost of Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018*	Net Cost of Services 2018
Program Expenses				
Instruction	$16,113,011	$12,907,623	$11,206,975	$7,774,327
Support Services	9,467,921	8,516,486	6,381,292	5,429,720
Operation of Non-Instructional Services	1,161,644	(337,098)	864,244	(237,445)
Extracurricular Activities	419,729	235,794	322,506	136,290
Debt Service	230,771	230,771	216,175	216,175
Total	$27,393,076	$21,553,576	$18,991,192	$13,319,067

*Presentation adjustments were made for consistency between years.

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See note 2 for discussion of significant accounting policies and procedures). All governmental funds had total revenues and other financing sources of $30,034,400 and expenditures and other financing uses of $29,166,083.

Total governmental funds experienced an increase of $868,317 in fund balance. The increase in fund balance for the year was most significant in the General Fund, which experienced a $925,678 increase, the result of revenues in excess of expenditures.

The District should remain stable in fiscal years 2020 through 2021. However, projections beyond fiscal year 2021 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

Budget Highlights - General Fund

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

During the course of fiscal year 2019, the District amended its General Fund budget several times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors flexibility for site management.

The District prepares and monitors a detailed cash flow plan for the General Fund. Actual cash flow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

For the General Fund, the final budget basis estimate of revenue was $24,643,159 which was not amended from the original budget. The final budget basis estimate of expenditures and other financing uses was $25,468,794 representing an increase of $109,798 from the original budget. Ending unobligated fund balance was $20,616,495, which was $1,488,548 above the final estimated amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the District had $79 million invested in capital assets, of which all was in governmental activities. That total carries an accumulated depreciation of $38 million. Table 4 shows fiscal year 2019 balances compared to fiscal year 2018.

Table 4
Capital Assets and Accumulated Depreciation at Year End
Governmental Activities

	2019	2018
Nondepreciable Capital Assets		
Land	$1,376,059	$1,376,059
Depreciable Capital Assets		
Land Improvements	9,924,708	9,924,708
Buildings and Improvements	59,799,668	59,770,410
Furniture, Fixtures and Equipment	5,114,656	5,046,938
Vehicles	3,193,497	3,125,109
Total Capital Assets	79,408,588	79,243,224
Less Accumulated Depreciation		
Land Improvements	(6,425,701)	(5,936,905)
Buildings and Improvements	(24,183,413)	(22,529,878)
Furniture, Fixtures and Equipment	(4,447,809)	(4,358,930)
Vehicles	(2,534,262)	(2,474,094)
Total Accumulated Depreciation	(37,591,185)	(35,299,807)
Capital Assets, Net	$41,817,403	$43,943,417

More detailed information pertaining to the District's capital asset activity can be found in note 9 of the notes to the basic financial statements.

Debt Administration

At June 30, 2019, the District had bus and energy conservation notes, refunding bonds, and capital leases outstanding with $396,637 due within one year. Table 5 summarizes bonds, notes, and capital leases outstanding for fiscal year 2019 compared to fiscal year 2018.

Table 5
Outstanding Debt, Governmental Activities at Year End

	2019	2018
Refunding Bonds	$3,554,874	$3,965,957
Energy Note	740,000	880,000
Capital Leases	148,113	197,463
Total	$4,442,987	$5,043,420

More detailed information pertaining to the District's long-term debt activity can be found in notes 13 and 14 of the notes to the basic financial statements.

Current Issues

Vinton County Local School District is financially stable and has been over the past several years, although the financial future of the District is not without its challenges. The District relies on revenue from local property taxes as well as revenue from unrestricted state funding sources (approximately 78 percent). State foundation revenue is based on a district's student enrollment and property tax wealth. The District has been on the guarantee since 2016 due to declining enrollment and an increase in property valuation due to a tax abatement that expired in 2014. The current state budget has the guarantee set to not allow a district to drop below FY17 funding levels but beginning in FY18 the guarantee base is adjusted with a guarantee base percentage before it is used in calculating the guarantee. The guarantee base percentage was a new component in the calculation and this calculation is a function of the total ADM change from FY14 to FY16. Due to this new component, the District actually saw a slight decrease in state funding in FY18; however, the District has seen an increase in tax revenue due to the expiration of the tax abatement as well as public utility property valuation tax increases.

The Vinton County Local Board of Education is committed to being financially responsible and with increased expenditures and declining revenues the District will need to continue to implement cost saving and cost containing measures in an attempt to have a balanced budget.

It is important to note that in March 1997, the State of Ohio was found by the Supreme Court to be operating an unconstitutional funding system one that was neither adequate nor equitable. As long as the State avoids a complete overhaul of the funding system that the Supreme Court has ordered in its ruling, all schools in Ohio will be faced with the same problem in the future, to either increase its revenue by passing levies or decrease expenses by making budget cuts.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information contact Erica Zinn, Treasurer of Vinton County Local School Board of Education, 307 West High Street, McArthur, Ohio 45651.

This page was intentionally left blank.

Vinton County Local School District

Statement of Net Position

As of June 30, 2019

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	$24,386,102
Cash and Cash Equivalents in Segregated Accounts	362
Inventory Held for Resale	16,164
Accrued Interest Receivable	26,905
Intergovernmental Receivable	367,276
Prepaid Items	45,444
Property Taxes Receivable	8,554,242
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	1,978
Net OPEB Asset	1,414,064
Nondepreciable Capital Assets	1,376,059
Depreciable Capital Assets, net	40,441,344
Total Assets	76,629,940
Deferred Outflows of Resources:	
Deferred Charges on Refunding	191,218
Pension	6,610,283
OPEB	300,803
Total Deferred Outflows of Resources	7,102,304
Liabilities:	
Accounts Payable	79,460
Accrued Wages and Benefits	2,345,050
Intergovernmental Payable	361,877
Accrued Interest Payable	3,694
Long-Term Liabilities:	
Due Within One Year	516,190
Due in More Than One Year	4,775,821
Net Pension Liability	25,458,576
Net OPEB Liability	3,007,561
Total Liabilities	36,548,229
Deferred Inflows of Resources:	
Property Taxes not Levied to Finance Current Year Operations	5,376,652
Pension	2,798,356
OPEB	2,861,193
Total Deferred Inflows of Resources	11,036,201
Net Position:	
Net Investment in Capital Assets	37,628,627
Restricted for Debt Service	2,215,487
Restricted for Capital Outlay	11,363
Restricted for Other Purposes	1,508,600
Unrestricted (Deficit)	(5,216,263)
Total Net Position	$36,147,814

The notes to the basic financial statements are an integral part of this statement

Vinton County Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:				
Instruction:				
Regular	$11,348,293	$256,303	$551,676	($10,540,314)
Special	2,660,863	63,237	2,003,296	(594,330)
Vocational	303,104	8,613	98,780	(195,711)
Other	1,800,751	40,995	182,488	(1,577,268)
Support Services:				
Pupils	1,466,939	32,912	333,516	(1,100,511)
Instructional Staff	866,474	15,838	287,665	(562,971)
Board of Education	378,645	8,373	0	(370,272)
Administration	2,117,619	57,973	73,152	(1,986,494)
Fiscal	465,526	13,037	0	(452,489)
Operation and Maintenance of Plant	2,022,788	46,516	23,518	(1,952,754)
Pupil Transportation	2,090,719	55,696	603	(2,034,420)
Central	59,211	2,636	0	(56,575)
Operation of Non-Instructional Services	1,161,644	37,201	1,461,541	337,098
Extracurricular Activities	419,729	148,800	35,135	(235,794)
Debt Service:				
Interest and Fiscal Charges	230,771	0	0	(230,771)
Total Governmental Activities	$27,393,076	$788,130	$5,051,370	(21,553,576)

General Revenues:	
Property Taxes Levied for:	
General Purposes	5,517,843
Capital Maintenance	116,935
Debt Service	213,946
Grants and Entitlements not Restricted for Specific Programs	17,561,645
Gifts and Contributions not Restricted for Specific Programs	1,603
Investment Earnings	635,326
Insurance Recoveries	12,800
Miscellaneous	23,524
Total General Revenues	24,083,622
Change in Net Position	2,530,046
Net Position Beginning of Year	33,617,768
Net Position End of Year	$36,147,814

The notes to the basic financial statements are an integral part of this statement

Vinton County Local School District
Balance Sheet
Governmental Funds
As of June 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	$20,879,883	$3,506,219	$24,386,102
Cash and Cash Equivalents in Segregated Accounts	0	362	362
Inventory Held for Resale	0	16,164	16,164
Accrued Interest Receivable	26,905	0	26,905
Interfund Receivable	154,747	0	154,747
Intergovernmental Receivable	21,631	345,645	367,276
Prepaid Items	45,444	0	45,444
Property Taxes Receivable	7,847,373	706,869	8,554,242
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,978	0	1,978
Total Assets	$28,977,961	$4,575,259	$33,553,220
Liabilities:			
Accounts Payable	$66,339	$13,121	$79,460
Accrued Wages and Benefits	2,102,771	242,279	2,345,050
Interfund Payable	0	154,747	154,747
Intergovernmental Payable	344,338	17,539	361,877
Total Liabilities	2,513,448	427,686	2,941,134
Deferred Inflows of Resources:			
Property Taxes not Levied to Finance Current Year Operations	4,928,993	447,659	5,376,652
Unavailable Revenue	2,534,947	324,339	2,859,286
Total Deferred Inflows of Resources	7,463,940	771,998	8,235,938
Fund Balances:			
Nonspendable	46,319	0	46,319
Restricted	0	3,491,343	3,491,343
Committed	185,043	0	185,043
Assigned	861,096	0	861,096
Unassigned (Deficit)	17,908,115	(115,768)	17,792,347
Total Fund Balances	19,000,573	3,375,575	22,376,148
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$28,977,961	$4,575,259	$33,553,220

The notes to the basic financial statements are an integral part of this statement.

Vinton County Local School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
As of June 30, 2019

Total Governmental Fund Balances		$22,376,148
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		41,817,403
Some of the District's receivables will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. Those receivables consist of:		
Intergovernmental	122,738	
Taxes	2,736,548	
Total		2,859,286
Deferred outflows of resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		191,218
The net pension/OPEB liability is not due and payable in the current period. Therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows-Pension	6,610,283	
Deferred Outflows-OPEB	300,803	
Deferred Inflows-Pension	(2,798,356)	
Deferred Inflows-OPEB	(2,861,193)	
Net Pension Liability	(25,458,576)	
Net OPEB Asset	1,414,064	
Net OPEB Liability	(3,007,561)	
Total		(25,800,536)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Refunding Bonds	(3,094,211)	
Premium on Refunding Bonds	(460,663)	
Energy Conservation Notes	(740,000)	
Accrued Interest on Bonds	(3,694)	
Compensated Absences	(849,024)	
Capital Lease Obligations	(148,113)	
Total		(5,295,705)
Net Position of Governmental Activities		$36,147,814

The notes to the basic financial statements are an integral part of this statement

Vinton County Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	$5,278,173	$381,566	$5,659,739
Intergovernmental	19,067,556	3,607,328	22,674,884
Interest	480,562	13,776	494,338
Change in Fair Value of Investments	140,988	0	140,988
Tuition and Fees	605,550	0	605,550
Rent	475	0	475
Extracurricular Activities	58,944	84,955	143,899
Gifts and Donations	19,569	17,169	36,738
Customer Sales and Services	1,078	37,128	38,206
Miscellaneous	23,453	71	23,524
Total Revenues	25,676,348	4,141,993	29,818,341
Expenditures:			
Current:			
Instruction:			
Regular	10,243,942	564,050	10,807,992
Special	2,543,660	512,550	3,056,210
Vocational	345,443	3,430	348,873
Other	1,649,218	185,172	1,834,390
Support Services:			
Pupils	1,322,996	338,869	1,661,865
Instructional Staff	634,411	302,333	936,744
Board of Education	336,851	16,323	353,174
Administration	2,362,299	79,738	2,442,037
Fiscal	525,291	0	525,291
Operation and Maintenance of Plant	1,859,086	227,633	2,086,719
Pupil Transportation	2,236,859	681	2,237,540
Central	62,689	0	62,689
Operation of Non-Instructional Services	5,740	1,188,508	1,194,248
Extracurricular Activities	283,451	92,702	376,153
Capital Outlay	103,326	117,745	221,071
Debt Service:			
Principal	95,680	630,000	725,680
Interest	41,929	96,549	138,478
Total Expenditures	24,652,871	4,356,283	29,009,154
Excess of Revenues Over (Under) Expenditures	1,023,477	(214,290)	809,187
Other Financing Sources (Uses):			
Transfers In	0	156,929	156,929
Insurance Recoveries	12,800	0	12,800
Inception of Capital Lease	46,330	0	46,330
Transfers Out	(156,929)	0	(156,929)
Total Other Financing Sources (Uses)	(97,799)	156,929	59,130
Net Change in Fund Balances	925,678	(57,361)	868,317
Fund Balance at Beginning of Year	18,074,895	3,432,936	21,507,831
Fund Balance at End of Year	$19,000,573	$3,375,575	$22,376,148

The notes to the basic financial statements are an integral part of this statement.

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

Net Change in Fund Balances - Total Governmental Funds		$868,317
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the current period.		
Capital Asset Additions	221,071	
Current Year Depreciation	(2,344,672)	
Total		(2,123,601)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(2,413)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	(97,004)	
Taxes	188,985	
Total		91,981
Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.		1,996,750
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		1,150,208
Repayments of bond and note principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.		630,000
The inception of capital lease reported in the statement of revenues, expenditures and changes in fund balances that are reported as other financial sources are not reported as revenues in the statement of activities.		(46,330)
Repayments of capital lease obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.		95,680
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmetnal funds an interest expenditure is reported when due.		283
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(38,253)	
Amortization of Premium on Bonds	33,101	
Amortization of Deferred Charge on Refunding	(13,659)	
Accretion on Refunding Bonds	(112,018)	
Total		(130,829)
Net Change in Net Position of Governmental Activities		$2,530,046

The notes to the basic financial statements are an integral part of this statement

Vinton County Local School District
Statement of Revenues, Expenditures and Change
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget: Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	$5,212,700	$5,212,700	$5,334,073	$121,373
Intergovernmental	18,657,720	18,657,720	19,087,232	429,512
Interest	150,000	150,000	476,487	326,487
Tuition and Fees	604,661	604,661	605,149	488
Rent	0	0	475	475
Gifts and Donations	8,078	8,078	1,603	(6,475)
Miscellaneous	10,000	10,000	23,453	13,453
Total Revenues	24,643,159	24,643,159	25,528,472	885,313
Expenditures:				
Current:				
Instruction:				
Regular	10,588,517	10,595,455	10,306,426	289,029
Special	2,390,123	2,428,123	2,539,417	(111,294)
Vocational	372,304	372,304	365,574	6,730
Other	1,819,756	1,819,756	1,651,250	168,506
Support Services:				
Pupils	1,321,779	1,346,206	1,339,476	6,730
Instructional Staff	754,656	792,089	655,231	136,858
Board of Education	366,061	366,061	338,504	27,557
Administration	2,312,852	2,312,852	2,289,153	23,699
Fiscal	555,179	558,179	519,306	38,873
Operation and Maintenance of Plant	2,123,674	2,123,674	2,175,657	(51,983)
Pupil Transportation	2,245,114	2,245,114	2,243,603	1,511
Central	42,704	42,704	61,306	(18,602)
Operation of Non-Instructional Services	37,310	37,310	5,740	31,570
Extracurricular Activities	202,038	202,038	200,787	1,251
Capital Outlay	70,000	70,000	30,000	40,000
Total Expenditures	25,202,067	25,311,865	24,721,430	590,435
Excess of Revenues Over (Under) Expenditures	(558,908)	(668,706)	807,042	1,475,748
Other Financing Sources (Uses):				
Insurance Recoveries	0	0	12,800	12,800
Transfers Out	(156,929)	(156,929)	(156,929)	0
Total Other Financing Sources (Uses)	(156,929)	(156,929)	(144,129)	12,800
Net Change in Fund Balances	(715,837)	(825,635)	662,913	1,488,548
Fund Balance at Beginning of Year	19,764,189	19,764,189	19,764,189	0
Prior Year Encumbrances Appropriated	189,393	189,393	189,393	0
Fund Balance at End of Year	$19,237,745	$19,127,947	$20,616,495	$1,488,548

The notes to the basic financial statements are an integral part of this statement.

Vinton County Local School District

Statement of Fiduciary Assets and Liabilities

Fiduciary Fund

As of June 30, 2019

	Agency Fund
Assets:	
Equity in Pooled Cash and Cash Equivalents	$117,979
Total Assets	$117,979
Liabilities:	
Due to Students	$117,979
Total Liabilities	$117,979

The notes to the basic financial statements are an integral part of this statement.

Note 1 – Description of the District and Reporting Entity

Description of the District

Vinton County Local School District (the District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District provides educational services as authorized by State statute and/or federal guidelines. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The Board controls the District's five (5) instructional support facilities staffed by 93 non-certificated, 153 teaching personnel and 18 administrative employees providing education to approximately 2,000 students.

Reporting Entity

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

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

The following entities which perform activities within the District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

- Parent Teacher Organizations
- Booster Clubs

The District is associated with six jointly governed organizations. These organizations are META Solutions, the Gallia-Vinton Educational Service Center, the Gallia-Jackson-Vinton Joint Vocational School District, the State Support Team Region 16, the Ohio Coalition of Equity and Adequacy of School funding, and the Coalition of Rural and Appalachian Schools. These organizations are presented in note 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

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

Basis of Presentation

The 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 District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

Fund Financial Statements

During the year, the District segregates transactions related to certain 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 District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column.

Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The 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 District fall within two categories: governmental and fiduciary.

Governmental Funds

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

The following is the District's major governmental fund:

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

The other governmental funds of the District account for grants and other resources of the District whose use is restricted 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 District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary fund is an agency fund which is used to account for student managed activities.

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at the fiscal year-end: property taxes available for advance, grants and interest.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. For the District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position and amounts for pensions and other post-employment benefits. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Information on pensions and other post-employment benefits is presented in notes 10 and 11.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, grants, pensions, and other post-employment benefits. Property taxes for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources on the statement of net position and governmental fund balance sheet. Grants and entitlements not received within the available period and delinquent property taxes due at June 30, 2019, are recorded as deferred inflows of resources in the governmental funds and as revenue on the statement of activities. Information on pensions and other post-employment benefits is presented in notes 10 and 11.

Expenses/Expenditures

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

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

Cash and Cash Equivalents

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

During the fiscal year 2019, the District's investments were limited to negotiable certificates of deposit and STAR Ohio. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices.

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 School District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million. 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 revenue credited to the District during fiscal year 2019 amounted to $480,562 credited to the General Fund and $13,776 in Other Governmental Funds. The District also experienced an increase in the fair value of investments in the amount of $140,988, which was also credited to the General Fund.

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

Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund type when consumed or used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets in the General Fund include amounts committed for school bus purchases.

Capital Assets

General capital assets are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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

Description	Estimated Lives
Land Improvements	20 - 30 years
Buildings and Improvements	25 - 50 years
Furniture, Fixtures and Equipment	6 - 15 years
Vehicles	15 years

Interfund Balances

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

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payments in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators who have at least 20 years of service with the District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees will be paid. The District recognized no matured compensated absences payable as of June 30, 2019.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination of benefits and contractually required pension and OPEB contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, notes, and capital leases are recognized as a liability on the fund financial statements when due.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes represents balances in special revenue funds for grants whose use is restricted by grant agreements.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the District's restricted net position, none is restricted by enabling legislation.

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolutions of the Board of Education, the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education, Superintendent and Treasurer have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

Interfund Transactions

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For the fiscal year 2019, the District reported no extraordinary or special items.

Estimates

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

Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the permanent appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2019.

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

Bond Premium

Bond discounts and premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts on the capital appreciation bonds are accreted over the term of the bonds.

On the governmental fund financial statements, bond premiums and bond discounts are recognized in the period in which bonds are issued. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Pensions/OPEB

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

Note 3 – Accountability

At June 30, 2019, the Public School Preschool, Miscellaneous State Grant, Title VI-B, Title I, and Title VI-R Funds had deficit balances of $23,987, $1,582, $24,015, $34,703, and $31,481, respectively. The deficits in these funds are the result of the application of generally accepted accounting principles, the requirement to accrue liabilities when incurred, and the anticipation of state and federal grant funds for reimbursement of expenditures. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 4 – Budgetary Basis of Accounting

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budget basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual is presented for the General Fund on the budget basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a restriction, commitment, or assignment of fund balance for governmental funds (GAAP basis).
4. Certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis. Certain agency funds are also considered part of the General Fund on a GAAP basis This includes the Uniform School Supplies, Public School Support, Employee Benefits Special Revenue Funds and the Unclaimed Monies Agency Fund.

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

Net Change in Fund Balance	
GAAP Basis	$925,678
Revenue Accruals	(115,817)
Expenditure Accruals	81,598
Encumbrances	(236,446)
(Excess) Deficit of Funds Combined with General Fund for Reporting Purposes	7,900
Budget Basis	$662,913

Note 5 – Deposits and Investments

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must be either 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 moneys. Interim moneys are those moneys 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 accounts including passbook accounts.

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

Interim monies may 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits – Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2019, the District's bank balance of $4,153,200 was either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described below.

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

> Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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

		Maturity			% of	Credit
Investment Type	Fair Value	< 1 Year	1-2 Years	3-5 Years	Portfolio	Rating
STAR Ohio	$12,262,687	$12,262,687	$0	$0	58%	AAAm
Negotiable CDs	8,817,812	2,575,468	1,566,361	4,675,983	42%	N/A
Total	$21,080,499	$14,838,155	$1,566,361	$4,675,983	100%	

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the District manages its exposure to declines in fair values by keeping the portfolio sufficiently liquid to enable the District to meet all operating requirements.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its investments to STAR Ohio and negotiable certificates of deposit as described in Ohio Revised Code Section 135.143A(2).

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy allows investments in eligible securities as described in the Ohio Revised Code.

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

Note 6 – Property Taxes

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

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

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

The District receives property taxes from Vinton, Gallia, Jackson and Hocking Counties. The County Auditors periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by each county by June 30, 2019 are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes which became measurable as of June 30, 2019. Although total property tax collections for the fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations.

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

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

	2018 Second-Half Collections		2019 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$171,102,300	56.89%	$186,400,110	58.42%
Public Utility Personal	129,652,890	43.11%	132,652,440	41.58%
Total Assessed Value	$300,755,190	100.00%	$319,052,550	100.00%
Tax Rate per $1,000 of Assessed Valuation	$20.20		$20.20	

Note 7 – Receivables

Receivables at June 30, 2019 consisted of taxes, interfund, interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

Major Fund:	
General	$21,631
Nonmajor Funds:	
Public School Preschool	75,249
Tech Prep	1,485
Miscellaneous State Grants	20,769
Title VI-B	61,633
Title I	152,607
Early Childhood Special Education	3,764
Title IV-R	11,138
Miscellaneous Federal Grants	19,000
Total Nonmajor Funds	345,645
Total	$367,276

Note 8 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2019, the District contracted with Reed and Baur Insurance Agency for property and fleet insurance, liability insurance, and inland marine coverage. Public officials bonds are provided by Westfield Insurance, West Bend Insurance Company, and Travelers Casualty and Surety Company of America.

Coverages provided are as follows:

Building and Contents - replacement cost ($2,500 deductible)	$94,679,548
Commercial Computer Coverage ($500 deductible)	819,993
Musical Instruments ($500 deductible)	206,235
Automobile Liability:	
Per Person	1,000,000
Per Accident	1,000,000
Uninsured Motorists:	
Per Person	1,000,000
Per Accident	1,000,000
General Liability:	
Per Occurrence	1,000,000
Aggregate Limit	2,000,000
Public Official Bonds:	
Treasurer	100,000
Superintendent	20,000
Board President	50,000

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

Note 9 – Capital Assets

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

Asset Category	Balance at 7/1/18	Additions	Deletions	Balance at 6/30/19
Nondepreciable Capital Assets:				
Land	$1,376,059	$0	$0	$1,376,059
Depreciable Capital Assets:				
Land Improvements	9,924,708	0	0	9,924,708
Buildings and Improvements	59,770,410	29,258	0	59,799,668
Furniture, Fixtures and Equipment	5,046,938	113,609	(45,891)	5,114,656
Vehicles	3,125,109	78,204	(9,816)	3,193,497
Total Depreciable Capital Assets	77,867,165	221,071	(55,707)	78,032,529
Accumulated Depreciation:				
Land Improvements	(5,936,905)	(488,796)	0	(6,425,701)
Buildings and Improvements	(22,529,878)	(1,653,535)	0	(24,183,413)
Furniture, Fixtures and Equipment	(4,358,930)	(132,357)	43,478	(4,447,809)
Vehicles	(2,474,094)	(69,984)	9,816	(2,534,262)
Total Accumulated Depreciation	(35,299,807)	(2,344,672)	53,294	(37,591,185)
Depreciable Capital Assets, Net	42,567,358	(2,123,601)	(2,413)	40,441,344
Total Net Capital Assets	$43,943,417	($2,123,601)	($2,413)	$41,817,403

Depreciation expense was charged to governmental functions as follow:

Instruction:	
Regular	$2,035,403
Special	1,776
Vocational	313
Support Services:	
Pupils	2,439
Instructional Staff	3,440
Board of Education	26,835
Administration	465
Fiscal	738
Operation and Maintenance	85,257
Pupil Transportation	71,608
Operation of Non-Instructional Services	34,227
Extracurricular Activities	82,171
Total	$2,344,672

Note 10 – Defined Benefit Pension Plans

Net Pension Liability/Net OPEB Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. 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 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 District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the 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 District's contractually required contributions to SERS were $472,266 for fiscal year 2019.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

The District's contractually required contributions to STRS were $1,437,941 for fiscal year 2019.

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

The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the 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	0.11495700%	0.09282075%	
Proportion of the Net Pension Liability			
Current Measurement Date	0.10667430%	0.08799962%	
Change in Proportionate Share	-0.00828270%	-0.00482113%	
Proportionate Share of the Net			
Pension Liability	$6,109,435	$19,349,141	$25,458,576
Pension Expense	$370,149	$1,473,956	$1,844,105

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and			
actual experience	$335,065	$446,637	$781,702
Changes of assumptions	137,964	3,429,031	3,566,995
Changes in proportion and differences			
between District contributions			
and proportionate share of contributions	87,372	264,007	351,379
District contributions subsequent to the			
measurement date	472,266	1,437,941	1,910,207
Total Deferred Outflows of Resources	$1,032,667	$5,577,616	$6,610,283
Deferred Inflows of Resources			
Differences between expected and			
actual experience	$0	$126,361	$126,361
Net difference between projected and			
actual earnings on pension plan investments	169,274	1,173,310	1,342,584
Changes in proportion and differences			
between District contributions			
and proportionate share of contributions	295,666	1,033,745	1,329,411
Total Deferred Inflows of Resources	$464,940	$2,333,416	$2,798,356

$1,910,207 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	$310,200	$1,288,567	$1,598,767
2021	46,049	973,116	1,019,165
2022	(208,876)	(18,359)	(227,235)
2023	(51,912)	(437,065)	(488,977)
Total	$95,461	$1,806,259	$1,901,720

Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	3 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.5 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

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 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 (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$8,605,600	\$6,109,435	\$4,016,568

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 (COLA)	0.0 percent, effective July 1, 2017

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

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

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

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

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 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	$28,256,873	$19,349,141	$11,809,954

Note 11 – Postemployment Benefits

See note 10 for a description of the net OPEB liability

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was $21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was $69,052.

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 District's contractually required contribution to SERS was $86,543 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, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset) Prior Measurement Date	0.11691710%	0.09282075%	
Proportion of the Net OPEB Liability (Asset) Current Measurement Date	0.10840910%	0.08799962%	
Change in Proportionate Share	-0.00850800%	-0.00482113%	
Proportionate Share of the Net OPEB Liability	$3,007,561	$0	$3,007,561
Proportionate Share of the Net OPEB Asset	$0	($1,414,064)	($1,414,064)
OPEB Expense	$101,390	($3,095,703)	($2,994,313)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$49,094	$165,166	$214,260
Changes in proportionate share and difference between District contributions and proportionate share of contributions	0	0	0
District contributions subsequent to the measurement date	86,543	0	86,543
Total Deferred Outflows of Resources	$135,637	$165,166	$300,803
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$82,388	$82,388
Changes of assumptions	270,207	1,926,775	2,196,982
Net difference between projected and actual earnings on OPEB plan investments	4,513	161,545	166,058
Changes in proportionate share and difference between District contributions and proportionate share of contributions	243,962	171,803	415,765
Total Deferred Inflows of Resources	$518,682	$2,342,511	$2,861,193

$86,543 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	($157,050)	($387,702)	($544,752)
2021	(132,338)	(387,702)	(520,040)
2022	(54,072)	(387,702)	(441,774)
2023	(52,150)	(351,015)	(403,165)
2024	(52,464)	(338,141)	(390,605)
Thereafter	(21,514)	(325,083)	(346,597)
Total	($469,588)	($2,177,345)	($2,646,933)

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:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62 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 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	$3,649,439	$3,007,561	$2,499,314

	1% Decrease (6.25 % decreasing to 3.75%)	Current Trend Rate (7.25 % decreasing to 4.75%)	1% Increase (8.25 % decreasing to 5.75%)
District's proportionate share of the net OPEB liability	$2,426,550	$3,007,561	$3,776,924

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 Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability 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 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%)
District's proportionate share of the net OPEB asset	($1,211,985)	($1,414,064)	($1,583,902)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	($1,574,314)	($1,414,064)	($1,251,318)

Note 12 – Employee Benefits

Compensated Absences

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

Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time, with the exception of the Superintendent, Treasurer, Assistant Superintendent, Assistant Treasurers, Account Clerk, Transportation Coordinator, and Maintenance Supervisor. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for 25 percent of the employee's accumulated sick leave up to a maximum of 51 days for certified employees, 65 days for non-certificated employees, and 51 or 65 days for administrative employees depending on specifications within contracts.

Retirement Incentive

The District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Vinton Local Teachers Association the year in which the member first attains thirty years of service credit with STRS. A teacher who retires with thirty (30) years but less than thirty-one (31) years of service according to STRS rules, is eligible for a severance bonus of $40,000, payable in four installments of $10,000, with the first installment to be paid by the time of the second payroll in January following the retirement date, and each subsequent installment by the time of the second payroll in January of the following three years. To be eligible, the teacher must file a letter with the Treasurer stating (1) retirement effective date, and (2) amount of severance bonus applied for by January 1 for a teacher retiring at the end of a school year, and if a teacher is retiring mid-year the letter must be filed 6 months before the retirement date. The retirement incentive program is a part of the negotiated union contract.

In May 2015, the District approved a modification to this plan where beginning with fiscal year 2016, all retirees eligible for the early retirement incentive bonus must defer the $40,000 based upon the memorandum of understanding. The District will pay this amount as a one-time payment into a 403(b) plan for the retiring teacher in the January following the retirement date. The District may not make this payment directly to the retiring/retired teacher.

No District employees were eligible for a retirement incentive as of June 30, 2019.

Health, Prescription, Dental and Life Insurance

The District provides health and prescription benefits to its employees through a fully funded policy with United Health Care. Dental insurance benefits are provided through a policy with SEOVEC Dental and life insurance is with MEC.

Note 13 – Long-Term Obligations

Changes in the long-term obligations of the District during fiscal year 2019 were as follows:

	Principal Outstanding at 7/1/18	Additions	Deletions	Principal Outstanding at 6/30/19	Amount Due in One Year
2013 Refunding Bonds:					
Series A Bonds Serial	$295,000	$0	$0	$295,000	$145,000
Series A Bonds Term	2,150,000	0	0	2,150,000	0
Series A Bonds Capital Appreciation	45,000	0	(45,000)	0	0
Series A Bonds Capital Appreciation Accretion	153,518	31,482	(185,000)	0	0
Series A Premium	306,855	0	(20,571)	286,284	0
Series B Bonds Serial	610,000	0	(260,000)	350,000	0
Series B Bonds Capital Appreciation	45,000	0	0	45,000	45,000
Series B Bonds Capital Appreciation Accretion	173,675	80,536	0	254,211	0
Series B Premium	186,909	0	(12,530)	174,379	0
2017 Energy Conservation Notes	880,000	0	(140,000)	740,000	140,000
Total Bonds and Note	4,845,957	112,018	(663,101)	4,294,874	330,000
Capital Leases	197,463	46,330	(95,680)	148,113	66,637
Compensated Absences	810,769	650,885	(612,630)	849,024	119,553
Net Pension Liability	28,918,195	0	(3,459,619)	25,458,576	0
Net OPEB Liability	6,759,271	0	(3,751,710)	3,007,561	0
Total Long-Term Obligations	$41,531,655	$809,233	($8,582,740)	$33,758,148	$516,190

2013 Refunding Bonds - In May 2013, the District issued $2,840,000 of voted general obligation bonds (Series A) and $1,805,000 of voted general obligation bonds (Series B) for the advance refunding of $4,645,000 of the 2005 series bonds. The $662,027 premium on the issuance of the refunding bonds is netted against this new debt and will be amortized over the life of this new debt, which has a remaining life of 20 years. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in a difference between the net carrying value of the refunded debt and the reacquisition price of $287,550. The difference is reported on the statement of net position as a deferred outflow of resources and is being amortized to interest expense over the life of the new bonds using the straight line method. The amortization for fiscal year 2019 was $13,659. The District incurred an economic gain (difference between the present values of the old and new debt service payments) of $134,905 and a reduction of $200,462 in future debt service payments as a result of the refunding. $565,000 of the Series A bonds and $1,760,000 of the Series B bonds were issued as serial bonds with interest rates of 2.0% and ranging from 0.6% to 2.15%, respectively. $2,150,000 of the Series A bonds were issued as term bonds with interest rates ranging from 2.0% to 3.2%. $125,000 of the Series A bonds and $45,000 of the Series B bonds were issued as capital appreciation bonds. For fiscal year 2019, $31,482 and $80,536 was accreted for the Series A and Series B bonds, respectively. The refunding bonds will be repaid by the Bond Retirement Fund. $125,000 of the capital appreciation bonds matured as of December 1, 2018 and the remaining bond will mature on December 1, 2019. At the date of refunding $5,307,027 (including underwriter fees and other issuance costs) was deposited into an irrevocable trust to provide for future debt service requirements on the 2005 refunding bonds. As of June 30, 2019, the amount of the refunded bonds still outstanding and the balance of the irrevocable trust account was $0.

The term bonds maturing on December 1, 2022 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1, 2021, in the principal amount of $155,000. The remaining principal amount of these bonds ($155,000) will be repaid at stated maturity on December 1, 2022.

The term bonds maturing on December 1, 2024 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1, 2023, in the principal amount of $160,000. The remaining principal amount of these bonds ($165,000) will be repaid at stated maturity on December 1, 2024.

The term bonds maturing on December 1, 2026 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1, 2025, in the principal amount of $170,000. The remaining principal amount of these bonds ($175,000) will be repaid at stated maturity on December 1, 2026.

The term bonds maturing on December 1, 2028 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1, 2027, in the principal amount of $180,000. The remaining principal amount of these bonds ($185,000) will be repaid at stated maturity on December 1, 2028.

The term bonds maturing on December 1, 2030 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1, 2029, in the principal amount of $190,000. The remaining principal amount of these bonds ($195,000) will be repaid at stated maturity on December 1, 2030.

The term bonds maturing on December 1, 2032 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1, 2031, in the principal amount of $205,000. The remaining principal amount of these bonds ($215,000) will be repaid at stated maturity on December 1, 2032.

The Series A bonds maturing on or after December 1, 2022 are subject to redemption at the option of the District, either in whole or in part, in such order of maturity as the District shall determine, on any date on or after December 1, 2021, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

The serial bonds are not subject to a mandatory sinking fund or optional redemption prior to stated maturity.

2017 Energy Conversation Notes – The District issued energy conservation notes on May 3, 2017 for $960,000 for the purpose of purchasing and installing energy conservation measures. This note carries a 2.09 percent interest rate. Semi-annual interest payments and annual principal payments are required beginning December 1, 2017 until the maturity date of December 1, 2023. This note will be repaid from the Bond Retirement Fund.

Principal and interest requirements to retire the refunding bonds outstanding at June 30, 2019 are as follows:

Fiscal Year Ending June 30,	2013 Refunding Series A Bonds	2013 Refunding Series B Bonds	Interest	Total
2020	$145,000	$45,000	$381,090	$571,090
2021	150,000	350,000	69,378	569,378
2022	155,000	0	62,565	217,565
2023	155,000	0	59,465	214,465
2024	160,000	0	55,515	215,515
2025-2029	875,000	0	200,543	1,075,543
2030-2033	805,000	0	53,074	858,074
Totals	$2,445,000	$395,000	$881,630	$3,721,630

The annual requirements to retire the energy conservation notes outstanding at June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	$140,000	$14,003	$154,003
2021	145,000	11,025	156,025
2022	150,000	7,942	157,942
2023	150,000	4,807	154,807
2024	155,000	1,620	156,620
Totals	$740,000	$39,397	$779,397

Capital leases are paid from the General Fund. Compensated absences and retirement incentives are paid from the General Fund. The District pays obligations related to employee compensation from the fund benefitting from their service.

The District's voted legal debt margin was $27,920,646 with an unvoted debt margin of $319,053 at June 30, 2019.

Note 14 – Capital Leases – Lessee Disclosure

In fiscal year 2016, the District entered into a capitalized lease for copier equipment and in fiscal years 2017 and 2019, the District entered into leases for computer equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. However, these expenditures are reported as current expenditures on the budgetary statement.

Capital assets acquired by lease were initially capitalized in the statement of net position for governmental activities in the amount of $409,763 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net position for governmental activities. Principal payments in fiscal year 2019 totaled $95,680. Lease payments were made from the General Fund.

Principal and interest requirements to retire the capital leases at June 30, 2019 are as follows:

Year Ending June 30	Capital Leases
2020	$69,926
2021	68,935
2022	16,490
Total Debt Payments	155,351
Less: Interest	(7,238)
Total Principal	$148,113

Note 15 – Interfund Activity

Transfers

	Transfers In	Transfers Out
Major Fund:		
General	$0	$156,929
Nonmajor Fund:		
Bond Retirement	156,929	0
Total	$156,929	$156,929

Transfers were made from the General Fund to the Bond Retirement Fund for debt payments.

Interfund Receivables/Payables

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

	Interfund Receivable	Interfund Payable
Major Fund:		
General	$154,747	$0
Nonmajor Funds:		
Public School Preschool	0	26,784
Miscellaneous State Grants	0	1,923
Title VI-B	0	31,068
Title I	0	62,826
Early Childhood Special Education	0	2,008
Title IV-D	0	11,138
Miscellaneous Federal Grants	0	19,000
Total Other Governmental Funds	0	154,747
Total	$154,747	$154,747

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

Note 16 – Commitments

Encumbrances

At June 30, 2019, the District had encumbrance commitments in governmental funds as follows:

Major Fund	
General	$244,024
Nonmajor Funds	
Food Service	925
Other Grants	7,523
Classroom Facilities Maintenance	88,198
Athletics	1,219
Title I	1,819
Early Childhood Special Education	311
Total Nonmajor Funds	99,995
Total Encumbrances	$344,019

Contracts

In June 2019, the District entered into contracts with Howland Asphalt and All American Track Corp for paving and track resurfacing, respectively. These contracts were awarded in the amounts of $18,451 and $91,819, respectively. As of June 30, 2019, no payments were made on these contracts.

Note 17 – Fund Balances

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

	General	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Prepaids	$45,444	$0	$45,444
Unclaimed Monies	875	0	875
Total Nonspendable	46,319	0	46,319
Restricted			
Athletics	0	71,993	71,993
Facilities Maintenance	0	615,127	615,127
Food Service	0	723,455	723,455
Local Grants	0	18,817	18,817
State Grants	0	4,672	4,672
Debt Service	0	2,045,916	2,045,916
Capital Projects	0	11,363	11,363
Total Restricted	0	3,491,343	3,491,343
Committed			
Bus Purchase	1,978	0	1,978
Services and Supplies	111,998	0	111,998
Employee Benefits	71,067	0	71,067
Total Assigned	185,043	0	185,043
Assigned			
Services and Supplies	64,537	0	64,537
Public School Support	66,911	0	66,911
FY20 Appropriations in Excess of Estimated Receipts	729,648	0	729,648
Total Assigned	861,096	0	861,096
Unassigned (Deficit)	17,908,115	(115,768)	17,792,347
Total Fund Balances	$19,000,573	$3,375,575	$22,376,148

Note 18 – Statutory Set-Asides

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

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

	Capital Acquisition
Set-Aside Balance as of June 30, 2018	$0
Current Year Set-Aside Requirement	364,709
Current Year Offsets	(216,185)
Qualifying Disbursements	(210,160)
Totals	($61,636)
Set-Aside Balance as of June 30, 2019	$0
Total Restricted Assets	$0

The District had qualifying disbursements during the year that reduced the set-aside amount to zero in the capital acquisition set-aside.

Note 19 – Jointly Governed Organizations

Metropolitan Educational Technology Association (META) Solutions

META Solutions is an educational solutions partner providing services across Ohio. META Solutions provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META Solutions consists of a president, vice president and six board members who represent the members of META Solutions. The board works with META Solutions' Chief Executive Officer, Chief Operating Officer, an Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The District paid META Solutions $236,135 for services provided during the fiscal year. Financial information can be obtained from David Varda, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

Gallia-Vinton Educational Service Center

The Gallia-Vinton Educational Service Center is a jointly governed organization providing educational services to its two participating school districts. The Educational Service Center is governed by a board of education comprised of eight members appointed by the participating schools. The board controls the financial activity of the Educational Service Center and reports to the Ohio Department of Education and the Auditor of State. The continued existence of the Educational Service Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2019, the District paid the Educational Service Center $168,108 for Occupational Therapy, aide, and other services. To obtain financial information, write to the Gallia-Vinton Educational Service Center, P.O. Box 178, Rio Grande, Ohio 45674.

Gallia-Jackson-Vinton Joint Vocational School District

The Gallia-Jackson-Vinton Joint Vocational School is a jointly governed organization providing vocational services to its six participating school districts. The Joint Vocational School is governed by a board of education comprised of nine members appointed by the participating schools. The board controls the financial activity of the Joint Vocational School and reports to the Ohio Department of Education and the Auditor of State. The continued existence of the Joint Vocational School is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2019, the District paid the Joint Vocational School $1,129 for excess costs for special education services. To obtain financial information, write to the Gallia-Jackson-Vinton Joint Vocational School, P.O. Box 157, Rio Grande, Ohio 45674.

State Support Team - Region 16

The State Support Team - Region 16 (SST) is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SST is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of chartered nonpublic schools, representatives of county boards of DD, Ohio University and the Southeast Regional Professional Development Center whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. The Superintendent of the District is on the SST Board and the District also has a local representative that serves as an alternate for the SST Board. Financial information can be obtained by contacting Laura Dukes, Treasurer, at the Athens-Meigs Educational Service Center, 21 Birge Drive, Chauncey, Ohio 45719.

The Ohio Coalition of Equity and Adequacy of School Funding

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized in 1990 to challenge the constitutionality of the Ohio school funding system. The Coalition is governed by a Steering Committee of 90 school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The membership of the Coalition includes over 500 school districts throughout the State of Ohio. The Committee exercises total control over budgeting, appropriating, contracting, and the designation of management. Member school districts and joint vocational schools pay dues to $0.05 per pupil. School districts and joint vocational schools may also pay supplemental dues in the amount of $0.50 per pupil for K-12 districts and educational service centers pay dues of $0.05 per pupil. The Coalition is not dependent on the continued participation of the District and the District does not maintain an equity interest or financial responsibility for the Coalition. During fiscal year 2019, the District paid $1,071 to the Coalition. To obtain financial information, write to the Ohio Coalition of Equity and Adequacy of School Funding at 100 South Third Street, Columbus, Ohio 43215.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of over 130 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a board which is composed of seventeen members; one elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided, and three from Ohio University College of Education. The board exercises total control over the operations of CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Coalition. During fiscal year 2019, the District made a payment of $325 for a membership fee. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at Lindley Hall Room 200, Ohio University, Athens, Ohio 45701.

Note 20 – Contingencies

Grants

The 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 District at June 30, 2019.

State Foundation Funding

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 2019 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

Litigation

The District is not currently party to legal proceedings.

Note 21 – Subsequent Event

In August 2019, the District issued general obligation bonds in the amount of $462,500 for the purpose of purchasing school buses.

This page was intentionally left blank.

Vinton County Local School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Six Fiscal Years

	2014	2015	2016	2017	2018	2019
State Teachers Retirement System						
District's proportion of the net pension liability	0.09471736%	0.09471736%	0.09112315%	0.09167998%	0.09282075%	0.08799962%
District's proportionate share of the net pension liability	$27,443,359	$23,038,540	$25,183,764	$30,688,053	$22,049,768	$19,349,141
District's covered-employee payroll	$9,731,354	$9,679,500	$9,629,029	$9,743,657	$10,067,714	$10,037,971
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	282.0%	238.0%	261.5%	315.0%	219.0%	192.8%
Plan fiduciary net position as a percentage of the total pension liability	69.3%	74.7%	72.1%	72.1%	75.3%	77.3%
School Employees Retirement System						
District's proportion of the net pension liability	0.11196399%	0.11196399%	0.11476650%	0.11331640%	0.11495700%	0.10667430%
District's proportionate share of the net pension liability	$6,658,139	$5,666,434	$6,548,688	$8,293,715	$6,868,427	$6,109,435
District's covered-employee payroll	$4,198,115	$4,192,115	$4,142,056	$4,286,743	$4,060,800	$3,351,844
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	158.6%	135.2%	158.1%	193.5%	169.1%	182.3%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	71.7%	69.2%	69.2%	69.5%	71.4%

The amounts presented are as of the District's measurement date, which is the prior fiscal year end.
Information not available prior to 2014.
See accompanying notes to the required supplementary information.

Vinton County Local School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Last Three Fiscal Years

	2017	2018	2019
State Teachers Retirement System			
District's proportion of the net OPEB liability (asset)	0.09167998%	0.09282080%	0.08799962%
District's proportionate share of the net OPEB liability (asset)	$4,964,078	$3,621,523	($1,414,064)
District's covered-employee payroll	$9,743,657	$10,067,714	$10,037,971
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	50.9%	36.0%	-14.1%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%
School Employees Retirement System			
District's proportion of the net OPEB liability	0.11331640%	0.11691710%	0.10840910%
District's proportionate share of the net OPEB liability	$3,332,570	$3,137,748	$3,007,561
District's covered-employee payroll	$4,286,743	$4,060,800	$3,351,844
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	77.7%	77.3%	89.7%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%

The amounts presented are as of the District's measurement date, which is the prior fiscal year end.
Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Vinton County Local School District
Required Supplementary Information
Schedule of District Contributions
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
State Teachers Retirement System										
Contractually required contribution - pension	$1,275,514	$1,468,246	$1,317,541	$1,265,076	$1,258,335	$1,348,064	$1,364,112	$1,409,480	$1,405,316	$1,437,941
Contractually required contribution - OPEB	98,116	112,942	101,349	97,314	96,795	0	0	0	0	0
Contractually required contribution - total	1,373,630	1,581,188	1,418,890	1,362,390	1,355,130	1,348,064	1,364,112	1,409,480	1,405,316	1,437,941
Contributions in relation to the contractually required contribution	1,373,630	1,581,188	1,418,890	1,362,390	1,355,130	1,348,064	1,364,112	1,409,480	1,405,316	1,437,941
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
District's covered-employee payroll	$9,811,646	$11,294,200	$10,134,931	$9,731,354	$9,679,500	$9,629,029	$9,743,657	$10,067,714	$10,037,971	$10,271,007
Contributions as a percentage of covered-employee payroll - pension	13.00%	13.00%	13.00%	13.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	1.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
School Employees Retirement System										
Contractually required contribution - pension	$509,368	$496,522	$539,257	$549,953	$549,167	$545,923	$600,144	$568,512	$452,499	$472,266
Contractually required contribution - OPEB (1)	17,305	56,486	22,051	6,358	5,547	33,965	0	0	16,759	17,491
Contractually required contribution - total	526,673	553,008	561,308	556,311	554,714	579,888	600,144	568,512	469,258	489,757
Contributions in relation to the contractually required contribution	526,673	553,008	561,308	556,311	554,714	579,888	600,144	568,512	469,258	489,757
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
District's covered-employee payroll	$3,761,950	$3,950,056	$4,009,346	$3,973,649	$3,962,244	$4,142,056	$4,286,743	$4,060,800	$3,351,844	$3,498,267
Contributions as a percentage of covered-employee payroll - pension	13.54%	12.57%	13.45%	13.84%	13.86%	13.18%	14.00%	14.00%	13.50%	13.50%
Contributions as a percentage of covered-employee payroll - OPEB	0.46%	1.43%	0.55%	0.16%	0.14%	0.82%	0.00%	0.00%	0.50%	0.50%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.
See the accompanying notes to the required supplementary information.

State Teachers Retirement System

Pension

Changes in benefit terms – For fiscal year 2019, there were no changes to benefit terms.

Changes in assumptions – For fiscal year 2019, there were no changes in assumptions.

OPEB

Changes in benefit terms – For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extent the current Medicare Part B partial reimbursement for one year.

Changes in assumptions – For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
    - Medical Medicare – 6 percent initial, 4 percent ultimate
    - Medical Pre-Medicare – 5 percent initial, 4 percent ultimate
    - Prescription Drug Medicare – 8 percent initial, 4 percent ultimate
    - Prescription Drug Pre-Medicare – -5.23 percent initial, 4 percent ultimate

School Employees Retirement System

Pension

Changes in benefit terms – For fiscal year 2019, there were no changes to benefit terms.

Changes in assumptions – For fiscal year 2019, there were no changes in assumptions.

OPEB

Changes in benefit terms – For fiscal year 2019, there were no changes to benefit terms.

Changes in assumptions – For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
    - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
    - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY

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

FEDERAL GRANTOR ***Pass-Through Grantor*** **Program/Cluster Title**	**Federal CFDA Number**	**Pass-Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2018/2019	$69,164
Cash Assistance:			
School Breakfast Program	10.553	2018/2019	514,079
National School Lunch Program	10.555	2018/2019	857,515
Total Child Nutrition Cluster			1,440,758
Fresh Fruits and Vegetable Program	10.582	2018/2019	74,816
Total U.S. Department of Agriculture			1,515,574
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010	2018	95,274
		2019	753,791
Total Title I Grants to Local Educational Agencies			849,065
Special Education Cluster:			
Special Education - Grants to States	84.027	2018	61,144
		2019	401,874
Total Special Education - Grants to State			463,018
Special Education - Preschool Grants	84.173	2019	11,043
Special Education - Preschool Restoration Grants	84.173A	2019	1,859
Total Special Education Cluster			475,920
Twenty-First Century Community Learning Centers	84.287	2018	10,295
Rural Education	84.358	2019	36,101
Supporting Effective Instruction State Grants	84.367	2019	111,381
Student Support and Academic Enrichment Program	84.424	2019	60,158
Total U.S. Department of Education			1,542,920
Total Expenditures of Federal Awards			**$3,058,494**

The accompanying notes are an integral part of this Schedule.

VINTON COUNTY LOCAL SCHOOL DISTRICT
JACKSON COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

53 Johnson Road
The Plains, Ohio 45780-1231
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

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

Vinton County Local School District
Vinton County
307 West High Street
McArthur, Ohio 45651

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vinton County Local School District, Vinton County (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 11, 2020.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2020

53 Johnson Road
The Plains, Ohio 45780-1231
(740) 594-3300 or (800) 441-1389
SoutheastRegion@ohioauditor.gov

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

Vinton County Local School District
Vinton County
307 West High Street
McArthur, Ohio 45651

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2020

VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):** • Title I Grants to Local Educational Agencies CFDA - #84.010	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

This page intentionally left blank.

VINTON COUNTY LOCAL SCHOOL DISTRICT

307 WEST HIGH STREET
McARTHUR, OHIO 45651

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Noncompliance/Finding for Recovery for collections not deposited.	Corrective Action Taken; Fully Corrected.	None.

OHIO AUDITOR OF STATE
KEITH FABER

VINTON COUNTY LOCAL SCHOOL DISTRICT

VINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 24, 2020