MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2019

OHIO AUDITOR OF STATE
KEITH FABER

MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT COUNTY
JUNE 30, 2019

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BELMONT COUNTY
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INDEPENDENT AUDITOR'S REPORT

Martins Ferry City School District
Belmont County
5001 Ayers Limestone Road
Martins Ferry, Ohio 43935

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Schedule of Expenditures of Federal Awards (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 12, 2020, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 12, 2020

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

Financial Highlights

Key financial highlights for the fiscal year 2019 are as follows:

- In total, net position increased $3,810,645.

- General revenues accounted for $17,330,871 in revenue or approximately 76 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for $5,558,553 or approximately 24 percent of total revenues of $22,889,424.

- Total assets of governmental activities increased $15,712,651, primarily due to increases in cash and cash equivalents, property tax receivable, and net OPEB asset. Total liabilities increased $9,409,751, primarily due the School District issuing Certificates of Participation.

- The School District had $19,078,779 in expenses related to governmental activities; only $5,558,553 of these expenses were offset by program specific charges for services and sales and operating grants and contributions. General revenues of $17,330,871 were adequate to provide for these programs as well as the special item.

- Total governmental funds had $22,816,831 in revenues and $22,377,990 in expenditures. Overall, including other financing sources and uses, Total Governmental Funds' balance increased $11,919,511.

Using this Annual Financial Report

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Martins Ferry City School District, the General Fund, the Schoolwide Pool Special Revenue Fund, the Debt Service Fund, and the Building Fund are the only major or significant funds.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2019" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting 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.

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

In the Statement of Net Position and the Statement of Activities, the School District's activities are all considered to be Governmental Activities including instruction, support services, operation and maintenance of plant, pupil transportation, food service, debt service and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Schoolwide Pool Special Revenue Fund, the Debt Service Fund, and the Building Fund - COPS.

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

Reporting the District's Fiduciary Responsibilities

The School District acts in a trustee capacity as an agent for individuals, private organizations, and other government units. These activities are reported as agency funds. The School District's fiduciary activities are reported in a separate Statement of Net Position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

The School District as a Whole

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

Table 1
Net Position

	Governmental Activities		
	2019	2018	Net Change
Assets			
Current and Other Assets	$27,905,736	$14,441,683	$13,464,053
Net OPEB Asset	927,019	0	927,019
Capital Assets	34,909,815	33,588,236	1,321,579
Total Assets	63,742,570	48,029,919	15,712,651
Deferred Outflows of Resources			
Deferred Charge on Refunding	108,673	0	108,673
Pension	4,649,690	5,439,561	(789,871)
OPEB	417,503	274,004	143,499
Total Deferred Outflows of Resources	5,175,866	5,713,565	(537,699)
Liabilities			
Current and Other Liabilities	2,866,715	1,841,738	1,024,977
Long-Term Liabilities:			
Due Within One Year	929,742	702,030	227,712
Due in More than One Year:			
Net Pension Liability	16,057,893	16,707,844	(649,951)
Net OPEB Liability	1,650,526	3,658,117	(2,007,591)
Other Amounts	23,797,244	12,982,640	10,814,604
Total Liabilities	45,302,120	35,892,369	9,409,751
Deferred Inflows of Resources			
Property Taxes	4,677,646	4,180,450	497,196
Pension	1,003,330	705,732	297,598
OPEB	1,573,815	414,053	1,159,762
Total Deferred Inflows of Resources	7,254,791	5,300,235	1,954,556
Net Position			
Net Investment in Capital Assets	22,090,483	22,719,936	(629,453)
Restricted	3,820,627	3,865,125	(44,498)
Unrestricted (Deficit)	(9,549,585)	(14,034,181)	4,484,596
Total Net Position	$16,361,525	$12,550,880	$3,810,645

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Total assets of governmental activities increased $15,712,651. Currents assets increased $13,464,053 primarily due to increases in cash and cash equivalents and property taxes receivable. The increase in cash and cash equivalents is primarily due to unspent proceeds from the issuance of Certificates of Participation. Additionally, the School District has maintained consistent spending levels while property tax revenues have increased primarily due to significant increases in the assessed valuation of public utility personal property. These increases were offset by annual recognition of the accounts receivable and prepaid items associated with the Qualified Zone Academy Bonds (QZAB) STEM Academy. The School District is reporting a net OPEB asset in the amount of $927,019 (more detailed information regarding the net OPEB asset can be found in Note 12). Capital assets increased $1,321,579 primarily due to a roof replacement project which was offset by annual depreciation.

The School District's total liabilities increased $9,409,751. Current and other liabilities increased $1,024,977 primarily due to increases for contracts payable related to cost of the roof replacement, as well as increases for accrued interest payable related to new debt and in intergovernmental payable related to excess cost payments due to other school districts. Long-term liabilities increased $8,384,774, primarily due to the issuance of Certificates of Participation, which was offset by decreases in the net pension liability and the net OPEB liability.

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

Table 2
Changes in Net Position
Governmental Activities

	2019	2018	Net Change
Revenues			
Program Revenue			
Charges for Services and Sales	$2,424,299	$1,982,515	$441,784
Operating Grants and Contributions	3,134,254	3,111,897	22,357
Capital Grants and Contributions	0	8,139	(8,139)
Total Progam Revenue	5,558,553	5,102,551	456,002
General Revenue			
Property Taxes	6,990,457	5,092,548	1,897,909
Grants and Entitlements	10,023,270	9,576,372	446,898
Gifts and Donations	34,097	28,542	5,555
Investment Earnings	172,643	49,527	123,116
Miscellaneous	110,404	92,037	18,367
Total General Revenue	17,330,871	14,839,026	2,491,845
Total Revenues	$22,889,424	$19,941,577	$2,947,847
Program Expenses			
Instruction:			
Regular	$7,602,755	$4,132,407	$3,470,348
Special	2,947,327	1,838,687	1,108,640
Vocational	358,150	179,831	178,319
Support Services:			
Pupil	536,845	230,602	306,243
Instructional Staff	387,093	221,135	165,958
Board of Education	196,005	65,079	130,926
Administration	1,763,878	807,696	956,182
Fiscal	454,504	547,627	(93,123)
Operation and Maintenance of Plant	2,138,730	1,895,435	243,295
Pupil Transportation	789,582	701,146	88,436
Central	101,370	81,033	20,337
Operation of Non-Instructional Services	91,029	142,350	(51,321)
Food Service Operations	786,035	726,225	59,810
Extracurricular Activities	567,784	496,188	71,596
Interest and Fiscal Charges	357,692	594,451	(236,759)
Total Expenses	19,078,779	12,659,892	6,418,887
Change in Net Position	3,810,645	7,281,685	(3,471,040)
Net Position Beginning of Year	12,550,880	5,269,195	7,281,685
Net Position End of Year	$16,361,525	$12,550,880	$3,810,645

In fiscal year 2019, 31 percent of the School District's revenues were from property taxes, and 44 percent were from unrestricted grants and entitlements. Charges for services program revenue increased $441,784 primarily due to increases in tuition and fees. Operating grants and contributions program revenue increased $22,357 from the prior fiscal year primarily due to increases in program specific State funding and Federal grant funding.

Instruction comprises approximately 57 percent of total governmental program expenses. Of the instructional expenses approximately 70 percent is for regular instruction, approximately 27 percent is for special instruction, and vocational instruction comprises the remaining 3 percent. Overall program expenses increased over the prior fiscal year in the amount of $6,418,887. The largest component of the increase in program expenses results from changes in assumptions and benefit terms related to pensions in the prior year. For the prior year, STRS adopted certain assumption changes, including a reduction in their discount rate, and also voted to suspend cost of living adjustments (COLA). As a result of these changes, pension expense decreased from $1,717,832 in fiscal year 2017 to a negative pension expense of $5,265,139 for fiscal year 2018. For fiscal year 2019, pension expense increased to $1,672,190.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2019 compared to fiscal year 2018. In other words, it identifies the cost of those services supported by tax revenue and unrestricted entitlements.

Table 3
Governmental Activities

	Total Cost of Services		**Net Cost of Services**	
	2019	2018	2019	2018
Instruction:				
Regular	$7,602,755	$4,132,407	$5,309,567	$2,079,744
Special	2,947,327	1,838,687	885,443	5,932
Vocational	358,150	179,831	217,859	39,540
Support Services:				
Pupil	536,845	230,602	536,682	229,492
Instructional Staff	387,093	221,135	387,093	221,135
Board of Education	196,005	65,079	196,005	65,079
Administration	1,763,878	807,696	1,761,830	807,696
Fiscal	454,504	547,627	242,855	337,307
Operation and Maintenance of Plant	2,138,730	1,895,435	2,121,885	1,875,242
Pupil Transportation	789,582	701,146	781,423	701,146
Central	101,370	81,033	95,410	78,553
Operation of Non-Instructional Services	91,029	142,350	19,150	20,716
Food Service Operations	786,035	726,225	146,023	97,162
Extracurricular Activities	567,784	496,188	461,309	404,146
Interest and Fiscal Charges	357,692	594,451	357,692	594,451
Total Expenses	$19,078,779	$12,659,892	$13,520,226	$7,557,341

The dependence upon tax revenues and state subsidies for governmental activities is apparent, as approximately 71 percent of total expenses are supported through taxes and other general revenues.

The School District Funds

Information about the School District's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting**.** The School District has four major funds, the General Fund, the Schoolwide Pool Special Revenue Fund, the Debt Service Fund, and the Building Capital Projects Fund. The General Fund had $18,936,958 in revenues and $13,843,778 in expenditures. Including other financing uses, the General Fund's balance increased $2,678,272, as increases in property tax revenue have exceeded increases in the costs of operation. The Schoolwide Pool Fund had $482,616 in revenues and $2,759,257 in expenditures. Including other financing sources, the Schoolwide Pool had no change in fund balance. The Debt Service Fund had revenues in the amount of $1,230,022 and expenditures in the amount of $733,759. Including other financing sources and uses, the Debt Service Fund's balance increased $1,051,933, as the School District accumulates resources for its future debt service obligations. The Building Fund had revenues in the amount of $75,087 and expenditures in the amount of $2,770,219. Including other financing sources, the Building Fund's balance increased $8,304,868, as the School District has unspent proceeds from the issuance of Certificates of Participation, to be spent on various capital projects.

General Fund Budgeting Highlights

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

During the course of fiscal 2019, the School District amended its General Fund budget, and the budgetary statement reflects both the original and final amounts. The changes between the original and the final budget reflected an increase in intergovernmental revenue, and tuition and fees estimates. The School District made slight changes to its original appropriations. The actual results of operations were not significantly different than budgeted amounts for both revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the School District had $34,909,815 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles, net of depreciation. Table 4 shows fiscal year 2019 balances compared to fiscal year 2018.

Table 4
Capital Assets Net of Depreciation
Governmental Activities

	2019	2018
Land	$2,436,556	$2,436,556
Construction in Progress	2,242,504	17,950
Land Improvements	2,273,560	2,126,266
Buildings and Improvements	27,512,140	28,513,591
Furniture and Equipment	134,313	163,144
Vehicles	310,742	330,729
Totals	$34,909,815	$33,588,236

See Note 9 for more detailed information of the School District's capital assets.

Debt

At June 30, 2019, the School District had $21,984,736 in outstanding general obligation bonds including accretion of interest on capital appreciation bonds, premiums, discounts, Qualified Zone Academy Bonds, and Certificates of Participation including premium. In addition, the School District had $1,714,000 in outstanding capital leases.

Table 5
Outstanding Debt at Fiscal Year End
Governmental Activities

	2019	2018
2012 Refunding Bonds		
Serial Bonds	$0	$7,115,000
Capital Appreciation Bonds	131,993	202,192
Accretion on Capital Appreciation Bonds	827,259	909,563
Premium	842,348	1,135,861
Discount	0	(56,504)
2019 Refunding Bonds		
Serial Bonds	6,910,000	0
Premium	448,251	0
2016 Qualified Zone Academy Bonds	1,500,000	1,500,000
2019 Certificates of Participation		
Serial Bonds	11,000,000	0
Premium	324,885	0
Capital Leases	1,714,000	1,883,000
Total	$23,698,736	$12,689,112

See Note 16 for more detailed information regarding the School District's debt and other long-term obligations, including compensated absences, long-term intergovernmental payable, and net pension/OPEB liabilities.

Economic Factors

During the fiscal year 2019, the School District completed a partial refunding of its outstanding debt to save the taxpayers on the repayment of the bonds. In 2005, the School District issued bonds for the construction of the school, renovations and site improvements. In 2012, the School District refinanced the 2005 bonds and now the School District has completed a refinancing of those bonds. The Series 2019 Refunding bonds will reduce the interest cost to the School District. The taxpayers will realize a $328,267 in gross debt service savings. The School District decided to complete this financing to make every effort to reduce the taxes needed to be collected from the taxpayers to pay off the bonds.

The School District also issued $11,000,000 of Series 2019 Certificates of Participation. The Certificates were issued to finance roof repairs, replacements, and site improvements. The Certificates have a final maturity of December 1, 2048, and were issued with an all-inclusive interest cost of 3.9 percent to the School District.

The School District negotiated a 4 percent wage increase with the certified staff and classified staff during a wage reopener for the fiscal year 2020. The administration and at will central office employees also received this increase. In addition, a signing bonus of $1,100 was approved.

During fiscal year 2019, the School District continued its Schoolwide pool for the elementary school; whereas, it combines General Fund moneys with Title I and Title IIA Federal moneys to allow the School District more flexibility for the use of the Federal Funds.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Dana Garrison, Treasurer/CFO at Martins Ferry City School District, 5001 Ayers Limestone Rd, Martins Ferry, Ohio 43935.

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Martins Ferry City School District
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$20,585,002
Investments with Fiscal and Escrow Agents	229,227
Intergovernmental Receivable	435,650
Materials and Supplies Inventory	67,151
Property Taxes Receivable	6,275,433
Accounts Receivable	150,500
Prepaid Items	100,000
Unamortized Certificates of Participation Insurance Premium	62,773
Net OPEB Asset	927,019
Non-Depreciable Capital Assets	4,679,060
Depreciable Capital Assets, Net	30,230,755
Total Assets	63,742,570
Deferred Outflows of Resources	
Deferred Charge on Refunding	108,673
Pension	4,649,690
OPEB	417,503
Total Deferred Outflows of Resources	5,175,866
Liabilities	
Accounts Payable	55,498
Accrued Wages and Benefits Payable	1,059,065
Intergovernmental Payable	415,843
Contracts Payable	1,140,751
Accrued Interest Payable	125,228
Vacation Benefits Payable	70,330
Long-Term Liabilities:	
Due Within One Year	929,742
Due In More Than One Year:	
Net Pension Liability	16,057,893
Net OPEB Liability	1,650,526
Other Amounts	23,797,244
Total Liabilities	45,302,120
Deferred Inflows of Resources	
Property Taxes	4,677,646
Pension	1,003,330
OPEB	1,573,815
Total Deferred Inflows of Resources	7,254,791
Net Position	
Net Investment in Capital Assets	22,090,483
Restricted for:	
Debt Service	2,391,581
Capital Projects	843,504
Food Service	234,626
Classroom Facilities Maintenance	201,675
State Programs	88,472
Federal Programs	59,046
Other Purposes	1,723
Unrestricted (Deficit)	(9,549,585)
Total Net Position	$16,361,525

See accompanying notes to the basic financial statements

Martins Ferry City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2019

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$7,602,755	$2,115,266	$177,922	($5,309,567)
Special	2,947,327	0	2,061,884	(885,443)
Vocational	358,150	0	140,291	(217,859)
Support Services:				
Pupil	536,845	0	163	(536,682)
Instructional Staff	387,093	0	0	(387,093)
Board of Education	196,005	0	0	(196,005)
Administration	1,763,878	0	2,048	(1,761,830)
Fiscal	454,504	0	211,649	(242,855)
Operation and Maintenance of Plant	2,138,730	9,609	7,236	(2,121,885)
Pupil Transportation	789,582	0	8,159	(781,423)
Central	101,370	0	5,960	(95,410)
Operation of Non-Instructional Service	91,029	0	71,879	(19,150)
Food Service Operations	786,035	201,181	438,831	(146,023)
Extracurricular Activities	567,784	98,243	8,232	(461,309)
Interest and Fiscal Charges	357,692	0	0	(357,692)
Total Governmental Activities	$19,078,779	$2,424,299	$3,134,254	(13,520,226)

General Revenues	
Property Taxes Levied for General Purposes	5,620,305
Property Taxes Levied for Capital Outlay	243,664
Property Taxes Levied for Debt Service	1,057,351
Property Taxes Levied for Building Maintenance	69,137
Grants and Entitlements not Restricted to Specific Programs	10,023,270
Gifts and Donations	34,097
Investment Earnings	172,643
Miscellaneous	110,404
Total General Revenues	17,330,871
Change in Net Position	3,810,645
Net Position Beginning of Year	12,550,880
Net Position End of Year	$16,361,525

See accompanying notes to the basic financial statements

Martins Ferry City School District
Balance Sheet
Governmental Funds
June 30, 2019

	General	Schoolwide Pool	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$7,293,002	$0	$2,376,717	$9,464,997	$1,450,286	$20,585,002
Restricted Assets:						
Investments with Fiscal and Escrow Agents	0	0	229,227	0	0	229,227
Receivables:						
Property Taxes	4,907,285	0	1,104,836	0	263,312	6,275,433
Accounts	0	0	0	0	150,500	150,500
Intergovernmental	294,073	0	0	0	141,577	435,650
Interfund	6,195	319,669	0	0	0	325,864
Prepaid Items	0	0	0	0	100,000	100,000
Materials and Supplies Inventory	47,860	0	0	0	19,291	67,151
Total Assets	$12,548,415	$319,669	$3,710,780	$9,464,997	$2,124,966	$28,168,827
Liabilities						
Accounts Payable	$26,965	$0	$0	$19,378	$9,155	$55,498
Contracts Payable	0	0	0	1,140,751	0	1,140,751
Accrued Wages and Benefits Payable	741,721	277,559	0	0	39,785	1,059,065
Interfund Payable	257,570	0	0	0	68,294	325,864
Intergovernmental Payable	351,481	42,110	0	0	22,252	415,843
Total Liabilities	1,377,737	319,669	0	1,160,129	139,486	2,997,021
Deferred Inflows of Resources						
Property Taxes	3,616,035	0	869,086	0	192,525	4,677,646
Unavailable Revenue	633,866	0	88,348	0	233,034	955,248
Total Deferred Inflows of Resources	4,249,901	0	957,434	0	425,559	5,632,894
Fund Balances						
Nonspendable:						
Inventories	47,860	0	0	0	19,291	67,151
Prepaids	0	0	0	0	100,000	100,000
Restricted for:						
Debt Service	0	0	2,753,346	0	0	2,753,346
Capital Projects	0	0	0	8,304,868	929,645	9,234,513
Food Service Operations	0	0	0	0	215,335	215,335
Classroom Facilities Maintenance	0	0	0	0	196,906	196,906
Local Programs	0	0	0	0	1,723	1,723
State Programs	0	0	0	0	84,058	84,058
Federal Programs	0	0	0	0	0	0
Committed to:						
Termination Benefits	89,160	0	0	0	0	89,160
Student Athletics	0	0	0	0	12,963	12,963
Assigned for:						
Purchases on Order	154,218	0	0	0	0	154,218
Capital Projects	587,750	0	0	0	0	587,750
Unassigned	6,041,789	0	0	0	0	6,041,789
Total Fund Balances	6,920,777	0	2,753,346	8,304,868	1,559,921	19,538,912
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$12,548,415	$319,669	$3,710,780	$9,464,997	$2,124,966	$28,168,827

See accompanying notes to the basic financial statements

Martins Ferry City School District
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2019

Total Governmental Fund Balances		$19,538,912
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.		34,909,815
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	470,804	
Grants	108,696	
Gifts and Donations	150,500	
Tuition and Fees	225,248	
Total		955,248
In the Statement of Activities, interest is accrued on outstanding bonds and notes, whereas in the governmental funds, an interest expenditure is reported when due.		(125,228)
Vacation Benefits Payable is recognized for earned vacation benefits that are not expected to be paid with expendable available financial resources are therefore are not reported in the funds.		(70,330)
Unamortized insurance premiums on the certificates of participation do not provide current financial resources, and therefore are not reported in the funds.		62,773
The unamortized portion of the difference on refunding represents deferred charges on refunding, which are not reported in the funds.		108,673
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds - Serial	6,910,000	
General Obligation Bonds - Capital Appreciation Bonds	131,993	
Capital Appreciation Bond Interest Accretion	827,259	
Premium on Serial/Term Bonds	1,290,599	
Qualified Zone Academy Bonds	1,500,000	
Certificates of Participation	11,000,000	
Premium on Certificates of Participation	324,885	
Intergovernmental Payable	5,000	
Capital Leases	1,714,000	
Compensated Absences	1,023,250	
Total		(24,726,986)
The net pension/OPEB (aaset) liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	927,019	
Deferred Outflows - Pension	4,649,690	
Deferred Outflows - OPEB	417,503	
Net Pension Liability	(16,057,893)	
Net OPEB Liability	(1,650,526)	
Deferred Inflows - Pension	(1,003,330)	
Deferred Inflows - OPEB	(1,573,815)	
Total		(14,291,352)
Net Position of Governmental Activities		$16,361,525

See accompanying notes to the basic financial statements

Martins Ferry City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General	Schoolwide Pool	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$5,609,899	$0	$1,053,768	$0	$313,676	$6,977,343
Intergovernmental	11,191,319	482,616	147,368	0	1,277,076	13,098,379
Investment Earnings	71,956	0	22,486	75,087	3,114	172,643
Tuition and Fees	1,948,985	0	0	0	0	1,948,985
Extracurricular Activities	0	0	0	0	98,243	98,243
Rent	9,609	0	0	0	0	9,609
Contributions and Donations	1,150	0	0	0	183,447	184,597
Charges for Services	15,447	0	0	0	201,181	216,628
Miscellaneous	88,593	0	6,400	0	15,411	110,404
Total Revenues	18,936,958	482,616	1,230,022	75,087	2,092,148	22,816,831
Expenditures						
Current:						
Instruction:						
Regular	5,854,624	1,929,875	0	0	275,076	8,059,575
Special	1,633,659	829,382	0	0	588,979	3,052,020
Vocational	414,380	0	0	0	0	414,380
Support Services:						
Pupil	623,380	0	0	0	164	623,544
Instructional Staff	346,439	0	0	0	0	346,439
Board of Education	196,005	0	0	0	0	196,005
Administration	1,383,838	0	0	0	16,563	1,400,401
Fiscal	442,435	0	18,142	0	4,974	465,551
Operation and Maintenance of Plant	1,557,941	0	0	0	15,711	1,573,652
Pupil Transportation	645,213	0	0	0	7,392	652,605
Central	90,556	0	0	0	5,400	95,956
Operation of Non-Instructional Services	0	0	0	0	91,029	91,029
Food Service Operations	0	0	0	0	639,266	639,266
Extracurricular Activities	323,245	0	0	0	114,621	437,866
Capital Outlay	67,250	0	0	2,444,381	511,802	3,023,433
Debt Service:						
Principal Retirement	169,000	0	70,199	0	0	239,199
Interest on Capital Appreciation Bonds	0	0	374,801	0	0	374,801
Interest and Fiscal Charges	95,813	0	120,339	0	0	216,152
Issuance Costs	0	0	150,278	325,838	0	476,116
Total Expenditures	13,843,778	2,759,257	733,759	2,770,219	2,270,977	22,377,990
Excess of Revenues Over (Under) Expenditures	5,093,180	(2,276,641)	496,263	(2,695,132)	(178,829)	438,841
Other Financing Sources (Uses)						
Certificates of Participation Issued	0	0	0	11,000,000	0	11,000,000
Refunding Bonds Issued	0	0	6,910,000	0	0	6,910,000
Premium on Certificates of Participation Issued	0	0	330,392	0	0	330,392
Premium on Refunding Bonds Issued	0	0	456,402	0	0	456,402
Payment to Refunded Bond Escrow Agent	0	0	(7,216,124)	0	0	(7,216,124)
Transfers In	0	2,276,641	75,000	0	63,267	2,414,908
Transfers Out	(2,414,908)	0	0	0	0	(2,414,908)
Total Other Financing Sources (Uses)	(2,414,908)	2,276,641	555,670	11,000,000	63,267	11,480,670
Net Change in Fund Balances	2,678,272	0	1,051,933	8,304,868	(115,562)	11,919,511
Fund Balances Beginning of Year	4,242,505	0	1,701,413	0	1,675,483	7,619,401
Fund Balances End of Year	$6,920,777	$0	$2,753,346	$8,304,868	$1,559,921	$19,538,912

See accompanying notes to the basic financial statements

Martins Ferry City School District
Reconciliation of the 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		$11,919,511
Amounts reported for governmental activities in the Statement of Activities are different because		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation in the current period.		
Capital Assets Additions	2,666,036	
Depreciation Expense	(1,344,457)	
Total		1,321,579
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		
Property Taxes	13,114	
Grants	59,145	
Gifts and Donation	(150,500)	
Tuition and Fees	150,834	
Total		72,593
Issurance of debt is reported as other financing sources in the governmental funds, but the issuance increases long-term liabilities on the Statement of Net Position.		
Refunding Bonds	(6,910,000)	
Premium on Refunding Bonds	(456,402)	
Refunding Difference	144,898	
Certificates of Participation	(11,000,000)	
COPS Insurance Premium	63,837	
Premium on Certificates of Participation	(330,392)	
Total		(18,488,059)
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt in the Statement of Activities, and the accretion of interest on capital appreciation bonds is reported in the Statement of Activities.		
Accrued Interest	(106,195)	
Accretion on Capital Appreciation Bonds	(292,497)	
Total		(398,692)
Insurance premiums on debt issues are a component in the cost of issuance in the governmental funds, but are allocated as an expense over the life of the bonds in the Statement of Activities.		(1,064)
The refunding difference is allocated as a reduction of expense in the Statement of Activities over the life of the bonds.		(36,225)
Bond premiums are reported as other financing sources in the governmental funds, but are allocated as an expense over the life of the bonds in the Statement of Activities.		307,171
Bond discounts are reported as other financing uses in the governmental funds, but are allocated as an expense over the life of the bonds in the Statement of Activities.		(56,504)
Payment to the refunded bond escrow agent is reported in the governmental funds, but the payment reduces long-term liabilities on the Statement of Net Position.		7,115,000
Repayment of principal/accretion on capital appreciation bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Capital Appreciation Bonds	70,199	
Accretion on Capital Appreciation Bonds	374,801	
Capital Leases	169,000	
Total		614,000
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.		
Vacation Benefits Payable	(6,802)	
Intergovernmental Payable	5,000	
Compensated Absences	(37,692)	
Total		(39,494)
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
Pension	1,234,672	
OPEB	43,515	
Total		1,278,187
Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB liability are reported as pension/OPEB expense in the Statement of Activities		
Pension	(1,672,190)	
OPEB	1,874,832	
Total		202,642
Change in Net Position of Governmental Activities		$3,810,645

See accompanying notes to the basic financial statements

Martins Ferry City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$3,881,354	$4,843,771	$4,843,771	$0
Intergovernmental	11,001,125	11,228,037	11,228,037	0
Interest	70,000	62,320	71,956	9,636
Tuition and Fees	1,909,000	2,098,985	1,948,985	(150,000)
Rent	0	9,609	9,609	0
Charges for Services	15,000	15,447	15,447	0
Contributions and Donations	1,000	1,150	1,150	0
Miscellaneous	48,000	88,594	88,593	(1)
Total Revenues	16,925,479	18,347,913	18,207,548	(140,365)
Expenditures				
Current:				
Instruction:				
Regular	6,220,533	6,156,664	6,006,654	150,010
Special	1,609,000	1,552,301	1,552,301	0
Vocational	434,000	419,240	419,240	0
Support Services:				
Pupil	652,000	629,541	629,541	0
Instructional Staff	369,000	356,111	356,111	0
Board of Education	203,000	196,033	196,033	0
Administration	1,449,000	1,400,629	1,400,629	0
Fiscal	467,000	458,824	459,411	(587)
Operation and Maintenance of Plant	1,657,000	1,633,570	1,633,570	0
Pupil Transportation	676,000	759,127	759,127	0
Central	95,000	91,662	91,662	0
Extracurricular Activities	333,000	321,063	321,063	0
Capital Outlay	70,000	67,250	67,250	0
Debt Service:				
Principal Retirement	191,000	169,000	169,000	0
Interest and Fiscal Charges	84,000	95,813	95,813	0
Total Expenditures	14,509,533	14,306,828	14,157,405	149,423
Excess of Revenues Over Expenditures	2,415,946	4,041,085	4,050,143	9,058
Other Financing Uses				
Transfers Out	(2,840,000)	(2,489,272)	(2,489,272)	0
Advances Out	(6,000)	(107,358)	(107,357)	1
Total Other Financing Uses	(2,846,000)	(2,596,630)	(2,596,629)	1
Net Change in Fund Balance	(430,054)	1,444,455	1,453,514	9,059
Fund Balance Beginning of Year	5,533,615	5,533,615	5,533,615	0
Prior Year Encumbrances Appropriated	150,138	150,138	150,138	0
Fund Balance End of Year	$5,253,699	$7,128,208	$7,137,267	$9,059

See accompanying notes to the basic financial statements

Martins Ferry City School District

Statement of Revenues, Expenditures and Changes

In Fund Balance - Budget (Non-GAAP Basis) and Actual

Schoolwide Pool Fund

For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Total Revenues	$0	$0	$0	$0
Expenditures				
Current:				
Instruction:				
Regular	1,126,137	1,947,760	1,947,760	0
Special	1,824,352	842,055	842,055	0
Total Expenditures	2,950,489	2,789,815	2,789,815	0
Excess of Revenues Under Expenditures	(2,950,489)	(2,789,815)	(2,789,815)	0
Other Financing Sources				
Transfers In	3,339,030	2,847,519	2,847,519	0
Advances In	0	101,162	101,162	0
Total Other Financing Sources	3,339,030	2,948,681	2,948,681	0
Net Change in Fund Balance	388,541	158,866	158,866	0
Fund Balance (Deficit) Beginning of Year	(158,866)	(158,866)	(158,866)	0
Fund Balance End of Year	$229,675	$0	$0	$0

See accompanying notes to the basic financial statements

Martins Ferry City School District
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2019

	Agency
Assets	
Equity in Pooled Cash and Cash Equivalents	$50,669
Total Assets	$50,669
Liabilities	
Due to Students	$50,669
Total Liabilities	$50,669

See accompanying notes to the basic financial statements

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Martins Ferry City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State Statute and/or federal guidelines.

The School District was established in 1853 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 12 square miles. It is located in Belmont County and includes all the city of Martins Ferry and portions of Pease and Colerain Townships. It is staffed by 62 non-certified employees, 104 certified full-time teaching personnel and 8 administrative employees, who provide services to 1,480 students and other community members. The School District currently operates 2 instructional/support buildings, 1 administrative building, and 1 bus garage facility.

Reporting Entity:

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

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

Parochial Schools – Within the School District boundaries, St. Mary's Central Elementary School is operated through the Steubenville Catholic Diocese; Martins Ferry Christian School is operated as a private school. Current State legislation provides funding to these parochial schools. These monies are received and distributed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these State monies by the School Districts is reflected in a special revenue fund for financial reporting purposes.

The School District participates in the Belmont-Harrison Vocational School District, and the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council), which are jointly governed organizations, the Ohio School Comp – OASBO/OSBA Workers' Compensation Group Retrospective Rating Program (GRRP), the Ohio School Plan (OSP), and the Portage Area School Consortium (Consortium), which are defined as insurance purchasing pools. These organizations are presented in Notes 17 and 18.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District however has no business type activities.

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

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

B. Fund Accounting

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

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

> ***General Fund*** The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose, provided it is expended and transferred according to the general laws of Ohio.
>
> ***Schoolwide Pool Fund*** The Schoolwide Pool Fund is used to account for all financial resources required to operate the elementary school. The No Child Left Behind Act of 2001 provided the authority to pool all federal state and local funds necessary to upgrade the instructional program of school buildings where forty percent or greater of the student are from low-income families. The fund is utilized to pay all costs associated with operating the elementary school.
>
> ***Debt Service Fund*** The Debt Service Fund accounts for and reports property tax revenues restricted for the payment of, general long-term debt principal and interest.
>
> ***Building Fund*** The Building Fund accounts for and reports the proceeds of certificates of participation issued by the School District to finance various capital projects, including roof repairs, stabilization of hill slips, and flooring replacements.

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

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no proprietary funds.

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2019, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of $25 million or more. STAR Ohio reserves the right to limit the transactions to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

During fiscal year 2019, investments also included money market mutual funds, which are measured at net asset value per share.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as Equity in Pooled Cash and Cash Equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Following Ohio Statutes, the Board of Education has, by resolution, specified the fund to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2019 amounted to $71,956, which includes $27,142 assigned from other School District funds.

F. Restricted Assets

Assets are reported as restricted assets 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 government or imposed by law through constitutional provisions or enabling legislation. Restricted assets in governmental funds represent unexpended revenues restricted for amounts in a debt service fiscal agent account restricted by debt covenants for future debt service payments.

G. 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.

H. Inventory

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

I. Capital Assets

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds and 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. The School District was able to estimate the historical cost for the initial reporting of assets by back-trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Lives
Land	N/A
Construction in Progress	N/A
Land Improvements	5 - 50 Years
Buildings and Improvements	20 - 50 Years
Furniture and Equipment	5-20 Years
Vehicles	5 - 20 Years

J. Interfund Balances

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

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

On the government fund financial statements, sick leave benefits 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 severance payable" in the fund from which the employee will be paid.

L. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net 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.

M. Accrued Liabilities and Long-term Obligations

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

N. Unamortized Debt Insurance Premium, Discounts, Premiums, and Issuance Costs

On the government wide financial statements, insurance premiums, premiums on issuance and discounts on issuance are amortized over the term of the bonds (or other debt instrument) using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. On the governmental fund financial statements debt insurance premiums, debt premiums, debt discounts and debt issuance costs are recognized in the period in which the debt is issued.

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

Bond issuance costs are expensed in the funds in the period the bonds are issued.

O. Internal Activity

Transfers within government activities on the government-wide financial statements are reported in the same manner as general revenue.

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

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

P. Fund Balance

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

> ***Nonspendable:*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.
>
> ***Restricted:*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (School District resolutions).
>
> Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. For fiscal year 2019, the School District has committed fund balances for termination benefits, and the student athletics foundation.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State Statute. State Statute authorizes the Board of Education to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. The amount assigned in the General Fund represent amounts for purchase on order and amounts for capital projects.

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

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

Q. Net Position

Net position represent the difference between assets and liabilities. 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 are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources from local sources restricted to expenditures for student programs.

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are with the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

S. Estimates

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

T. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds of the School District. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer is given the authority to further allocate fund appropriations within all funds. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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

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

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLE/

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

GASB 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the School District's 2019 financial statements; however, there was no effect on beginning net position.

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

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

4. Transfers in and transfers out that are balance sheet transactions (GAAP) as opposed to operating transfers (Budget), as well as the reclassification of revenue that is required to be transferred on a cash (budget basis), but is reported as revenue on the operating statement (GAAP basis).

5. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

Net Change in Fund Balance

	General	Schoolwide Pool
GAAP Basis	$2,678,272	$0
Revenue Accruals	(729,410)	(482,616)
Advances In	0	101,162
Transfers In	0	570,878
Expenditure Accruals	(157,892)	(30,558)
Advances Out	(107,357)	0
Transfers Out	(74,364)	0
Encumbrances	(155,735)	0
Budget Basis	$1,453,514	$158,866

NOTE 5 - CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>Deposits</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2019, $1,705,556 of the School District's total bank balance of $10,888,870 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the School District's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The School 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 School 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.

<u>Investments</u>

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

Measurement/Investment	Measurement Amount	Maturity	& Poor's Rating	Total Investments
Net Asset Value Per Share				
STAR Ohio	$9,833,261	Average 53.3 Days	AAAm	97.72%
Money Market Mutual Fund	229,227	Less than one year	AAAm	2.28%
Total Investments	$10,062,488			100%

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2019. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

At June 30, 2019, the School District had investments with fiscal and escrow agents for the debt service sinking escrow account held by a fiscal agent. See Note 16 for more information.

Interest Rate Risk. The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State Statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk. STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 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 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 School District receives property taxes from Belmont County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2019, was $927,868 in the General Fund, $147,402 in the Debt Service Fund, $12,928 in the Classroom Maintenance Special Revenue Fund, and $38,785 in the Permanent Improvement Capital Projects Fund. The amount available as an advance at June 30, 2018, was $161,740 in the General Fund, $38,720 in the Debt Service Fund, $2,288 in the Classroom Maintenance Special Revenue Fund, and $6,863 in the Permanent Improvement Capital Projects Fund.

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

The assessed values upon which 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	$121,639,850	70.8%	$162,855,310	76.1%
Public Utility Personal	50,115,990	29.2%	51,142,180	23.9%
Total Assessed Values	$171,755,840	100.0%	$213,997,490	100.0%
Tax Rate per $1,000 of assessed valuation	$41.05		$41.05	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2019, consisted of property taxes, interfund, intergovernmental grants, and tuition and fees. 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. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable in the amount of $470,805 may not be collected within one year. As a part of the 2016 QZAB issuance, the School District has contributions from an outside source that were scheduled to be contributed over a five year period. As of June 30, 2019, one scheduled contribution of $150,500 remains and is scheduled to be collected within one year. All other receivables are expected to be collected within one year. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	Amounts
Medicaid Reimbursement	$17,530
Title I Grant	92,967
Title II-A Grant	14,555
Title IV-A Grant	3,694
State Preschool Grants	8,818
IDEA Restoration Grant	4,168
IDEA B Grant	17,375
Workers Compensation Rebate	45,236
State Foundation Fiscal Year 2019 Adjustment	6,059
Excess Costs from Other School Districts	225,248
Total Intergovernmental Receivables	$435,650

NOTE 8 - INTERNAL BALANCES AND TRANSFERS

Interfund Balances

Interfund balances at June 30, 2019, consist of the following interfund receivables and payables:

	Interfund Receivable		
Interfund Payable	General Fund	Schoolwide Pool Fund	Total
General Fund	$0	$257,570	$257,570
Other Nonmajor Governmental Funds	6,195	62,099	68,294
Total	$6,195	$319,669	$325,864

The balance due to the General Fund is for cash advances made to alleviate fund deficits until grant moneys are received to support the programs. The balance due to the Schoolwide Pool Special Revenue Fund from the General and Other Governmental Funds are for costs associated with the operation of the elementary school in accordance with the Schoolwide program that will be transferred as cash is needed to fund the program.

Transfers

Interfund transfers for the year ended June 30, 2019 consisted of the following:

	Transfer from
Transfer to	General Fund
Schoolwide Pool Fund	$2,276,641
Debt Service Fund	75,000
Other Nonmajor Governmental Fund	63,267
Total	$2,414,908

Transfers were used to move receipts from the General Fund to the Schoolwide Pool Special Revenue Fund in accordance with the schoolwide program. Transfers from the General Fund to the Debt Service Fund were for the annual debt service sinking payments to the QZAB debt service escrow account. Transfers from the General Fund to Other Nonmajor Governmental Funds were used to provide resources to the Foundation Special Revenue Fund to make its required payments related to the previous Student Growth Fund.

NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/18	Additions	Deletions	Balance 6/30/19
Nondepreciable Capital Assets:				
Land	$2,436,556	$0	$0	$2,436,556
Construction in Progress	17,950	2,224,554	0	2,242,504
Total Nondepreciable Capital Assets	2,454,506	2,224,554	0	4,679,060
Depreciable Capital Assets:				
Land Improvements	4,094,954	380,700	0	4,475,654
Buildings and Improvements	39,315,662	20,650	0	39,336,312
Furniture and Equipment	2,186,082	5,577	0	2,191,659
Vehicles	1,132,100	34,555	(24,000)	1,142,655
Total Depreciable Capital Assets	46,728,798	441,482	(24,000)	47,146,280
Accumulated Depreciation:				
Land Improvements	(1,968,688)	(233,406)	0	(2,202,094)
Buildings and Improvements	(10,802,071)	(1,022,101)	0	(11,824,172)
Furniture and Equipment	(2,022,938)	(34,408)	0	(2,057,346)
Vehicles	(801,371)	(54,542)	24,000	(831,913)
Total Accumulated Depreciation	(15,595,068)	(1,344,457)	24,000	(16,915,525)
Total Depreciable Capital Assets, Net	31,133,730	(902,975)	0	30,230,755
Governmental Capital Assets, Net	$33,588,236	$1,321,579	$0	$34,909,815

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$544,579
Special	132,636
Vocational	6,929
Support Services:	
Pupil	19,782
Instructional Staff	65,942
Administration	91,313
Fiscal	13,188
Operation and Maintenance of Plant	156,960
Pupil Transportation	106,755
Food Service Operations	93,839
Extracurricular Activities	112,534
Total Depreciation Expense	$1,344,457

NOTE 10 - RISK MANAGEMENT

Property, Fleet and Liability Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2017 the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The District pays this annual premium to the OSP (See Note 18). The School District contracted with the Ohio School Plan for liability, property, and fleet insurance. Coverage provided follows:

Property:	
Building and Contents - replacement cost ($1,000 Deductible)	$53,396,971
Commercial Auto Coverage:	
Auto Liability-Combined Single Limit	3,000,000
Uninsured Motorists	1,000,000
Medical Payments	5,000
Comprehensive	1,000 deductible
Collision	1,000 deductible
Commercial Crime:	
Employee Theft - Per Employee ($1,000 Deductible)	100,000
Forgery or Alteration - Per Occurance ($1,000 Deductible)	25,000
Inside / Outside the Premises - Theft ($1,000 Deductible)	10,000

Educational General Liability:	
Bodily Injury and Property Damage - Each Occurrence and Sexual Abuse Injury Limit - Each Sexual Abuse Offense	$3,000,000
Personal and Advertising Injury - Each Offense Limit	3,000,000
Fire Damage - Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Each Accident Limit	10,000
General Aggregate Limit	5,000,000
Products-Completed Operations Aggregate Limit	3,000,000
Employers Liability - Stop Gap - Occurrence:	
Bodily Injury by Accident - Each Accident Limit	3,000,000
Bodily Injury by Disease - Endorsement Limit	3,000,000
Bodily Injury by Disease - Each Employee Limit	3,000,000
Employee Benefits Liability - Claims Made:	
Each Offense Limit	3,000,000
Aggregate Limit	5,000,000
Educational Legal Liability - Claims Made:	
Errors and Omissions Injury Limit ($2,500 Deductible)	3,000,000
Errors and Omissions Injury Aggregate Limit	5,000,000

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

Flood Insurance

The School District contracted with Hartford Insurance Company of the Midwest for flood coverage. The School District's flood insurance includes $157,200 on buildings and $16,300 on contents at the football facility with $5,000 deductible on each, $62,700 with $5,000 deductible for the restrooms and ticket booth, and $19,000 with $5,000 deductible for the concession stand.

Worker's Compensation

For fiscal year 2019, the School District participated in the Ohio School Comp – OASBO/OSBA Workers' Compensation Group Retrospective Rating Program (GRRP), an insurance purchasing pool (Note 18). The intent of the GRRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRRP. The workers' compensation experience of the participating members is calculated as one experience and a common premium rate is applied to all members in the GRRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRRP rather than its individual rate. Participation in the GRRP is limited to members that can meet the GRRP's selection criteria. The firm of CompManagement, LLC provides administrative, cost control, and actuarial services to the GRRP.

Employee Benefits

Medical/surgical and prescription drug insurance is offered to all employees through the Portage Area Schools Consortium (Consortium) for health insurance for the School District's employees. The Consortium was established in 1981 so that thirteen educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. The Consortium currently has 20 members. The Consortium has organized into two distinct entities to facilitate its risk management operations. The Portage Area Schools Consortium Property and Casualty Insurance Pool functions to manage the School District's physical property and liability risk.

The Portage Area Schools Consortium Health and Welfare Trust is organized under provisions of Section 501 (c) (9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits, coverage such as health and accident insurance, disability insurance and life insurance. The School District participates in the Portage Area Schools Consortium Health and Welfare Trust. A third-party administrator is retained by the consortium to facilitate the operation of the Portage Area Schools Consortium Health and Welfare Trust. The School District pays all insurance premiums directly to the Consortium; one of its administrators serves as a trustee of the consortium's governing board as provided in the Consortium's enabling authority. The School District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the Consortium become depleted.

During fiscal year 2019, the School District provided medical/surgical and prescription drug coverage for all eligible employees through the Portage Area School Consortium. The medical/surgical coverage is based on a usual, customary, and reasonable claim plan, carried through United Healthcare with a premium rate of $2,298.94 for a family plan and $919.58 for a single plan. The Board pays 92.5 percent of the premiums for certified staff. The Board pays 92.5 percent of the premiums for classified staff, hired prior to July 1, 2014 who work 35 – 40 hours per week. The Board pays 90 percent of the premiums for classified staff, hired after July 1, 2014 who work 35 – 40 hours per week. Employees who work less than a 35 hour work week, receive a benefit where, the Board's share of the premium is calculated on a declining scale.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OBEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was $260,881 for fiscal year 2019, of which $25,949 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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 amortization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

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

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

The School District's contractually required contribution to STRS was $973,791 for fiscal year 2019. Of this amount, $99,203 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.05314130%	0.05696756%	
Proportion of the Net Pension Liability Current Measurement Date	0.05889730%	0.05768999%	
Change in Proportionate Share	0.00575600%	0.00072243%	
Proportionate Share of the Net Pension Liability	$3,373,159	$12,684,734	$16,057,893
Pension Expense	$411,206	$1,260,984	$1,672,190

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$184,997	$292,803	$477,800
Changes of assumptions	76,173	2,247,974	2,324,147
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	259,634	353,437	613,071
School District contributions subsequent to the measurement date	260,881	973,791	1,234,672
Total Deferred Outflows of Resources	$781,685	$3,868,005	$4,649,690
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$82,839	$82,839
Net difference between projected and actual earnings on pension plan investments	93,460	769,189	862,649
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	2,885	54,957	57,842
Total Deferred Inflows of Resources	$96,345	$906,985	$1,003,330

$1,234,672 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	$413,686	$1,130,389	$1,544,075
2021	150,134	828,881	979,015
2022	(110,698)	180,060	69,362
2023	(28,663)	(152,101)	(180,764)
Total	$424,459	$1,987,229	$2,411,688

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	$4,751,347	$3,373,159	$2,217,638

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	$18,524,383	$12,684,734	$7,742,262

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2019, three member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 12 – DEFINED BENEFIT OPEB PLANS

See Note 11 for a description of the net OPEB liability

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 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 School District's surcharge obligation was $33,853.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $43,515 for fiscal year 2019. Of this amount $34,814 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.05348710%	0.05696756%	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.05949410%	0.05768999%	
Change in Proportionate Share	0.00600700%	0.00072243%	
Proportionate Share of the:			
Net OPEB Liability	$1,650,526	$0	$1,650,526
Net OPEB (Asset)	$0	($927,019)	($927,019)
OPEB Expense	$120,762	($1,995,594)	($1,874,832)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$26,942	$108,277	$135,219
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	159,040	79,729	238,769
School District contributions subsequent to the measurement date	43,515	0	43,515
Total Deferred Outflows of Resources	$229,497	$188,006	$417,503
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$54,011	$54,011
Changes of assumptions	148,287	1,263,137	1,411,424
Net difference between projected and actual earnings on OPEB plan investments	2,476	105,904	108,380
Total Deferred Inflows of Resources	$150,763	$1,423,052	$1,573,815

$43,515 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	($21,067)	($220,306)	($241,373)
2021	(11,407)	(220,306)	(231,713)
2022	19,178	(220,307)	(201,129)
2023	20,232	(196,255)	(176,023)
2024	20,060	(187,819)	(167,759)
Thereafter	8,223	(190,053)	(181,830)
Total	$35,219	($1,235,046)	($1,199,827)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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

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

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
School District's proportionate share of the net OPEB liability	$2,002,785	$1,650,526	$1,371,605

	1% Decrease (6.25 % decreasing to 3.75%)	Current Trend Rate (7.25 % decreasing to 4.75%)	1% Increase (8.25 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	$1,331,673	$1,650,526	$2,072,748

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.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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 School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	($794,542)	($927,019)	($1,038,360)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($1,032,074)	($927,019)	($820,327)

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Current policy permits vacation leave to be accumulated up to one year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave up to maximum of 55 days for all employees.

Health/Life Insurance

The School District provides dental insurance to all employees through Coresource Inc., which is 100 percent Board paid for the certified employees and on a declining scale paid by the Board for the non-certificated employees at a premium of $85.62. Life insurance is provided in the amount of $50,000 for superintendent, $50,000 for the treasurer, $25,000 for certified and administrative employees and $20,000 for the classified employees. The Board pays 100 percent of the monthly premium of $2.50 for certified and administrative employees and 100 percent of the monthly premium of $2.00 for non-certified employees. Vision insurance is provided through Vision Benefits of America which is 100 percent Board paid for the certified employees and on a declining scale paid by the Board for the non-certificated employees at a premium of $9.79 for a single plan and $27.19 for a family plan.

NOTE 14 – COMMITMENTS

Encumbrances

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

General	$155,735
Other Non-Major Governmental Funds	103,369
Total	$259,104

Construction Commitments

In conjunction with the issuance of the 2019 Certificates of Participation, the School District has entered into construction commitments for various aspects of the projects associated with the debt. A summary of the School District's contractual construction commitments is as follows:

Contractor	Fund	Contractual Commitment	Amounts Paid as of 6/30/2019	Amount Remaining on Contract
The Mannick & Smith Group	Building	$2,800,000	$112,275	$2,687,725
N.F. Mansuetto & Sons	Building	7,182,850	2,112,279	5,070,571
Total		$9,982,850	$2,224,554	$7,758,296

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2005, the School District entered into a capital lease to finance the construction of a new grandstand facility at the stadium. The lease arrangements are through the OASBO Expanded Asset Pooled Financing Program with the Columbus Regional Airport Authority as the lesser. During fiscal year 2008, the School District entered into two additional capital leases through the OASBO Expanded Asset Pooled Financing Program with the Columbus Regional Airport Authority to finance additional project costs associated with the classroom facilities project.

The assets acquired by the outstanding leases have been capitalized in government wide statements governmental activities as land, buildings and improvements, and furniture, fixtures and equipment in the amount of $2,139,000, which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government wide statements governmental activities for the total value of the lease. Governmental activities assets are reflected net of accumulated depreciation, in the amount of $831,715. Principal payments in fiscal year 2019 totaled $169,000 in the governmental funds.

Future minimum lease payments through 2032 are as follows:

Fiscal Year Ending	Principal	Interest and Fiscal Charges	Total
2020	$171,000	$84,252	$255,252
2021	109,000	76,344	185,344
2022	115,000	70,919	185,919
2023	121,000	65,223	186,223
2024	126,000	59,207	185,207
2025-2029	686,000	196,226	882,226
2030-2032	386,000	39,917	425,917
Total	$1,714,000	$592,088	$2,306,088

NOTE 16 - LONG - TERM OBLIGATIONS

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

	Principal Outstanding 6/30/18	Additions	Deductions	Principal Outstanding 6/30/19	Amounts Due In One Year
General Obligation Bonds:					
2012 Refunding Bonds					
Serial Bonds,					
$8,190,000 @ 1.0%-4.0%	$7,115,000	$0	$7,115,000	$0	$0
Capital Appreciation Bonds,					
$294,992 @ 6.828%-20.854%	202,192	0	70,199	131,993	56,682
CAB Accretion, $2,020,008	909,563	292,497	374,801	827,259	418,318
Premium, $1,589,927	1,135,861	0	293,513	842,348	0
Discount, $79,106	(56,504)	0	(56,504)	0	0
Total 2012 Bonds	9,306,112	292,497	7,797,009	1,801,600	475,000
2019 Refunding Bonds					
Serial Bonds,					
$6,190,000 @ 2.375%-4.0%	0	6,910,000	0	6,910,000	75,000
Premium, $456,402	0	456,402	8,151	448,251	0
Total 2019 Bonds	0	7,366,402	8,151	7,358,251	75,000
Direct Borrowing and Direct Placement Bonds:					
2016 Qualified Zone Academy Bonds (QZAB)					
$1,500,000 @ 0%	1,500,000	0	0	1,500,000	0
Total General Obligation Bonds	10,806,112	7,658,899	7,805,160	10,659,851	550,000
2019 Certificates of Participation (COPS)					
Serial/Term					
$11,000,000 @ 3.625%-5.00%	0	11,000,000	0	11,000,000	130,000
Premium	0	330,392	5,507	324,885	0
Total Certificates of Participation	0	11,330,392	5,507	11,324,885	130,000
Net Pension Liability					
SERS	3,175,077	198,082	0	3,373,159	0
STRS	13,532,767	0	848,033	12,684,734	0
Total Net Pension Liability	16,707,844	198,082	848,033	16,057,893	0
Net OPEB Liability					
SERS	1,435,453	215,073	0	1,650,526	0
STRS	2,222,664	0	2,222,664	0	0
Total Net OPEB Liability	3,658,117	215,073	2,222,664	1,650,526	0
Intergovernmental Payable	10,000	0	5,000	5,000	5,000
Capital Leases	1,883,000	0	169,000	1,714,000	171,000
Compensated Absences	985,558	607,500	569,808	1,023,250	73,742
Total General Long-Term Obligations	$34,050,631	$20,009,946	$11,625,172	$42,435,405	$929,742

2012 General Obligation Refunding Bonds – On April 19, 2012, Martins Ferry City School District issued $8,484,992 of general obligation bonds. The bonds were issued to refund $8,485,000 of outstanding 2005 School Construction and Improvement General Obligation Serial and Term Bonds. The bonds were issued for a 21 year period with final maturity at December 1, 2032. At the date of refunding, $9,829,973 (including premium and after underwriting fees, and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 2005 School Construction and Improvement General Obligation Serial and Term Bonds. The refunded bonds were fully called and repaid on June 1, 2015, through the escrow account.

These refunding bonds were issued with a premium of $1,589,927, and a discount of $79,106. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method, which approximates the effective interest method.

The 2012 bond issue consists of serial and capital appreciation bonds, $8,190,000 and $294,992, respectively. The remaining serial bonds were refunded with the issuance of the 2019 refunding bonds.

The capital appreciation bonds for this issue mature December 1, 2017 through December 1, 2021. These bonds were purchased at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as a liability. The maturity amount of outstanding capital appreciation bonds is $1,425,000. The accretion recorded for fiscal year 2019 is $292,497 for a total bond liability of $959,252. The accretion will continue to be recorded over the life of the bonds.

As part of the refunding bond issuance, the School District, pursuant to Section 3317.18, Ohio Revised Code, and Section 3301-8-01, Ohio Administrative Code, participated in the Ohio Credit Enhancement Program, and was assigned a rating of Aa2 from Moody's Investors Service for the bond issuance. In the event the School District is unable to make sufficient debt service payments and the payment will not be made by a credit enhancement facility, the department of education will make the sufficient payment.

Principal and interest requirements to retire general obligation bonds for the 2012 Refunding Bonds outstanding at June 30, 2019 are as follows:

	Capital Appreciation Bonds	
Fiscal Year	Principal	Accretion
2020	$56,682	$418,318
2021	42,878	432,122
2022	32,433	442,567
Totals	$131,993	$1,293,007

2019 General Obligation Refunding Bonds – On March 13, 2019, the School District issued $6,910,000 of general obligation serial bonds. The bonds were issued to partially refund the 2012 Refunding Bonds, as well as pay the cost of issuance of these bonds. The $6,910,000 of the 2019 bond issue, were used to refund $7,115,000 of Serial Bonds. The refunding bond proceeds were deposited in an irrevocable trust fund with The Huntington National Bank, as escrow trustee, in accordance with the terms of an escrow agreement. The escrow trustee purchased non-callable direct obligations of the United States of America that matured or were subject to redemption in amounts sufficient to defease the refunded bonds when they were called for redemption on June 1, 2019. The 2019 School Improvement Bonds were issued for a 14 year period with final maturity at December 1, 2032. The issue resulted in a refunding difference of $144,898 that is reported as a deferred outflow on the Statement of Net Position. The refunding difference will be amortized annually through fiscal year 2022.

For fiscal year 2019, amortization was $36,225, with $108,673 of the refunding difference remaining. The 2019 Refunding Bonds resulted in a debt service savings of $328,267, and a difference between the net carrying amount of the debt and the acquisition price of $278,309. The 2019 Bonds are not subject to redemption prior to their stated maturity.

As part of the refunding bond issuance, the School District, pursuant to Section 3317.18, Ohio Revised Code, and Section 3301-8-01, Ohio Administrative Code, participated in the Ohio Credit Enhancement Program, and was assigned a rating of Aa2 from Moody's Investors Service for the bond issuance. In the event the School District is unable to make sufficient debt service payments and the payment will not be made by a credit enhancement facility, the department of education will make the sufficient payment.

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

Fiscal Year Ending June 30	Principal	Interest	Total
2020	$75,000	$249,961	$324,961
2021	0	221,594	221,594
2022	0	221,594	221,594
2023	495,000	215,716	710,716
2024	510,000	203,781	713,781
2025-2029	2,905,000	798,438	3,703,438
2030-2033	2,925,000	242,700	3,167,700
Total	$6,910,000	$2,153,784	$9,063,784

2016 Qualified Zone Academy Bonds – On October 1, 2015, the School District issued $1,500,000 qualified zone academy bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), to be used to fund energy saving projects throughout the School District and to create a STEM Academy. The QZAB matures in 2035, with the entire principal balance coming due at maturity. The QZAB does not bear interest. As part of the issuance, the School District is required to place $75,000 of base lease payments, annually, beginning on June 1, 2016, into a debt service sinking escrow account held by a fiscal agent. The base lease payments will be invested, and the balance in the account will be used for the final bond repayment in 2035. The value of the fiscal agent account is recorded as restricted investments with fiscal agents in the debt service fund. These bonds, from direct placements, include provisions in the event of default that the bank may (1) terminate the lease and take possession of the property, (2) sell or lease or sublease its interest in the property while holding the School District liable for all base lease payments due during the then-current term, (3) direct the School District to pay all amounts on deposit in the sinking escrow fund, or (4) exercise any other means under appropriate statute or court order to enforce the terms. At June 30, 2019, $14,323 of the QZAB proceeds remain unspent.

2019 Certificates of Participation **-** On March 20, 2019, the School District issued $11,000,000 in Certificates of Participation (COPs) which include serial and term certificated in the amount of $3,785,000 and $7,215,000, for the purpose of a roof replacement, a floor repair, and a hill slip. The COPs issuance included a premium of $330,392, and an insurance premiums of $63,837 which are amortized over the life of the COPs. The amortization of the premium and the insurance premium amounted to $5,507 and $1,064, respectively in fiscal year 2019.The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term expiring June 30, 2019 which includes the right to renew for 30 successive one- year terms through December 1, 2048 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 3.625 to 5.00 percent. The School District has the option to purchase the project facilities on any lease payment date by paying the amount necessary to defease the indenture. At June 30, 2019, $9,790,836 of the COPS issue remain unspent.

Principal and interest requirements to retire the 2019 Certificates of Participation outstanding at June 30, 2019 are as follows:

	Serial and Term Certificates		
Fiscal Year	Principal	Interest	Total
2020	$130,000	$529,580	$659,580
2021	195,000	435,413	630,413
2022	200,000	427,513	627,513
2023	210,000	419,313	629,313
2024	215,000	410,813	625,813
2025-2029	1,245,000	1,883,190	3,128,190
2030-2034	1,590,000	1,530,315	3,120,315
2035-2039	1,985,000	1,136,102	3,121,102
2040-2044	2,380,000	738,050	3,118,050
2045-2049	2,850,000	265,530	3,115,530
Totals	$11,000,000	$7,775,819	$18,775,819

The Term Certificates maturing on December 1, 2036 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2034	$365,000
2035	380,000

The remaining principal amount of such Term Certificates ($395,000) will be paid at stated maturity on December 1, 2036.

The Term Certificates maturing on December 1, 2038 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2037	$415,000

The remaining principal amount of such Term Certificates ($430,000) will be paid at stated maturity on December 1, 2038.

The Term Certificates maturing on December 1, 2043 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2039	$445,000
2040	460,000
2041	475,000
2042	490,000

The remaining principal amount of such Term Certificates ($510,000) will be paid at stated maturity on December 1, 2043.

The Term Certificates maturing on December 1, 2048 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2044	$530,000
2045	550,000
2046	570,000
2047	590,000

The remaining principal amount of such Term Certificates ($610,000) will be paid at stated maturity on December 1, 2048.

The Certificates maturing on or after December 1, 2024 are subject to redemption at the option of the Trustee, under the direction of the School District, either in whole or in part, in such order as the Trustee shall determine under the direction of the School District, on any date on or after June 1, 2024, at a redemption price equal to 100 percent of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

Long-Term Intergovernmental Payable – On November 18, 2015 the School District signed an addendum to Service Agreement with the East Central Ohio Educational Service Center Governing Board (ECOESC). The Board of Education and the ECOESC wish to include an additional service to the services that the ECOESC will provide to the Board of Education pursuant to Section 3313.845 of Ohio Revised Code. In consideration of the services contained in the addendum the ECOESC will purchase property to be used for the delivery of educational services to students served by the Belmont County school district clients of the ECOESC. In consideration of the above, the Board agreed to pay ECOESC, the sum of $5,000 per year for a period of five years, for a total payment of $25,000. As of June 30, 2019 $5,000 remains outstanding, and is due within one year. The long-term intergovernmental payable will be paid from the General Fund.

The School District's overall legal debt margin was $14,971,127, with an unvoted debt margin of $213,997 at June 30, 2019.

Capital leases will be paid from the General Fund.

Compensated absences will be paid from the General Fund.

There is no repayment schedule for the net pension liability or the net OPEB liability. However, employer pension contributions are made from the following funds: General Fund, Miscellaneous State Grant, Schoolwide Pool, and the Food Service Special Revenue Funds. For additional information related to the net pension/OPEB liability, See Note 11 and Note 12.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Belmont-Harrison Vocational School District – The Belmont-Harrison Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. During fiscal year 2019, the School District made no contributions to the Belmont-Harrison Vocational School District. To obtain financial information write to the Belmont-Harrison Vocational School, Mark Lucas, who serves as Treasurer, at 68090 Hammond Road, St. Clairsville, Ohio 43950.

Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council) – The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2019, the total amount paid to the Council from the School District was $16,154 for technology services and $45,392 for financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

NOTE 18 - INSURANCE PURCHASING POOL

Ohio School Comp - OASBO/OSBA Workers' Compensation Group Retrospective Rating Program (GRRP) - The School District participates in the Ohio School Comp – OASBO/OSBA Workers' Compensation Group Retrospective Rating Program (GRRP), an insurance purchasing pool. The GRRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRRP to cover the costs of administering the program. The School District's enrollment fee of $846 for policy year 2019 was paid to Hylant Administrative Services, LLC.

Ohio School Plan (OSP) – The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Hylant Administrative Services and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Hylant Administrative Service is the sales and marketing representative, which establishes agreements between OSP and member schools.

The Portage Area School Consortium (Consortium) – is a regional council of governments established pursuant to Chapter 167 of the Ohio Revised Code, consisting of various school districts. The Consortium is a stand-alone entity, comprised of two stand-alone Pools; the Portage Area Schools Consortium Property and Casualty Pool and the Portage Area Schools Consortium Health and Welfare Insurance Pool. These pools were established by the Consortium on August 5, 1988 to provide property and casualty risk management services and risk sharing to its members. The pools were established as local government risk pools under Section 1744.081 of the Ohio Revised Code and are not subject to federal tax filing requirements.

NOTE 19 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS

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

Pursuant to State Statute, the Board of Education expended all of the amounts previously set-aside for the budget reserve.

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

	Capital Improvements
Set-aside Restricted Balance as of June 30, 2018	$0
Current Year Set-aside Requirement	256,012
Current Year Offseting Revenue	(271,114)
Current Year Qualifying Expenditures	(148,852)
Totals	($163,954)
Balance Carried Forward to Fiscal Year 2020	$0
Set-aside Restricted Balance as of June 30, 2019	$0

The School District had offsets and qualifying expenditures during the current fiscal year that reduced the set-aside amount for capital improvements to below zero. This excess may not be carried forward to offset future year set-aside requirements. The School District also has prior year capital expenditures paid from debt proceeds in connection with a school facilities project and an energy conservation project that may be carried forward to offset future set-aside requirements.

NOTE 20 - CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2019.

Litigation

The School District is not currently party to pending litigation.

Oil/Gas Leases

As of June 30, 2019, the School District entered into seven "Paid-Up" Oil and Gas Leases as follows:

Effective Date	Lease Term	Company	Lease Acres	Bonus Payment	Date(s) of Bonus Payment	% of Royalty
12/23/11	8 years	XTO Energy, Inc./Gulfport Energy Corp*	58.722	$553,953	8/26/12, 6/16/17	19%
3/26/12	8 years	XTO Energy, Inc.*	59.208	553,516	6/19/12, 9/28/16	19%
3/11/15	5 years	American Energy-Utica, LLC	0.690	4,140	9/16/2015	20%
10/13/15	5 years	Ascent Resources-Utica, LLC	0.794	4,762	1/27/2016	20%
6/6/17	5 years	Gulfport Energy Corp	1.000	4,500	6/16/2017	18%

Royalties are paid for all oil and other liquid hydrocarbons and by-products produced and saved from the land, and all gas and other hydrocarbons and by-products. As of the date of the financial statements, the full value of any royalties cannot be determined.

The total carrying value of the land leased is $2,444,957.

Special Investigation

The Auditor of State is conducting a special investigation. As of the date of this report, the investigation is ongoing. The results will be reported on at a later date.

Martins Ferry City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Six Fiscal Years (1)**

	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.05889730%	0.05314130%	0.05102880%	0.04987180%	0.05140100%	0.05140100%
School District's Proportionate Share of the Net Pension Liability	$3,373,159	$3,175,077	$3,734,837	$2,845,733	$2,601,375	$3,056,653
School District's Covered Payroll	$1,895,467	$1,736,929	$1,574,150	$1,486,768	$1,490,339	$1,414,246
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	177.96%	182.80%	237.26%	191.40%	174.55%	216.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Although this schedule is intended to reflect information for ten years, the information prior to 2014 is not available.
An additional column will be added each year.

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

See accompanying notes to required supplementary information

Martins Ferry City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Six Fiscal Years (1)**

	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.05768999%	0.05696756%	0.05555434%	0.05528892%	0.05612705%	0.05612705%
School District's Proportionate Share of the Net Pension Liability	$12,684,734	$13,532,767	$18,595,712	$15,280,240	$13,652,041	$16,262,221
School District's Covered Payroll	$6,217,636	$6,663,364	$5,871,371	$5,598,221	$5,717,062	$5,659,300
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	204.01%	203.09%	316.72%	272.95%	238.79%	287.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Although this schedule is intended to reflect information for ten years, the information prior to 2014 is not available.
An additional column will be added each year.

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

See accompanying notes to required supplementary information

Martins Ferry City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
*Last Three Fiscal Years (1)**

	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.05949410%	0.05348710%	0.05128580%
School District's Proportionate Share of the Net OPEB Liability	$1,650,526	$1,435,453	$1,461,835
School District's Covered Payroll	$1,895,467	$1,736,929	$1,574,150
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	87.08%	82.64%	92.87%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%

(1) Although this schedule is intended to reflect information for ten years, the information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

Martins Ferry City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability
State Teachers Retirement System of Ohio
*Last Three Fiscal Years (1)**

	2019	2018	2017
School District's Proportion of the Net OPEB (Asset) Liability	0.05768999%	0.05696756%	0.05555434%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($927,019)	$2,222,664	$2,971,061
School District's Covered Payroll	$6,217,636	$6,663,364	$5,871,371
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-14.91%	33.36%	50.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	176.00%	47.10%	37.30%

(1) Although this schedule is intended to reflect information for ten years, the information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Pension Liability										
Contractually Required Contribution	$260,881	$255,888	$243,170	$220,381	$195,956	$206,561	$195,732	$181,040	$190,242	$229,624
Contributions in Relation to the Contractually Required Contribution	(260,881)	(255,888)	(243,170)	(220,381)	(195,956)	(206,561)	(195,732)	(181,040)	(190,242)	(229,624)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
School District Covered Payroll (1)	$1,932,452	$1,895,467	$1,736,929	$1,574,150	$1,486,768	$1,490,339	$1,414,246	$1,346,022	$1,513,459	$1,695,891
Pension Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%
Net OPEB Liability										
Contractually Required Contribution (2)	$43,515	$40,476	$27,121	$24,122	$36,499	$25,919	$24,663	$28,939	$45,857	$34,935
Contributions in Relation to the Contractually Required Contribution	(43,515)	(40,476)	(27,121)	(24,122)	(36,499)	(25,919)	(24,663)	(28,939)	(45,857)	(34,935)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	2.25%	2.14%	1.56%	1.53%	2.45%	1.74%	1.74%	2.15%	3.03%	2.06%
Total Contributions as a Percentage of Covered Payroll (2)	15.75%	15.64%	15.56%	15.53%	15.63%	15.60%	15.58%	15.60%	15.60%	15.60%

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

See accompanying notes to required supplementary information

Martins Ferry City School District
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Pension Liability										
Contractually Required Contribution	$973,791	$870,469	$932,871	$821,992	$783,751	$743,218	$735,709	$670,472	$686,155	$794,528
Contributions in Relation to the Contractually Required Contribution	(973,791)	(870,469)	(932,871)	(821,992)	(783,751)	(743,218)	(735,709)	(670,472)	(686,155)	(794,528)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
School District Covered Payroll (1)	$6,955,650	$6,217,636	$6,663,364	$5,871,371	$5,598,221	$5,717,062	$5,659,300	$5,157,479	$5,278,114	$6,111,750
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%
Net OPEB Liability										
Contractually Required Contribution	$0	$0	$0	$0	$0	$57,171	$56,593	$51,575	$52,781	$61,118
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0	(57,171)	(56,593)	(51,575)	(52,781)	(61,118)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to required supplementary information

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

Changes in Assumptions – STRS

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT 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	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education				
Child Nutrition Cluster:				
Non-Cash Assistance:				
National School Lunch Program - Food Donation	10.555	N/A	$0	$40,200
Cash Assistance:				
School Breakfast Program	10.553	044347-05PU-18	0	135,380
National School Lunch Program	10.555	044347-LLP4-18	0	257,973
Cash Assistance Subtotal			0	393,353
Total U.S. Department of Agriculture/Child Nutrition Cluster			0	433,553
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Title I Grants to Local Educational Agencies	84.010	044347-C1S1-18	0	64,493
		044347-C1S1-19	0	382,775
Total Title I Grants to Local Educational Agencies			0	447,268
Special Education Cluster (IDEA):				
Special Education, Grants to States (IDEA, Part B)	84.027	044347-6BSF-17	0	16,746
		044347-6BSF-19	0	383,155
Total Special Education, Grants to States (IDEA, Part B)			0	399,901
Special Education Restoration (IDEA Part B)	84.027A	444347-19	0	57,000
Preschool Restoration VI B	84.173A	444347-19	0	164
Special Education - Preschool Grants (IDEA Preschool)	84.173	444347-19	2,368	2,368
Total Special Education Cluster (IDEA)			2,368	459,433
Improving Teacher Quality State Grants	84.367	444347-TRS1-18	0	7,666
		444347-TRS1-19	0	61,430
Total Improving Teacher Quality State Grants			0	69,096
Title IV, Part A Student Support and Academic Enrichment Grant	84.424A	444347-19	0	35,046
Total U.S. Department of Education			2,368	1,010,843
Total Expenditures of Federal Awards			**$2,368**	**$1,444,396**

The accompanying notes are an integral part of this Schedule.

MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT 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 Martins Ferry City School District (the School District) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The School District passes certain federal awards received from the Ohio Department of Education to other governments (subrecipients). As Note B describes, the School District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the School District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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*

Martins Ferry City School District
Belmont County
5001 Ayers Limestone Road
Martins Ferry, Ohio 43935

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Martins Ferry City School District, Belmont County, Ohio (the School District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 12, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 12, 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 EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Martins Ferry City School District
Belmont County
5001 Ayers Limestone Road
Martins Ferry, Ohio 43935

To the Board of Education

Report on Compliance for each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on each Major Federal Program

In our opinion, the Martins Ferry City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on 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 School District's internal control over compliance.

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 12, 2020

MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT 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 • Special Education Cluster (IDEA) – CFDA # 84.027 and # 84.173	
(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?**	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

MARTINS FERRY CITY SCHOOL DISTRICT

TREASURER'S OFFICE

5001 Ayers Limestone Rd
Martins Ferry OH 43935
Phone: 740-633-1732
Fax: 740-633-5666

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

Finding Number	Finding Summary	Status	Additional Information
2018-001	Finding for Recovery Regarding Cell Phones.	Fully Corrected.	

OHIO AUDITOR OF STATE
KEITH FABER

MARTINS FERRY CITY SCHOOL DISTRICT

BELMONT 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 26, 2020