NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

OHIO AUDITOR OF STATE
KEITH FABER

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY
JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Northern Local School District
Perry County
8700 Sheridan Road NW
Thornville, Ohio 43076

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Local School District, Perry County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Local School District, Perry County, Ohio, as of June 30, 2018, and the respective changes in modified cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matter

As discussed in Note 18 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

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

Other Information

We applied no procedures to Management's Discussion & Analysis as listed in the Table of Contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 27, 2019

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As management of the Northern Local District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Northern Local District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the financial statements and the notes to the basic financial statements.

Financial Highlights

Key financial highlights for the fiscal year 2018 are as follows:

- Net position of governmental activities decreased approximately $2.5 million.
- General receipts, consisting primarily of property taxes, state foundation receipts, and loan proceeds, totaled approximately $24.6 million, or 84 percent of total receipts, while program receipts, consisting of charges for services and operating grants and contributions, accounted for $4.6 million, or 16 percent of total receipts.
- The District had $31.7 million in cash disbursements during the fiscal year. The net cost of providing services (total cash disbursements less program receipts), totaling $27.0 million, was funded with general receipts.

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 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 District, and present an aggregate view of the District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column.

Reporting the District as a Whole

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

While these documents contain information about the large number of funds used by the District to provide programs and activities for students, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements are presented on the modified cash basis of accounting. This basis of accounting only takes into account the receipts that were received and the disbursements that were paid.

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

In the Statement of Net Position and the Statement of Activities, the District's activities are all reported as Governmental.

- Governmental Activities – All of the District's programs and services are reported here including instruction, support services, operation of non-instructional services (primarily food service), extracurricular activities, and debt service.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund, and OFCC Project fund.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using the modified cash basis of accounting. The governmental fund statements provide a detailed short-term view of the 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.

Proprietary Funds The District maintains an internal service fund that is used to account for enterprise–like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The District uses an internal service fund to account for its risk management related to medical/surgical and dental self-insurance. These services have been included within the governmental activities in the government–wide financial statements.

Fiduciary Funds These funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The District has student activity agency funds and private purpose trust funds.

The District as a Whole

Table 1 provides a summary of the District's net position for 2018 compared to 2017 on a modified cash basis:

Table 1
Net Position

	Governmental Activities	
	June 30, 2018	June 30, 2017
Assets		
Current Assets	$ 203,673	$ 2,670,152
Total	$ 203,673	$ 2,670,152
Net Position		
Restricted for:		
Capital Projects	$ 644,767	$ 1,353,504
Debt Service	210,044	656,068
Food Service	100,959	67,669
Extracurricular Activities	148,501	145,870
State and Federal Grants	59,432	7,389
Recreation	70	70
Unrestricted	(960,100)	439,582
Total Net Position	$ 203,673	$ 2,670,152

Net Position Restricted for Capital Projects decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of the District spending down loan proceeds for the acquisition and installment of energy conservation measures for five District school buildings.

Net Position Restricted for Debt Service decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of lease payments made for buses.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2018 in comparison to June 30, 2017.

Table 2
Changes in Net Position

	Governmental Activities 2018	Governmental Activities 2017
Cash Receipts:		
Program Cash Receipts:		
Charges for Services and Sales	$ 2,576,479	$ 2,123,081
Operating Grants and Contributions	2,069,090	2,085,990
Total Program Cash Receipts	4,645,569	4,209,071
General Cash Receipts:		
Property Taxes	9,197,163	9,232,872
Grants and Entitlements	15,201,122	13,028,238
Loan Proceeds	-	2,021,857
Investment Earnings	4,707	216
Sale of Capital Assets	1,058	-
Miscellaneous	177,893	119,234
Total General Cash Receipts	24,581,943	24,402,417
Total Cash Receipts	29,227,512	28,611,488
Program Cash Disbursements:		
Instruction	16,422,455	15,283,262
Support Services	9,488,331	9,193,677
Operation of Food Service	1,070,580	1,112,397
Community Services	118,231	113,829
Intergovernmental	-	-
Extracurricular Activities	873,060	849,090
Capital Outlay	2,686,136	668,497
Debt Service:		
Principal Retirement	853,746	752,674
Interest and Fiscal Charges	181,452	206,251
Total Program Cash Disbursements	31,693,991	28,179,677
Change in Net Position	(2,466,479)	431,811
Net Position at Beginning of Year	2,670,152	2,238,341
Net Position at End of Year	$ 203,673	$ 2,670,152

Grants and Entitlements increased significantly in comparison with the prior fiscal year. This increase is primarily the result of grant receipts related to the District's OFCC Project.

Capital Outlay disbursements increased significantly in comparison with the prior fiscal year. This increase is primarily due to the construction of energy conservation measures for five District school buildings and disbursements related to the District's project agreement with Ohio Facilities Construction Commission.

The Statement of Activities shows the cost of program services, and the charges for services and sales and grants and the contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services for the current and preceding fiscal years. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Cash Disbursements				
Instruction	$16,422,455	$13,773,095	$15,283,262	$13,075,519
Support Services	9,488,331	9,241,008	9,193,677	8,964,483
Operation of Food Service	1,070,580	9,909	1,112,397	(511)
Community Services	118,231	(3,634)	113,829	12,025
Intergovernmental	-	-	-	-
Extracurricular Activities	873,060	306,710	849,090	291,668
Capital Outlay	2,686,136	2,686,136	668,497	668,497
Debt Service:				
Principal Retirement	853,746	853,746	752,674	752,674
Interest and Fiscal Charges	181,452	181,452	206,251	206,251
Total Cash Disbursements	$31,693,991	$27,048,422	$28,179,677	$23,970,606

The dependence upon tax receipts and unrestricted state entitlements is apparent as approximately 84 percent of instruction activities are supported through taxes and other general receipts.

Approximately 65 percent of extracurricular activities disbursements are covered by program cash receipts. This is primarily a result of athletic fees, ticket sales, gate receipts and contributions.

The District Funds

The District's funds are accounted for using the modified cash basis of accounting. The District's governmental funds had total cash receipts and other financing sources, of approximately $29.7 million and total cash disbursements and other financing uses, of $31.3 million. The excess of cash disbursements over cash receipts for the governmental funds totaled approximately $1.6 million.

The schedule below indicates the cash fund balances and the total change in fund balances as of June 30, 2018 for all of the major and non-major governmental funds.

Table 4
Fund Balance Analysis

	June 30, 2018	Restated June 30, 2017	Increase (Decrease)
Major Funds:			
General	$ 952,663	$ 1,477,020	$ (524,357)
Bond Retirement	210,044	656,068	(446,024)
OFCC Project	476,920	-	476,920
Other Governmental funds	471,929	1,574,502	(1,102,573)
Total	$ 2,111,556	$ 3,707,590	$ (1,596,034)

The fund balance of the General Fund decreased significantly during the fiscal year, compared with a slight increase in the prior fiscal year. The increase in General Fund disbursements exceeded the increase in General Fund receipts.

The fund balance of the Bond Retirement Fund decreased significantly during the fiscal year. This decrease is primarily the result of principal payments made during the fiscal year.

The District established the OFCC Project Fund during the fiscal year. The fund reported a positive fund balance at fiscal year-end as a result of proceeds received related to the project with Ohio School Facilities Commission exceeding the related project disbursements.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, cash disbursements, and encumbrances. The most significant budgeted fund is the general fund. During the course of fiscal year 2018, the District amended its general fund budget. The District closely monitors its resources and uses and if necessary, modifies the budgetary documents on a timely basis.

The District's final estimated receipts exceeded original estimated receipts by $679,032, primarily as a result of an increase in the estimate of intergovernmental receipts. The variance between final estimated receipts and actual receipts was insignificant.

The District's final appropriations exceeded the original appropriations by $1,049,992. This increase was primarily as a result of an increase in the estimate for regular instruction expenses. The variance between final appropriations and actual budgetary expenditures was insignificant.

Debt Administration

At June 30, 2018, the District had $6,192,286 in debt outstanding, which is a $739,568 decrease in debt from the prior period.

Table 5
Outstanding Debt at Fiscal Year End

	Principal Outstanding 6/30/2018	Principal Outstanding 6/30/2017
Governmental Activities		
Construction & Improvement Refunding Bonds Mature 10/2023; 1.00%-3.50%	$ 2,079,997	$ 2,439,997
Permanent Improvement Tax Anticipation Notes Mature 12/2020; 1.00%-4.50%	645,000	845,000
Energy Conervation Bonds Mature 12/2028; 1.00%-4.00%	1,500,000	1,625,000
House Bill 264 Energy Conservation Note Mature 12/2032; 2.87%	1,967,289	2,021,857
	$ 6,192,286	$ 6,931,854

Economic Factors

The District's current five-year forecast is projecting sufficient receipts for fiscal year 2019 through 2022 with positive ending cash balances of $1,440,766, $1,474,625, $1,631,324 and $1,861,864, respectively.

To achieve the aforementioned projected cash balances, the Board of Education and administration of the District must continue to maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Elizabeth Clark, Treasurer, at Northern Local District, 8700 Sheridan Drive, Thornville, Ohio 43076. Or, E-mail the Treasurer at No_Larnold@seovec.org

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	$ 203,673
Total Assets	$ 203,673
Net Position	
Restricted for:	
Capital Projects	$ 644,767
Debt Service	210,044
Food Service	100,959
Extracurricular Activities	148,501
State and Federal Grants	59,432
Recreation	70
Unrestricted	(960,100)
Total Net Position	$ 203,673

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

		Program Receipts		Net (Disbursements)/ Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$ 11,011,480	$ 1,046,666	$ 274,216	$ (9,690,598)
Special	3,612,730	345,463	806,686	(2,460,581)
Vocational	338,256	32,230	-	(306,026)
Other	1,459,989	144,099	-	(1,315,890)
Support Services:				
Pupils	727,789	-	31,951	(695,838)
Instructional Staff	901,536	-	117,438	(784,098)
Board of Education	79,441	-	-	(79,441)
Administration	2,032,404	-	24,507	(2,007,897)
Fiscal Services	854,726	-	-	(854,726)
Operation and Maintenance	2,791,828	-	-	(2,791,828)
Pupil Transportation	1,913,488	-	64,427	(1,849,061)
Central	187,119	-	9,000	(178,119)
Food Services Operations	1,070,580	441,671	619,000	(9,909)
Community Services	118,231	-	121,865	3,634
Extracurricular Activities	873,060	566,350	-	(306,710)
Capital Outlay	2,686,136	-	-	(2,686,136)
Debt Service:				
Principal Retirement	853,746	-	-	(853,746)
Interest and Fiscal Charges	181,452	-	-	(181,452)
Total Governmental Activities	$ 31,693,991	$ 2,576,479	$ 2,069,090	$ (27,048,422)

General Receipts	
Property Taxes Levied for:	
General Purposes	7,867,497
Capital Outlay	791,421
Debt Service	538,245
Grants & Entitlements not Restricted to Specific Programs	15,201,122
Investment Earnings	4,707
Sale of Capital Assets	1,058
Other Receipts	177,893
Total General Receipts	24,581,943
Change in Net Position	(2,466,479)
Net Position Beginning of Year	2,670,152
Net Position End of Year	$ 203,673

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Bond Retirement Fund	OFCC Project Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	$ 952,663	$ 210,044	$ 476,920	$ 471,929	$ 2,111,556
Total Assets	$ 952,663	$ 210,044	$ 476,920	$ 471,929	$ 2,111,556
Fund Balances:					
Restricted for:					
Capital Projects	$ -	$ -	$ 476,920	$ 167,847	$ 644,767
Debt Service	-	210,044	-	-	210,044
Food Service	-	-	-	100,959	100,959
Extracurricular Activities	-	-	-	148,501	148,501
State and Federal Grants	-	-	-	59,432	59,432
Recreation	-	-	-	70	70
Assigned for:					
Public School Support	56,296	-	-	-	56,296
Instruction	43,173	-	-	-	43,173
Support Services	214,524	-	-	-	214,524
Future Appropriations	951,150	-	-	-	951,150
Unassigned:	(312,480)	-	-	(4,880)	(317,360)
Total Fund Balances	$ 952,663	$ 210,044	$ 476,920	$ 471,929	$ 2,111,556

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

Total Governmental Fund Balances	$ 2,111,556
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental activities' net position includes the internal service funds' equity in pooled cash and investments. The proprietary funds' net position includes these assets.	(1,907,883)
Net Position of Governmental Activities	$ 203,673

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Bond Retirement Fund	OFCC Project Fund	Other Governmental Funds	Total Governmental Funds
Receipts:					
Property Taxes	$ 7,867,497	$ 538,245	$ -	$ 791,421	$ 9,197,163
Intergovernmental	13,118,304	64,627	1,944,480	2,142,801	17,270,212
Interest	4,707	-	-	-	4,707
Tuition and Fees	1,568,458	-	-	-	1,568,458
Extracurricular Activities	143,403	-	-	422,947	566,350
Charges for Services	-	-	-	441,671	441,671
Miscellaneous	177,893	-	-	-	177,893
Total Receipts	22,880,262	602,872	1,944,480	3,798,840	29,226,454
Disbursements:					
Current:					
Instruction:					
Regular	10,191,651	-	-	412,995	10,604,646
Special	2,694,783	-	-	805,386	3,500,169
Vocational	326,544	-	-	-	326,544
Other	1,459,989	-	-	-	1,459,989
Support services:			-		
Pupils	667,573	-	-	30,475	698,048
Instructional staff	776,189	-	-	104,019	880,208
Board of Education	79,441	-	-	-	79,441
Administration	1,919,874	3	-	24,790	1,944,667
Fiscal	806,160	14,645	-	21,650	842,455
Operation and Maintenance of Plant	2,286,813	-	-	449,732	2,736,545
Pupil Transportation	1,559,842	-	-	263,489	1,823,331
Central	178,119	-	-	9,000	187,119
Operation of Food Services	5,005	-	-	1,027,381	1,032,386
Community Services	-	-	-	113,604	113,604
Extracurricular Activities	452,744	-	-	420,316	873,060
Capital Outlay	-	-	1,953,665	732,471	2,686,136
Debt service:					
Principal Retirement	946	852,800	-	-	853,746
Interest and Fiscal Charges	4	181,448	-	-	181,452
Total Disbursements	23,405,677	1,048,896	1,953,665	4,415,308	30,823,546
Deficiency of Receipts Under Disbursements	(525,415)	(446,024)	(9,185)	(616,468)	(1,597,092)
Other Financing Sources (Uses):					
Sale of Assets	1,058	-	-	-	1,058
Transfers In	-	-	486,105	-	486,105
Transfers Out	-	-	-	(486,105)	(486,105)
Total Other Financing Sources (Uses)	1,058	-	486,105	(486,105)	1,058
Net Change in Fund Balances	(524,357)	(446,024)	476,920	(1,102,573)	(1,596,034)
Fund Balance, Beginning of Year, as Restated	1,477,020	656,068	-	1,574,502	3,707,590
Fund Balance, End of Year	$ 952,663	$ 210,044	$ 476,920	$ 471,929	$ 2,111,556

See accompanying notes to the basic financial statements.

NOTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN MODIFIED CASH FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds	$ (1,596,034)
Amounts reported for governmental activities in the statement of activities are different because:	
Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund disbursements and related internal service fund charges. Governmental activities report allocated net internal service fund receipts.	(870,445)
Change in Net Position of Governmental Activities	$ (2,466,479)

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Receipts:				
Property Taxes	$ 7,855,871	$ 7,867,497	$ 7,867,497	$ -
Intergovernmental	12,891,841	13,118,304	13,118,304	-
Interest	216	4,696	4,707	11
Tuition and Fees	1,194,264	1,568,458	1,568,458	-
Miscellaneous	108,234	170,503	177,893	7,390
Total Receipts	22,050,426	22,729,458	22,736,859	7,401
Disbursements:				
Current:				
Instruction:				
Regular	9,610,266	10,219,318	10,219,102	216
Special	2,605,596	2,708,608	2,708,607	1
Vocational	277,671	328,281	328,437	(156)
Other	1,325,219	1,459,994	1,459,994	-
Support services:				
Pupils	704,612	668,743	668,742	1
Instructional staff	816,003	787,871	787,868	3
Board of Education	140,663	88,268	84,490	3,778
Administration	1,803,845	1,931,110	1,930,801	309
Fiscal	828,986	810,116	810,106	10
Operation and Maintenance of Plant	2,315,621	2,393,691	2,391,822	1,869
Pupil Transportation	1,543,980	1,637,537	1,637,336	201
Central	196,655	178,324	178,320	4
Operation of Food Services	6,577	5,005	5,005	-
Extracurricular Activities	315,419	324,239	324,239	-
Total Disbursements	22,491,113	23,541,105	23,534,869	6,236
Excess (Deficiency) of Receipts Over (Under) Disbursements	(440,687)	(811,647)	(798,010)	13,637
Other Financing Sources (Uses):				
Sale of Assets	1,058	1,058	1,058	-
Advance Out	(147,942)	(147,942)	-	147,942
Total Other Financing Sources (Uses)	(146,884)	(146,884)	1,058	147,942
Net Change in Fund Balance	(587,571)	(958,531)	(796,952)	161,579
Fund Balances at Beginning of Year	1,232,473	1,232,473	1,232,473	-
Prior Year Encumbrances Appropriated	203,149	203,149	203,149	-
Fund Balances at End of Year	$ 848,051	$ 477,091	$ 638,670	$ 161,579

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF FUND NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
JUNE 30, 2018

	Governmental Activities Internal Service
Assets:	
Equity in Pooled Cash and Investments	$ (1,907,883)
Total Assets	$ (1,907,883)
Net Position:	
Unrestricted	$ (1,907,883)
Total Net Position	$ (1,907,883)

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS PROPRIETARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities
	Internal Service
Operating Receipts:	
Charges for Services	$ 4,881,801
Miscellaneous	439,442
Total Operating Receipts	5,321,243
Operating Disbursements:	
Claims	5,001,936
Administration	1,189,752
Total Operating Disbursements	6,191,688
Change in Net Position	(870,445)
Net Position at Beginning of Year	(1,037,438)
Net Position at End of Year	$ (1,907,883)

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
JUNE 30, 2018

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	$ 263,573	$ 87,489
Total Assets	$ 263,573	$ 87,489
Net Position		
Held in Trust for Scholarships	$ 263,573	$ -
Held for Students Activity	-	51,835
Held in Escrow for Retainage	-	35,654
Total Net Position	$ 263,573	$ 87,489

See accompanying notes to the basic financial statements.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
JUNE 30, 2018

	Private Purpose Trust
Additions	
Contributions	$ 39,021
Interest	-
Total Additions	39,021
Deductions	
Scholarship Awarded	35,725
Total Deductions	35,725
Change in Net Position	3,296
Net Position - Beginning of Year	260,277
Net Position - End of Year	$ 263,573

See accompanying notes to the basic financial statements.

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Note 1 - Description of the District and Reporting Entity

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

The Northern Local School District of Perry County was established on June 10, 1968 by the State of Ohio as a public school system. The District is a consolidated school district made up from three original high schools in the area, Glenford, Somerset, and Thornville, combined now to be Sheridan High School. The District is located in three counties, Perry, Licking, and Fairfield, serving an area of approximately 173 square miles. The District is staffed by 258 certificated and non-certificated employees who provide services to 2,224 students and other community members. The District currently operates five instructional buildings, one administrative building, and one support service building.

Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District does not have any component units.

The District participates in three jointly governed organizations, and one insurance purchasing pools. These organizations are the Metropolitan Educational Technology Association (META), the Central Ohio Special Education Regional Resource Center, and the Ohio School Boards Association Workers Compensation Group Rating Plan. These organizations are presented in Notes 12 and 13 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

As discussed further in Note 2.A, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. Following are the more significant of the District's accounting policies.

A. Basis of Accounting

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

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

B. Basis of Presentation

The District's basic financial statements prepared on the modified cash basis of accounting include government-wide statements, including a modified cash basis statement of net position and a statement of activities, and modified cash basis fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements. The Statement of Net Position and Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The District does not have any business-type activities.

Note 2 - Summary of Significant Accounting Policies (Continued)

The statement of net position presents the cash and investment balances of the governmental activities of the District at fiscal year-end. The statement of activities presents a comparison between direct cash disbursements and program cash receipts for each program or function of the District's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program, or department, and therefore clearly identifiable to a particular function. Program cash receipts 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. Cash receipts which are not classified as program cash receipts are presented as general receipts of the District. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the District.

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

C. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. 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. The following is a description of the District's major governmental funds:

> ***General Fund –*** used to account for all financial resources except those required to be accounted for in another fund.
>
> ***Bond Retirement Fund -*** used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
>
> ***OFCC Project Fund –*** used to account for the accumulation of resources for, and the payment of, the Ohio Facilities Construction Commission project.

The Districts' Other Governmental Funds primarily account for grants and other resources whose use is restricted to a particular purpose.

Note 2 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds 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 District uses an internal service fund to account for medical/surgical and dental insurance which the District self-insures.

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

D. Cash and Investments

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

During the fiscal year, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), nonnegotiable certificates of deposits, and open-ended money market mutual funds. All investments are reported at cost.

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

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts recorded by the District during fiscal year 2018 amounted to $4,707, all of which was recorded in the General Fund.

Note 2 - Summary of Significant Accounting Policies (Continued)

E. 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 at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The General Fund "Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)" have been presented at the function level for comparative purposes.

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

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated receipts. 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.

F. Inventory and Prepaid Items

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

G. Capital Assets

Capital assets are not recognized in any of the District's funds in accordance with the cash basis of accounting. Instead, capital acquisition and construction costs are reflected as cash disbursements in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

H. Interfund Receivables/Payables

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Note 2 - Summary of Significant Accounting Policies (Continued)

I. Compensated Absences

Employees are entitled to vacation, sick, and personal leave benefits that are recorded when cash is disbursed. A liability for any unused benefits is not recorded on the District's modified cash basis financial statements.

J. Long-Term Obligations

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

K. Net Position

Net position are recorded in conjunction with assets recorded by the District. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. None of the District's restricted net position are the result of enabling legislation.

L. Interfund Activity

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

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements 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 cash disbursements to the funds that initially paid for them are not presented on the financial statements.

Note 2 - Summary of Significant Accounting Policies (Continued)

M. Fund Balances

In accordance with Governmental Accounting Standards Board Statements No. 54, Fund Balance Reporting, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories were used:

Restricted - resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Assigned - resources that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - residual fund balance within the General Fund not classified elsewhere above and all other governmental fund balances which have a negative fund balance.

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net position are available. The District considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

N. Operating Cash Receipts and Cash Disbursements

Operating cash receipts are those cash receipts that are generated directly from the primary activity of the proprietary fund. For the District, these cash receipts are charges for services for self-insurance programs. Operating cash disbursements are necessary costs incurred to provide the service that is the primary activity of the fund.

O. Extraordinary and Special Items

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

P. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had no restricted assets at year-end.

Note 2 - Summary of Significant Accounting Policies (Continued)

Q. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions consist of pension and postretirement health care benefits.

R. Deferred Outflows and Inflows of Resources

The District's modified cash basis financial statements do not report deferred outflows and inflows of resources. The District recognizes the disbursement for deferred outflows when they are paid and proceeds of deferred inflows are reported when cash is received.

S. Pensions/Other Postemployment Benefits (OPEB)

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

Note 3 – Compliance

A. Financial Statement Reporting

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

B. Negative Cash

The District had negative cash fund balances in the following funds indicating that revenue from other sources were used to pay obligations of this fund contrary to Ohio Revised Codes Section 5705.10:

	Amount
Improving Teacher Quality	($4,880)
Internal Service Fund	(1,907,883)
Total	($1,912,763)

Note 4 - Deposits and Investments

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

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

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

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

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

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

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

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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;

4. Bonds and other obligations of the State of Ohio or Ohio local governments;

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

Note 4 - Deposits and Investments (Continued)

6. No-load money market mutual funds consisting exclusively of obligations describe in division (1) or (2) and repurchase agreements secured by such obligations;

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

8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed 40 percent of 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 5 years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

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

Deposits Custodial credit risk for deposits is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, the carrying amount of all District deposits was $478,183, including nonnegotiable certificates of deposit totaling $90,000, and the bank balance was $548,786. Of the District's bank balance, $384,980 was covered by Federal Deposit Insurance (FDIC) and the remaining balance was uninsured and collateralized. The District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System. In addition, the District held $1,500 in petty cash at fiscal year-end.

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

1. Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

2. Participation in the Ohio Pooled Collaterial 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.

Note 4 - Deposits and Investments (Continued)

Investments The District has adopted a formal investment policy. The primary objective of the policy is the preservation of principal. To meet this objective, portfolio diversification is established and maintained with a goal of generating portfolio income that exceeds any losses in individual security values.

At June 30, 2018, the District had the following investments:

		Maturity in Years		Percent to
	Value	Less than 1	1 to 3	Total
STAROhio	$ 3,658	$ 3,658	$ -	4.87%
Money Market Accounts	71,394	71,394	-	95.13%
Total	$ 75,052	$ 75,052	$ -	100.00%

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

Credit Risk The District currently has no policy in place regarding credit risk. The District's investments in STAR Ohio are rated AAAm by Standard & Poor's. The District's money market mutual funds are not rated.

Concentration of Credit Risk The District places no limit on the amount that may be invested in any one issuer.

Note 5 - Interfund Transfers

A schedule of interfund transfers during the fiscal year is as follows:

Fund	Transfers In	Transfers Out
OFCC Project Fund	$ 486,105	$ -
Other Governmental Funds		
House Bill 264 - Energy		
Conservation Fund	-	486,105
Total Transfers	$ 486,105	$ 486,105

Transfers are used to move receipts from the fund financing the state share of the Ohio School Facilities Project to the fund financing the local share of the project. All transfers were made in accordance with Ohio Revised Code.

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the District. Real property tax receipts received in calendar year 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semiannually.

If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, 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 is currently assessed at varying percentages of true value.

The District receives property taxes from Perry, Licking and Fairfield County. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which property taxes were collected are:

	2017 Second-Half Collections		2018 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	$309,273,266	79.86%	$327,417,098	80.92%
Public Utility Personal	77,996,810	20.14%	77,186,280	19.08%
Total	$387,270,076	100.00%	$404,603,378	100.00%
Full Tax rate per $1,000 of assessed valuation	$34.30		$34.30	

Note 7 - Risk Management

A. Property and Liability - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2018, the District contracted with Netherlands Insurance Company for property, builder's risk, liability, and fleet insurances.

Coverage provided is as follows:

Building and Contents-replacement cost ($5,000 deductible)	$96,237,165
Equipment ($500 deductible)	2,141,208
Employee Dishonesty ($5,000 deductible)	1,000,000
Fleet Insurance	1,000,000
Educational General Liability	
Per occurrence	1,000,000
Aggregate per year	2,000,000
Employee Benefits Liability ($1,000 deductible)	
Per occurrence	1,000,000
Aggregate per year	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage in fiscal year 2018 from fiscal year 2017.

B. Workers Compensation - For fiscal year 2018, the District participated in the Ohio School Board Association (OSBA) Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 13) established under Section 4123.29 of the Ohio Revised Code. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating Districts is calculated as one experience and a common premium rate is applied to all Districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to Districts and libraries that can meet the GRP's selection criteria.

C. Self-Insurance **-** During the fiscal year, employees of the District were covered by the District's medical/surgical and dental self-insurance Plan (the "Plan"). The District contributed approximately 90% per month per employee to the Plan and employees authorized payroll withholdings to pay their share of the premium which was approximately 10% per month. Total premiums paid into the internal service fund of the District were $4,881,801 of which the District paid $4,321,777 while the employees were responsible for the remaining portion.

Note 7 - Risk Management (Continued)

At June 30, 2018 the self-insurance balance was ($1,907,883). A comparison of the internal service fund cash and investments to the actuarially-measured liability as of June 30, 2018 follows:

	2018	2017
Cash and investments	($1,907,883)	($1,037,438)
Claims liabilities at June 30	$465,664	$370,749

Note 8 - Defined Benefit Pension Plans

Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

Note 8 - Defined Benefit Pension Plans (Continued)

Plan Description - School Employees Retirement System (SERS)

Plan Description – 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 year 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.

On each anniversary of the initial retirement, the allowance of all retirees and survivors are increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. This cost-of-living adjustment (COLA) shall not be less than 0% nor greater than 2.5%. COLA's have been suspended for calendar years 2018, 2019, and 2020.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent was allocated to the Health Care Fund.

The District paid $377,160 to SERS during fiscal year 2018.

Note 8 - Defined Benefit Pension Plans (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five year of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 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 is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. 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.

Note 8 - Defined Benefit Pension Plans (Continued)

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District paid $1,469,004 to STRS during fiscal year 2018.

Net Pension Liability

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability - 2017	$ 5,044,894	$ 20,631,119	$ 25,676,013
Proportion of the Net Pension Liability - 2017	0.0844365%	0.08684880%	
Proportion of the Net Pension Liability - 2016	0.0859495%	0.08637028%	
Change in Proportionate Share	-0.0015130%	0.00047852%	

Note 8 - Defined Benefit Pension Plans (Continued)

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, 2017, are presented below:

Wage Inflation	3 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disable 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.

Note 8 - Defined Benefit Pension Plans (Continued)

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

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 7,001,002	$ 5,044,894	$ 3,406,255

Note 8 - Defined Benefit Pension Plans (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 t0 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)	0.00 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 anniversay of retirement date.

For the July 1, 2017, actuarial valuation, 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 the July 1, 2016 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.

Actuarial assumptions used in the July 1, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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:

Note 8 - Defined Benefit Pension Plans (Continued)

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

* 10 year 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, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. 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, 2017. 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, 2017.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	$ 29,574,006	$ 20,631,119	$ 13,098,076

Note 9 – Defined Benefit OPEB Plans

Net OPEB Liability

For fiscal year 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. This GASB pronouncement had no effect on beginning net position as reported June 30, 2017, as the net OPEB liability is not reported in the accompanying financial statements. The net OPEB liability has been disclosed below.

OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage.

Note 9 – Defined Benefit OPEB Plans (Continued)

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 2018, .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 2018, this amount was $23,700. 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 2018, the District's surcharge obligation was $46,567.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $0 for fiscal year 2018.

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.

Note 9 – Defined Benefit OPEB Plans (Continued)

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, 2018, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability - 2017	$ 2,298,833	$ 3,388,520	$ 5,687,353
Proportion of the Net OPEB Liability - 2017	0.0856579%	0.08684880%	
Proportion of the Net OPEB Liability - 2016	0.0867887%	0.08637028%	
Change in Proportionate Share	-0.0011308%	0.00047852%	

Actuarial Assumptions - SERS

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

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

Note 9 – Defined Benefit OPEB Plans (Continued)

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 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.

Note 9 – Defined Benefit OPEB Plans (Continued)

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

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 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 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection.

The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

Note 9 – Defined Benefit OPEB Plans (Continued)

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	$2,776,134	$2,298,833	$1,920,689

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	$1,865,331	$2,298,833	$2,872,581

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, 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
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 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, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Note 9 – Defined Benefit OPEB Plans (Continued)

Since the prior measurement date, 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.

Also since the prior measurement date, 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 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

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

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

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

Note 9 – Defined Benefit OPEB Plans (Continued)

Discount Rate The 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 not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of 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 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. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability 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 (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	$4,549,033	$3,388,520	$2,471,335

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$2,354,198	$3,388,520	$4,749,808

Note 10 - Long Term Obligations

The changes in the District's long-term obligations during the fiscal year consist of the following:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Government Activities					
Construction & Improvement Refunding Bonds Mature 10/2023; 1.00%-3.50%	$ 2,439,997	$ -	$ 360,000	$ 2,079,997	$ 94,997
Permanent Improvement Tax Anticipation Notes Mature 12/2020; 1.00%-4.50%	845,000	-	200,000	645,000	205,000
2013 Energy Conservation Bonds Mature 12/2028; 1.00%-4.00%	1,625,000	-	125,000	1,500,000	125,000
House Bill 264 Energy Conservation Note Mature 12/2032; 2.87%	2,021,857	-	54,568	1,967,289	106,625
Total	$ 6,931,854	$ -	$ 739,568	$ 6,192,286	$ 531,622

During fiscal year 2012, the District issued $4,194,997 in Construction & Improvement Refunding Bonds which consisted of $4,100,000 in serial bonds and $94,997 in capital appreciation bonds. The capital appreciation bonds will mature on October 1, 2018. These bonds were purchased at a discount at the time of issuance and, at maturity all compound interest is paid and the bond holder collects the face value. However, since interest is technically earned and compounded semi-annually, the value of the bond increases. The maturity amount of these bonds is $370,000.

The Construction & Improvement Refunding Bonds were issued to refund the outstanding balance of the School Facilities Construction Bonds ($4,195,000). This refunding was undertaken to take advantage of lower interest rates. The total debt service payments were reduced by $460,607 and the present value of this reduction resulted in an economic gain of $386,857. These bonds are direct obligations of the District for which its full faith, credit, and resources are pledged and are payable from taxes levied on all taxable property within the District.

During fiscal year 2012, the District also issued $2,000,000 in Permanent Improvement Tax Anticipation Notes. The proceeds of the notes were used for permanent improvements made by the District. These notes are special obligations of the District for which the receipts of a 4.2 mill permanent improvement levy are pledged and are payable from taxes levied on all taxable property within the District.

On November 14, 2013, the District issued $1,915,947 in energy conservation improvement bonds which consisted of $960,000 in serial bonds, $875,000 in term bonds, and $80,947 in capital appreciation bonds. The capital appreciation bonds matured on December 1, 2016.

Note 10 - Long Term Obligations (Continued)

On June 30, 2017, the District entered into a note with Huntington Bank for $2,021,857 for the acquisition and installment of energy management measures in five District school buildings. The note will mature on December 15, 2032 in the amount of $80,015.

Debt service requirements to maturity on the debt, principal and interest, are as follows:

Fiscal Year Ending June 30	Principal	Interest
2019	$ 531,622	$ 465,711
2020	814,707	171,582
2021	847,879	144,605
2022	641,142	119,960
2023	659,499	99,016
2024-2028	1,786,348	270,440
2029-2033	911,089	63,746
	$ 6,192,286	$ 1,335,060

Note 11 – Lease Obligations

The District has entered into capitalized leases for copiers and buses.

Due to the District reporting on the cash basis of accounting, the accompanying copiers and buses are not reflected as assets and liabilities within the accompanying financial statements. Principal and interest payments associated with outstanding lease obligations are paid by the General Fund and the Bond Retirement Fund.

In fiscal year 2018, the District made lease payments totaling $114,178 in principal and $6,646 in interest.

The agreements provide for minimum annual rental payments as follows:

Fiscal Year Ending June 30	Principal	Interest
2019	$ 84,311	$ 4,009
2020	86,290	2,030
	$ 170,601	$ 6,039

Note 12 - Jointly Governed Organizations

A. Metropolitan Educational Technology Association

The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost- effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. Financial information can be obtained from META's Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

B. Central Ohio Special Education Regional Resource Center

The Central Ohio Special Educational Regional Resource Center (COSERRC) provides special education services at a regional level and assists Districts in complying with the mandates of P.L. 101-476 and P.L. 99-457 for educating children with disabilities. There is no financial commitment by the District for its participation in the projects. The District has one representative on the governing board. The District did not make any contributions to COSERRC during the fiscal year. Further information may be obtained by contacting the Central Ohio Special Education Regional Resource Center at 470 Glenmont Avenue, Columbus, Ohio 43214.

Note 13 – Insurance Purchasing Pools

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool.

The GRP'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 Districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 14 - Contingencies

A. Grants The District received financial assistance from federal and state agencies in the form of grants. The cash disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at fiscal year-end.

B. ***Litigation*** There are currently a few matters of litigation with the District as a defendant. It is the opinion of management that the potential claims against the District not covered by insurance would not materially affect the financial statements.

C. Foundation Funding District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2015-2016 school year, traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE adjustments for fiscal year 2018 have been finalized. The impact of the FTE adjustments does not have a material impact on the 2018 financial statements.

Note 15 - Set asides

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

Set-aside Reserve Balance as of June 30, 2017	$ -
Current Year Set-aside Requirement	404,273
Current Year Offsets	(865,131)
Qualifying Disbursements	-
Total	$ (460,858)

Although the School District had qualifying offsets during the fiscal year that reduced the set-aside amount below zero for the capital improvements set-aside, this amount may not be used to reduce the set aside requirement of future years. The negative balance is therefore not presented as being carried forward to future fiscal years.

Note 16 – Contractual Commitments

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 fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Funds	
General Fund	$ 257,697
Other Governmental Funds	552,388
Total Governmental Funds	810,085
Private Purpose Trust Fund	7,850
Agency Fund	3,570
Grand Total	$ 821,505

Note 17 – Budgetary Basis of Accounting

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

The difference between the budgetary basis and the modified cash basis is outstanding fiscal year-end encumbrances which are treated as cash disbursements (budgetary basis) rather than as restricted or assigned fund balance (modified cash basis). In addition, differences may exist based on fund type reporting criteria between the modified cash basis financial statements and budgetary basis financial statements. The budgetary comparison information presented at June 30, 2018 for the General Fund represents the legally adopted budget for the General Fund without modification for any other funds combined with the General Fund for reporting purposes. The District's Public School Support Fund is presented as part of the District's General Fund in the fiscal year-end financial statements.

	General Fund
Change in Fund Balance	$ (524,357)
Public School Support Fund	(14,898)
Encumbrances	(257,697)
Change in Fund Balance - Budgetary Basis	$ (796,952)

Note 18 – Restatement of Fund Balance

The District's House Bill 264 – Energy Conservation Fund is not required to be reported as a major fund in fiscal year 2018. Therefore, the District reclassified the House Bill 264 – Energy Conservation Fund from a major fund to Other Governmental Funds. The reclassification of the fund balance resulted in changes to beginning of year balances as detailed below:

	House Bill 264 Energy Conservation Fund	Other Governmental Funds
Fund Balance, June 30, 2017	$ 1,353,360	$ 221,142
Reclassification of Fund	(1,353,360)	1,353,360
Fund Balance, July 1, 2017	$ -	$ 1,574,502

Note 19 – Changes in Accounting Principles

For fiscal year 2018, the District has implemented the following:

GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB) and improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities by establishing new accounting and financial reporting requirements for OPEB plans. The implementation of this statement did not have an effect on the financial statements of the District.

GASB Statement No. 81 "Irrevocable Split-Interest Agreements" improves financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement did not have an effect on the financial statements of the District.

GASB Statement No. 85 "Omnibus 2017" addresses practice issues that have been identified during implementation and application of certain GASB Statements. Specific issues discussed relate to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The implementation of this statement did not have a significant effect on the financial statements of the District.

GASB Statement No. 86 "Certain Debt Extinguishment Issues" improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this statement did not have an effect on the financial statements of the District.

Note 20 – Subsequent Event

On December 12, 2018, the District issued $1,500,000 in tax anticipation notes in anticipation of the settlement of taxes for fiscal year 2019 as estimated by the budget commission. The tax anticipation notes will mature on June 28, 2019.

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NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR ***Pass-Through Grantor*** **Program/Cluster Title**	**Federal CFDA Number**	**Pass-Through Entity Identifying Number**	**Total Federal Receipts**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
School Breakfast Program	10.553	2017/2018	$24,301	$24,301
National School Lunch Program	10.555	2017/2018	43,201	43,201
Non-Cash Assistance Subtotal			67,502	67,502
Cash Assistance:				
School Breakfast Program	10.553	2017/2018	309,408	309,408
National School Lunch Program	10.555	2017/2018	378,756	378,756
Cash Assistance Subtotal			688,164	688,164
Total Child Nutrition Cluster			755,666	755,666
Total U.S. Department of Agriculture			755,666	755,666
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education:				
Title I Grants to Local Educational Agencies	84.010	2018	398,217	398,217
Total Title I Grants to Local Educational Agencies			398,217	398,217
Special Education Cluster:				
Special Education - Grants to States	84.027	2018	457,987	457,987
Total Special Education Cluster			457,987	457,987
Twenty-First Century Community Learning Centers	84.287	2017	0	743
		2018	370,633	326,108
Total Twenty-First Century Community Learning Centers			370,633	326,851
Improving Teacher Quality State Grants	84.367	2018	63,207	68,087
Total Improving Teacher Quality State Grants			63,207	68,087
Student Support and Academic Enrichment Program	84.424	2018	10,000	10,000
Total Student Support and Academic Enrichment Program			10,000	10,000
Total U.S. Department of Education			1,300,044	1,261,142
Total Receipts and Expenditures of Federal Awards			**$2,055,710**	**$2,016,808**

The accompanying notes are an integral part of this Schedule.

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Northern Local School District, Perry County, Ohio (the District), under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

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

Northern Local School District
Perry County
8700 Sheridan Road, NW
Thornville, Ohio 43076

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 modified cash basis-financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Local School District, Perry County, Ohio (the District), as of and for the year end June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 27, 2019, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2018-001 through 2018-003.

District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan. We did not subject the District's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 27, 2019

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

Northern Local School District
Perry County
8700 Sheridan Road, NW
Thornville, Ohio 43076

To the Board of Education:

Report on Compliance for each Major Federal Program

We have audited the Northern Local School District's, Perry County, Ohio (the District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the 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 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 District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on Title I

As described in Finding 2018-004 in the accompanying Schedule of Findings, the District did not comply with requirements regarding cash management and reporting applicable to its Title I major federal program. Compliance with these requirements are necessary, in our opinion, for the District to comply with requirements applicable to this program.

Qualified Opinion on Title I

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Title I* paragraph, the District complied, in all material respects, with the requirements referred to above that could directly and materially affect its Title I major federal program for the year ended June 30, 2018.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the District complied in all material respects with the requirements referred to above that could directly and materially affect its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended June 30, 2018.

Other Matters

The District's response to our noncompliance finding is described in the accompanying Corrective Action Plan. We did not subject the District's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected or corrected. A *significant deficiency in internal over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a 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 was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.

However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying Schedule of Findings as item 2018-004.

The District's response to our internal control over compliance finding is described in the accompanying Corrective Action Plan. We did not subject the District's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 27, 2019

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NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018

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)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(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**	Nutrition Cluster - Unmodified Title I – Qualified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):** • Child Nutrition Cluster – CFDA Nos. 10.553 and 10.555 • Title I Grants to Local Educational Agencies – CFDA No. 84.010	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2018-001

Noncompliance

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

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

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

FINDING NUMBER 2018-001 (Continued)

Noncompliance (Continued)

The District prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting Standards Board Statement No. 34, report on the basis of cash receipts and cash disbursements, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

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

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2018-002

Noncompliance

Ohio Rev. Code § 5705.10(I) states that money paid into any fund shall be used only for the purposes for which such fund is established. Ohio Rev. Code § 3315.20 states that a school district may have a deficit in any special fund of the district only if both of the following conditions are satisfied:

(A) The District has a request for payment pending with the state sufficient to cover the amount of the deficit and there is a reasonable likelihood that the payment will be made; and,
(B) The unspent and unencumbered balance in the District's General Fund is greater than the aggregate of deficit amounts in all of the District's special funds.

We noted the following funds had negative cash fund balances at month-end for the selected dates tested:

Date	Fund (No.)	Negative Fund Balance
October 31, 2017	Permanent Improvement (003)	$105,325
	Food Service (006)	38,431
	Self-Insurance (024)	847,144
January 31, 2018	Permanent Improvement (003)	120,469
	Self-Insurance (024)	826,481
April 30, 2018	Self-Insurance (024)	768,999
	Title II (590)	19,516
June 30, 2018	Self-Insurance (024)	1,587,110

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

FINDING NUMBER 2018-002 (Continued)

Noncompliance (Continued)

In addition, the District's Self Insurance Internal Service Fund reflects a negative cash balance of $1,907,883 on the accompanying financial statements as of June 30, 2018.

The aforementioned conditions were not met as sufficient outstanding requests were not in place to cover the deficit balances. Negative fund cash balances indicate that money from one fund was used to cover the expenses of the negative balance funds.

The Treasurer should monitor activity in the funds to ensure that money paid into funds is only being used for the purposes for which such funds are established.

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2018-003

Noncompliance

Ohio Rev. Code § 9.833 states such funds shall be reserved as are necessary, in the exercise of sound and prudent actuarial judgment, to cover potential cost of health care benefits for the officers and employees of the political subdivision. A certified audited financial statement and a report of amounts so reserved and disbursements made from such funds, together with a written report of a member of the American academy of actuaries certifying whether the amounts reserved conform to the requirements of this division, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles, shall be prepared and maintained, within ninety days after the last day of the fiscal year of the entity for which the report is provided for that fiscal year, in the office of the program administrator described in division (C)(3) of this section.

The actuarial report was provided indicating the minimum requirements under their interpretation of § 9.833 of the Ohio Revised Code were not satisfied.

Based upon the actuarial report, as of June 30, 2018, the District's reported reserved funds available to pay Incurred But Not Report (IBNR) claims was ($1,587,110), as determined based upon analysis of historic claims data and generally accepted actuarial principles. Estimated IBNR claims as of June 30, 2018 were $465,664. Funds were not reserved as necessary to cover potential cost of health care benefits for the officers and employees of the District.

The Board of Education should address self-insurance rates and perform appropriate adjustments as needed to ensure that the District has the required reserved funds available to cover current claims and incurred but not reported claims.

Officials' Responses: See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2018-004		
CFDA Title and Number	Title I Grants to Local Educational Agencies – CFDA No. 84.010		
Federal Award Identification Number / Year	2018		
Federal Agency	U.S. Department of Education		
Compliance Requirement	Cash Management and Reporting		
Pass-Through Entity	Ohio Department of Education		
Repeat Finding from Prior Audit?	No	**Finding Number (if repeat)**	

Noncompliance and Material Weakness

2 C.F.R. § 200.302(b)(2) requires the financial management system of each non-Federal entity provide for accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with the required reporting requirements. Furthermore, 2 C.F.R. § 200.305 requires a non-Federal entity paid in advance to maintain or demonstrate a willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity and financial systems that meet the standards for fund control and accountability. Advance payments must be limited to the minimum amounts needed and be timed in accordance with the actual immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project.

In addition, the Ohio Department of Education (ODE) Project Cash Request Instructions provides detail on how to complete the Cash Balance on Hand section of the Project Cash Request (PCR). The instructions indicate that the Cash Balance on Hand is the unexpended portion of project cash received to date (cash received minus total cash basis expenditures).

The District was required to request from ODE the payment of project funds utilizing a PCR form. The District’s accounting system reports receipts and expenditures for the Title I Grant; however, for the seven PCR forms tested for the Title I Grant, the Cash Balance on Hand reported on the PCR forms did not agree to the District's underlying financial records as follows:

PCR Date	Cash Balance on Hand Reported on the PCR	Current Fund Balance per District Accounting System	Variance
November 2017	($117,525)	($87,272)	($30,253)
December 2017	(53,504)	(3,380)	(50,124)
January 2018 #1	(12,399)	37,555	(49,954)
January 2018 #2	(97,357)	22,869	(120,226)
March 2018	(16,870)	(24,345)	7,475
May 2018	(81,432)	(93,662)	12,230
June 2018	(19,131)	(41,159)	22,028

3. FINDINGS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2018-004

Noncompliance and Material Weakness – Cash Management and Reporting (Continued)

Furthermore, year-to-date financial reports were not maintained to support exact amounts reported as cash balance on hand on each of the PCRs tested.

The variances appeared to result from the Treasurer recording all expenditures for eligible activities, including non-Federal expenditures, in the federal Title I Fund. The Treasurer subsequently posts adjusting entries to adjust the grant expenditures down to amounts received.

We recommend the Treasurer ensure cash on hand reported on PCR forms are accurate and agree to the underlying financial records. Financial reports should be maintained on file to support amounts presented and submitted on the District's PCR forms.

Officials' Response: See Corrective Action Plan.

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Northern Local Schools

Administrative Offices
8700 Sheridan Road NW
Thornville, Ohio 43076
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Fax: (740) 743-3301
Website: http://www.nlsd.k12.oh.us

NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR PART 200.511 (b)
JUNE 30, 2018

Finding Number	Finding Summary	Status	Additional Information
2017-001	A material noncompliance citation was issued under Ohio Rev. code S 117.38 and Ohio Admin. Code S 117-2-03(B) for not preparing the annual financial report pursuant to generally accepted accounting principles. The District has always reported following the cash basis.	Not Corrected	Expenditure for this is not justifiable.
2017-002	A material noncompliance citation was issued under Ohio Rev. code S 5705.10(I) for having negative fund balances. This finding was first reported in the fiscal year 2011 audit.	Not corrected	District is waiting on a settlement of an insurance claim and grant funds awaiting release.
2017-003	A material weakness and noncompliance citation was issued under Ohio Rev. Code S 9.833 for not having the minimum required reserve to cover potential cost of health care. This finding was first reported in the fiscal year 2017 audit.	Not corrected	District is waiting on an insurance settlement and large claims hit in the month of June.
2017-004	A material weakness and noncompliance	Corrected	

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	citation was issued under 7 C.F.R. Part 10.553 and 10.555 for not charging the minimum price for lunches per the paid lunch equity calculation. This finding was first reported in the fiscal year 2017 audit.		

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NORTHERN LOCAL SCHOOL DISTRICT
PERRY COUNTY

CORRECTIVE ACTION PLAN
2 CFR PART 200.511 (C)
JUNE 30, 2018

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	District has elected to not file annual financial reports on a generally accepted accounting principles basis due to the cost prohibitive nature of both the report and the additional audit fees	N/A	Treasurer
2018-002	District will monitor activity in funds to ensure that monies paid is only being used for the purposes for which the funds are established.	06/30/2019	Treasurer
2018-003	District will review rates and make appropriate adjustments as needed to ensure that required funding is available to cover claims	06/30/2019	Treasurer
2018-004	Reports will be maintained to ensure accuracy of PCR's.	06/30/2019	Treasurer

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OHIO AUDITOR OF STATE
KEITH FABER

NORTHERN LOCAL SCHOOL DISTRICT

PERRY 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
APRIL 9, 2019

88 East Broad Street, Columbus, Ohio 43215
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