



OHIO AUDITOR OF STATE  
**KEITH FABER**





OAK HILLS LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	Under separate cover
Prepared by Management:	
Comprehensive Annual Financial Report.....	Under separate cover
Schedule of Expenditures of Federal Awards .....	1
Notes to the Schedule of Expenditures of Federal Awards.....	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	3
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	5
Schedule of Findings.....	9

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**OAK HILLS LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	\$89,588
Cash Assistance:			
School Breakfast Program	10.553	3L70	105,605
National School Lunch Program	10.555	3L60	480,975
Special Milk Program for Children	10.556	3L60	4,956
Total Child Nutrition Cluster			<u>681,124</u>
Total U.S. Department of Agriculture			<u>681,124</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education-Grants to States	84.027	3M20	1,984,736
Special Education-Preschool Grants	84.173	3C50	33,855
Total Special Education Cluster			<u>2,018,591</u>
Title I Grants to Local Educational Agencies	84.010	3M00	1,117,664
English Language Acquisition State Grants	84.365	3Y70	10,542
Supporting Effective Instruction State Grants	84.367	3Y60	180,055
Student Support and Academic Enrichment Program	84.424	3H10	93,127
Passed Through Great Oaks Career Campuses:			
Career & Technical Education Basic Grants to States	84.048	N/A	<u>2,000</u>
Total Department of Education			<u>3,421,979</u>
Total Federal Assistance			<u>\$4,103,103</u>

See accompanying notes to the schedule of expenditures of federal awards.

**OAK HILLS LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Oak Hills Local School District (the District) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the 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**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - 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 D – 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.

# OHIO AUDITOR OF STATE KEITH FABER



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

Oak Hills Local School District  
Hamilton County  
6325 Rapid Run Road  
Cincinnati, Ohio 45233

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Oak Hills Local School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2019.

### ***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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

December 19, 2019



# OHIO AUDITOR OF STATE KEITH FABER



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

Oak Hills Local School District  
Hamilton County  
6325 Rapid Run Road  
Cincinnati, Ohio 45233

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

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

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

***Opinion on the Major Federal Program***

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

***Report on Internal Control Over Compliance***

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

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

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

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

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Oak Hills Local School District, Hamilton County, Ohio, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 19, 2019. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management 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 other additional procedures 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.



Keith Faber  
Auditor of State

Columbus, Ohio

December 19, 2019

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**OAK HILLS LOCAL SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2019**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

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*Comprehensive Annual Financial Report*

Fiscal Year 2019

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**OAK HILLS LOCAL SCHOOL DISTRICT**  
**Cincinnati, Ohio**

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**Comprehensive Annual Financial Report**  
**For The Fiscal Year Ended June 30, 2019**

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**Prepared By:**  
**Office Of The Treasurer**  
**Steven R. Bain, Treasurer**

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**TABLE OF CONTENTS**

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	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	vii
List of Principal Officials	xv
Organizational Chart	xvi
GFOA Certificate of Achievement for Excellence in Financial Reporting	xvii
ASBO Certificate of Excellence in Financial Reporting	xviii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Fund	20
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	21
Statement of Cash Flows - Proprietary Fund	22
Statement of Fiduciary Net Position - Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	24
Notes to the Basic Financial Statements	25
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability - STRS	62
Schedule of the District's Proportionate Share of the Net Pension Liability - SERS	63
Schedule of District Contributions for Net Pension Liability- STRS	64
Schedule of District Contributions for Net Pension Liability - SERS	65
Schedule of the District's Proportionate Share of the Net OPEB Liability - STRS	66
Schedule of the District's Proportionate Share of the Net OPEB Liability - SERS	67
Schedule of District Contributions for OPEB - STRS	68
Schedule of District Contributions for OPEB - SERS	69
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	70
Notes to the Required Supplementary Information	71
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds	77
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	79

**TABLE OF CONTENTS**

---

	<u>Page</u>
Nonmajor Special Revenue Funds	
Fund Descriptions	81
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	84
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Student Activity	86
Auxiliary Services	87
Data Communications	88
Miscellaneous State Grants	89
Special Education	90
Vocational Education	91
Title I	92
IDEA Preschool Grant	93
Improving Teacher Quality	94
Miscellaneous Federal Grants	95
Food Service	96
Title III	97
Nonmajor Debt Service Fund	
Fund Description	98
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Debt Service Fund	99
Nonmajor Capital Projects Funds	
Fund Description	100
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement	101
Other General Funds	
Fund Description	102
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Non-GAAP Budgetary Basis):	
Public School	103
State Subdivision	104
Uniform School Supply	105
Nonmajor Fiduciary Funds	
Fund Descriptions	106
Statement of Changes in Assets and Liabilities	107

**TABLE OF CONTENTS**

---

	<u>Schedule</u>	<u>Page</u>
<b>STATISTICAL SECTION</b>		
Statistical Narrative		109
Net Position by Component	1	110
Expenses, Program Revenues and Net (Expense)/Revenue	2	111
General Revenues and Total Change in Net Position	3	112
Fund Balances - Governmental Funds	4	113
Governmental Funds Revenues	5	114
Governmental Funds Expenditures and Debt Service Ratio	6	115
Other Financing Sources and Uses and Net Change in Fund Balances	7	116
Assessed Value and Estimated Actual Value of Taxable Property	8	117
Direct and Overlapping Property Tax Rates	9	118
Principal Property Tax Payers	10	119
Property Tax Levies and Collections	11	120
Outstanding Debt by Type	12	121
Direct and Overlapping Governmental Activities Debt	13	122
Legal Debt Margin Information	14	123
Demographic and Economic Statistics	15	124
Major Employers	16	125
Full-Time Equivalent District Employees by Type	17	126
Operating Statistics	18	127
School Building Information	19	128

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# INTRODUCTORY SECTION



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December 19, 2019

To the Citizens and Board of Education of the Oak Hills Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Oak Hills Local School District (District) for the fiscal year ended June 30, 2019. This report was prepared by the Treasurer's office in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and includes an unmodified opinion from the Auditor of State. Responsibility for accurate, complete and fair representation of data, including all disclosures, rests with the District. This report will provide the taxpayers of the Oak Hills Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

The District provides a full range of traditional and 21<sup>st</sup> century educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advance placement, gifted, special education and vocational levels; a broad range of co-curricular and extra-curricular activities; and adult and community education offerings and community recreation activities.

In addition to these general activities, the District acts as the fiscal agent for State funds distributed to non-public parochial schools located within the District boundaries. This activity is included in the District's reporting entity as Auxiliary Services, a special revenue fund, because the District has administrative involvement in the programs. The schools served are: Our Lady of Victory, Our Lady of Visitation, St. Aloysius Gonzaga, St. Dominic, St. Jude and the Children's House. While these organizations are similar in operations and services provided, each is distinct and separate entities whose financial statements are not included in this report.

## **ECONOMIC CONDITION AND OUTLOOK**

The District is located in southwestern Ohio, a suburb of Cincinnati, in the southwestern part of Hamilton County. Approximately 88% of the District's tax base consists of residential and agricultural properties with the remainder composed of a wide range of commercial and other business properties. The overall economic outlook for the area remains stable with relatively low unemployment rates and low inflationary pressures.

The Oak Hills school community has high expectations for the District. We strive to provide the best educational opportunities to every student with the resources we are provided. For the 2018-19 school year, Oak Hills earned the following letter grades on the state report card: Achievement: C, Progress: B, Graduation Rate: A, Gap Closing: A and Prepared for Success: D. Oak Hills earned these high ratings while maintaining one of the lowest expenditures per pupil in Hamilton County and maintaining a cost per pupil lower than the state average.

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. Since the 1970s through FY 2009, with the exception of a few years, Ohio's funding formula was foundation based by means of which a per pupil amount determined by the General Assembly as the per-pupil resource for provision of a basic adequate education was multiplied by the number of pupils to determine the base funding of the school districts. From this product, the local share of the basic adequate amount (or the charge off) was subtracted to arrive at the state share of the base funding. Additional funding was also provided for services targeted to categories of pupils such as handicapped, vocational, gifted, and economically disadvantaged as well as some adjustments and funding guarantees. The 2010-11 biennial budget (Am. Sub. H.B. 1 of the 128th General Assembly), established a new funding formula called the Evidence-Based Model (EBM). Am. Sub. H.B. 153 of the 129th General Assembly repealed the EBM and implemented a temporary funding formula for the 2012-13 biennial budget as a new school funding formula is developed. The temporary formula was called the Bridge formula. The Bridge formula provided for a simplified approach to fund distribution based on FY 2011 total calculated amounts on per pupil basis for both FY 2012 and FY 2013. However, the State revised the funding model in June, 2013 and adopted HB 59, the FY 14 and FY 15 biennium budget which again changed our funding formula, but not our funding. Under this new model, the District received minimal increases in our level of State funding. For fiscal years 2018 and 2019, the District received approximately a 3% increase in gross funding under House Bill 49. House Bill 49 considers enrollment and valuation when determining allocations to each school district. The projected increase for the current biennium budget (House Bill 166) is 1.8% for fiscal year 2020 and 0.7% for fiscal year 2021. Of importance, readers of this document must understand that these increases are gross increases in revenues. The State also deducts from school districts for voucher students, community school students and open enrollment students. After deducting funds for these students, the District has averaged less than a 1% increase in annual funding from the State. State funding represents 40% of the District's overall funding.

Given the uncertainty of the school funding formula and the economic conditions within the State, the level at which the State will fund schools in the future remains uncertain. The District remains concerned about the instability of the state economy and the political ramifications of changing the funding formula every two years. We plan carefully and prudently to provide resources to meet the needs of our students but the uncertainty of state funding challenges our planning.

## THE DISTRICT AND ITS FACILITIES

The Oak Hills Local School District represents a prior consolidation of three elementary districts: Bridgetown, Delhi and Springmyer. The consolidation was finalized by the Hamilton County Board of Education on April 23, 1956 in order to equalize educational opportunities throughout the area. Today, the District operates under current standards as prescribed by the State of Ohio Board of Education, as provided in Division (D) of Section 3301.07 and Section 110.01 of the Ohio Revised Code.

The District serves an area of 28 square miles, encompassing Delhi and Green Townships in Hamilton County. The total District population is reported at 87,880 by census data. During the 2018-19 school year, the District served 7,784 students enrolled in five elementary schools, three middle schools and the one of the largest high school's in the State of Ohio (over 2,000 students). Enrollment has remained stable over the last decade and is projected to vary only slightly over the next five years. See schedule 19 for additional information (age, capacity, etc.) on the District's school buildings.

The District also operates a variety of other facilities, including: a district office administration building, a maintenance building, a bus compound, and several athletic stadiums across the District.

## ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education of the Oak Hills Local School District is a five member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board: (1) serves as the taxing authority, contracting body and policy maker, (2) ensures that all the general laws of the State of Ohio are followed in the expenditures of the District's tax dollars, (3) approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions in the community. The board members on June 30, 2019, were as follows:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Mrs. Jan Hunter	01/01/16 – 12/31/19	17.5
Mr. Paul Cooper	01/01/16 – 12/31/19	3.5
Mrs. Jeannie Schoonover	01/01/18 – 12/31/21	9.5
Mrs. Julie Murphy	01/01/18 – 12/31/21	5.5
Mr. Scott Bischoff	01/01/18 – 12/31/21	5.5

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Jeff Brandt was appointed Superintendent effective January 2, 2017. Mr. Brandt's current contract expires on July 31, 2025. Mr. Brandt received a Bachelor of Science Degree from Northern Kentucky University and a Master of Education degree from Xavier University. Prior to being named Superintendent, Mr. Brandt served in several administrative positions in the Oak Hills Local School District.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mr. Steven R. Bain was appointed Treasurer on August 1, 2014. The Board of Education unanimously approved a 5 year contract to retain Mr. Bain through July 31, 2023. Mr. Bain received his B.A. degree from the College of Mt. St. Joseph, and has an Ohio Treasurer License. Mr. Bain served as the Assistant Treasurer for Oak Hills Local School District from 2005-2013, as well as the Treasurer of Southwest Local School District for the 2013-14 school year.

## **EMPLOYEE RELATIONS**

The District has over 900 full and part-time employees. This number has decreased slightly over the past few years as part of a concentrated effort to reduce expenditures. There are two organizations representing the certificated and classified employees. The District's administrative employees are not currently represented.

The Oak Hills Education Association (OHEA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. The collective bargaining agreement between the OHEA and the District included a term of 3 years for fiscal years 2018, 2019, & 2020. OHEA was provided a 2.25% increase (plus steps) for each year of the current contract.

Classified employees are represented by Chapter 200 of the Ohio Association of Public School Employees (OAPSE), an affiliate of the American Federation of State, County and Municipal Employees (AFSCME). OAPSE Chapter 200 represents food service employees, custodians, maintenance employees, building secretaries, mechanics, bus drivers, educational assistants and system support technicians. The collective bargaining agreement between OAPSE Chapter 200 and the District includes a 1 year agreement, ending on June 30, 2020. Wages for fiscal year 2020 include an increase of 2.25% plus steps.

## **SERVICES PROVIDED**

The District offers regular instructional programs daily to students in grades Pre-K – 12. 290 students participate in specific trades offered through the vocation education program at Great Oaks Institute of Technology and Career Development. Approximately 1,200 students receive special services due to physical or mental disabilities. In grades K-12, we service 904 gifted students.

The District provides a wide variety of education and support services, as mandated by the Ohio Revised Code and as directed by the Board to meet the needs of all students. Student services include guidance, psychological, speech therapy, physical and occupational therapy, transportation, and school lunch. Limited health services are also provided under the guidance of registered nurses throughout the District.

During the 2018-19 school year, the accounting department processed over 4,300 purchase orders and issued over 4,100 checks for good and/or services for the District. Those goods and services include utilities, instructional supplies, computers, software, textbooks, building maintenance, and tuition.

The payroll department issued 24,434 payroll checks to employees entitled to remuneration for services rendered, while 971 agency deduction checks were also issued for payroll-associated costs such as taxes, retirement, and insurance.

## **MAJOR CURRENT AND FUTURE INITIATIVES**

### Curriculum Initiatives

“All students attending the Oak Hills Local School District achieve success by graduating with individual skills for career and college readiness and global competence” is the mission statement for the District. As such, we offer rigorous academics and relevant educational experiences. Relationships formed with the larger community help prepare our students for a 21<sup>st</sup> century global marketplace.

Educational opportunities abound for students with Advanced Placement, dual enrollment, gifted programs, special education services, vocational options, and community education. These successful programs are guided by caring, highly qualified teachers and supported by staff that understand and are committed to meeting the needs of each and every child. Among the best, we continue to strive for better.

The District has adopted the Ohio Learning Standards and increased the rigor of curriculum, instruction and assessment. The District revised its curriculum maps and provided professional learning for staff to meet these more rigorous standards. There has also been a significant increase of technology being used to improve teaching and learning.

Due to a competitive global economy and the growing need for a highly skilled workforce, Oak Hills is dedicated to ensuring that all students graduate career and college ready. In grades 6 – 12, the District continued the process of aligning curriculum, instruction, and assessment to Ohio’s learning standards. Our high school is proud to offer a variety of College Board Advanced Placement courses where students can earn both high school and college credit in all available academic disciplines. We have also partnered with Cincinnati State and the University of Cincinnati to offer courses taught by adjunct faculty in the District. Students can earn college and high school credit in these College Credit Plus courses. In addition to course offerings, we offer a variety of Educational Pathways that provide students with an opportunity to focus in a concentrated academic field that could lead to potential college majors or careers.

The expansion of eLearning continues to be a key initiative for Oak Hills. The district offers eLearning opportunities for students, including online and blended courses. As the district continues to develop eLearning opportunities, gaming and coding will become pathways for student pursuit. The District has also implemented a 1:1 student to device ratio.

## **RELEVANT FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING**

The District placed a 4.82 mill emergency general fund operating levy (*5 year term*) in November 2013. The community supported the 4.82 mill levy in November 2013, and as a result the levy passed. This 4.82 mill levy was the first tax increase since the millage transfer in 2007 which established a permanent improvement fund to set aside funds for facility, transportation, curriculum, technology and maintenance needs. Collection for the November 2013 4.82 mill levy began in January 2014. The increases in the general property tax line item from Fiscal Year 2013 to Fiscal Year 2015 are a direct reflection of the passage of the 4.82 mill levy in November 2013.

In May 2017, the District requested a 4.82 mill substitute levy from the community. The results of this vote indicated that 48 of 50 precincts supported the substitute levy & the levy passed by a wide margin. Assuming the property valuation of the taxpayer remains stable; *the substitute levy will not increase taxes*. The emergency levy supported in 2013 will expire in 2018 & the substitute levy will begin collection in 2019 (meaning there will be a seamless transition to the property tax line item). The substitute levy will be a continuous levy.

The District is grateful for the community’s support of the 4.82 mill substitute levy in May 2017. The support of our community will allow the District to continue to move forward providing the excellent education our students deserve. The current forecast projects deficit spending beginning in Fiscal Year 2020, and continuing in Fiscal Year 2021 and 2022.

In an effort to address the projected deficit spending levels and to address the concern of student safety, the District placed a 4.9 mill operating levy on the August 7, 2018 election. The operating levy was defeated. The District will evaluate all programs, including staffing levels, and make recommendations on a request from the community and/or reductions to budgets.

## **FINANCIAL INFORMATION**

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. The Budgetary basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROL**

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. Appropriations are monitored, changed and amended/adopted on a monthly basis.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The basis of accounting and the various funds utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the required supplementary information.

## **INDEPENDENT AUDIT**

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The Auditor of State performed the audit for the fiscal year ended June 30, 2019. The auditor's unmodified opinion rendered on the District's basic financial statements is included in the financial section of this Comprehensive Annual Financial Report.

## **AWARDS**

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

### **ASBO Certificate of Excellence**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2018, to the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, will again conform to ASBO's principles and standards as well, and will be submitted to ASBO for review.

## **ACKNOWLEDGEMENTS**

The preparation of the fiscal year 2019 Comprehensive Annual Financial Report of the Oak Hills Local School District was made possible by the combined efforts of the District Treasurer's Office staff and Plattenburg & Associates, Inc. Sincere appreciation is extended for the time and effort they contributed to prepare this report. Appreciation is also extended to the Board of Education, the District Administrative Team and the Oak Hills school community for their continued support.

The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully Submitted,

  
Steven R. Bain  
Treasurer

  
Jeffrey T. Brandt  
Superintendent

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**Oak Hills Local School District, Ohio  
List Of Principal Officials  
June 30, 2019**

**Board Of Education**

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<b>President</b>	<b>Jeannie Schoonover</b>
<b>Vice President</b>	<b>Janice Hunter</b>
<b>Board Member</b>	<b>Scott Bischoff</b>
<b>Board Member</b>	<b>Julie Murphy</b>
<b>Board Member</b>	<b>Paul Cooper</b>

**Administrative Officials**

---

<b>Superintendent</b>	<b>Jeffrey T. Brandt</b>
<b>Treasurer</b>	<b>Steven R. Bain</b>



**Board of Education**

Jan Hunter - President  
 Jeannie Schoonover - Vice-President  
 Paul Cooper - Board Member  
 Julie Murphy - Board Member  
 Scott Bischoff - Board Member

**Superintendent**  
 Jeff Brandt

**Treasurer**  
 Steve Bain

**Assistant Superintendent**  
 Tim Cybulski

**Assistant Treasurer**  
 Jamie Behrle

**Accounts Payable**  
**Student Activity**  
**Payroll**  
**Insurance/Benefits**

**Director of HR**  
 Dan Beckenhaupt

**Director of CIA**  
 Amy Brennan  
 (9-12)

**Director of CIA**  
 Corey Kessler (K-8)

**Director of Learning**  
 Innovation  
 Bridgette Ridley

**Coordinator of**  
**Special Programs**  
 Lis Klutz

**Coordinator of**  
**Special Programs**  
 Rachel Searcy

**Digital Innovation**  
**Administrator**  
 Christian Long

**Communications**  
**& Development**  
**Coordinator**  
 Emily Buckley

**Director of**  
**Operations**  
 John Beckemeyer

**Transportation**  
**Supervisor**  
 Jason Nash

**Food Service**  
**Coordinator**  
 Kelly Weldele

**EMIS Coordinator**  
 Karen Zahneis

**Oak Hills High School**

Principal - Travis Hunt  
 AP - Brooks Klosterman  
 AP - Dan Boles  
 AP - Will Beinkemper  
 AP - Lisa Schlomer

Special Services Coordinator - Kristi Murphy

AD - Ben Hageman

**Bridgetown Middle School**

Principal - Adam Taylor  
 AP - Jill Wolfe

**Delhi Middle School**

Principal - Scott Toon  
 AP - Jen Campbell

**Rapid Run Middle School**

Principal - Geoff Harold  
 AP - Kristi Bashara

**Delshire Elementary School**

Principal - Tara Willig

**Oakdale Elementary School**

Principal - Emily Winkle  
 AP - Matt Page

**JF Dulles Elementary School**

Principal - Beth Riesenberger  
 AP - Candice Lessing

**CO Harrison Elementary School**

Principal - Brian Connors  
 AP - Amy Marquette

**Springmyer Elementary School**

Principal - Mark Winters



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Oak Hills Local School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Oak Hills Local School District, Ohio**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE  
Chief Operating Officer

# FINANCIAL SECTION



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Corporate Centre of Blue Ash  
11117 Kenwood Road  
Blue Ash, Ohio 45242-1817  
(513) 361-8550 or (800) 368-7419  
SouthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Oak Hills Local School District  
Hamilton County  
6325 Rapid Run Road  
Cincinnati, Ohio 45233

To the Board of Education:

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

**Opinion**

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

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 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

December 19, 2019

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**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

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

### **Financial Highlights**

Key financial highlights for 2019 are as follows:

- Net position of governmental activities increased \$19,351,576 which represents a 63% increase from 2018.
- General revenues accounted for \$78,648,583 in revenue or 83% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$16,294,944 or 17% of total revenues of \$94,943,527.
- The District had \$75,591,951 in expenses related to governmental activities; \$16,294,944 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$78,648,583 were also used to provide for these programs.

### **Overview of the Financial Statements**

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.

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

### **Government-Wide Financial Statements**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows of resources*, and *liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

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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 has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. 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 Government-wide Financial Statements, the overall financial position of the District is presented as Governmental Activities – All of the District's programs and services are reported as Governmental Activities including instruction, support services, operation of noninstructional services, extracurricular activities, and interest and fiscal charges.

**Fund Financial Statements**

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

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

**Fiduciary Funds** Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

**The District as a Whole**

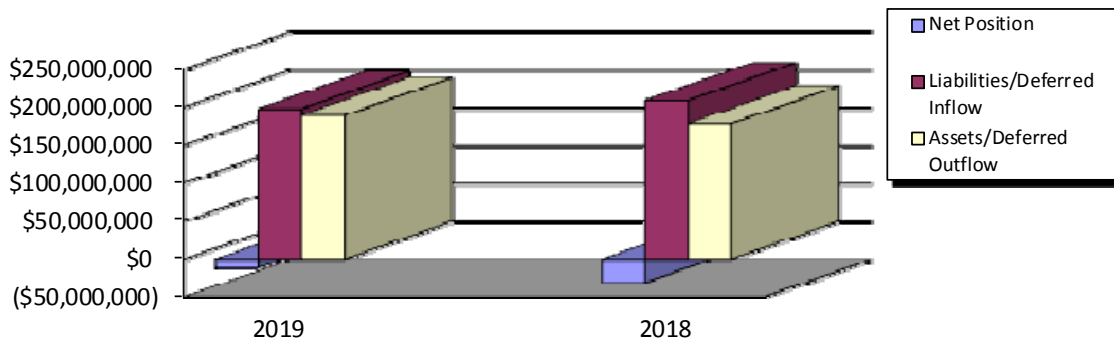
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2019 compared to 2018:

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**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

**Table 1**  
**Net Position**

	Governmental Activities	
	2019	2018
<b>Assets:</b>		
Current and Other Assets	\$92,810,890	\$92,784,368
Net OPEB Asset	5,489,377	0
Capital Assets	<u>53,398,379</u>	<u>53,299,285</u>
<b>Total Assets</b>	<u><b>151,698,646</b></u>	<u><b>146,083,653</b></u>
<b>Deferred Outflows of Resources:</b>		
Pension	33,953,746	31,247,035
OPEB	1,240,389	1,220,743
<b>Deferred Outflows of Resources</b>	<u><b>35,194,135</b></u>	<u><b>32,467,778</b></u>
<b>Liabilities:</b>		
Other Liabilities	9,088,415	9,017,182
Long-Term Liabilities	<u>136,974,456</u>	<u>158,509,324</u>
<b>Total Liabilities</b>	<u><b>146,062,871</b></u>	<u><b>167,526,506</b></u>
<b>Deferred Inflow of Resources:</b>		
Property Taxes	20,471,068	21,643,686
Deferred Gain on Refunding	722,861	826,127
Revenue in Lieu of Taxes	12,852,846	12,900,000
Pension	8,734,099	2,469,109
OPEB	9,231,013	3,719,556
<b>Deferred Inflows of Resources</b>	<u><b>52,011,887</b></u>	<u><b>41,558,478</b></u>
<b>Net Position:</b>		
Net Investment in Capital Assets	24,170,274	21,711,939
Restricted	4,852,833	4,665,303
Unrestricted	<u>(40,205,084)</u>	<u>(56,910,795)</u>
<b>Total Net Position</b>	<u><b>(\$11,181,977)</b></u>	<u><b>(\$30,533,553)</b></u>



**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

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Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$11,181,977.

At year-end, capital assets represented 35% of total assets. Capital assets include land, buildings and improvements, and equipment. Net investment in capital assets at June 30, 2019, was \$24,170,274. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$4,852,833 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Total assets increased from the prior year mainly due to an increase in cash and implementation of the net OPEB asset. Long-term liabilities decreased due to a decrease in the net pension liability and net OPEB liability.

Table 2 shows the changes in net position for fiscal years 2019 and 2018.

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**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2019	2018
Revenues:		
Program Revenues		
Charges for Services	\$5,378,515	\$5,237,460
Operating Grants, Contributions	10,916,429	10,310,429
General Revenues:		
Property Taxes	34,410,759	35,795,749
Grants and Entitlements	29,887,874	29,027,300
Investment Earnings	725,159	335,681
Revenue in Lieu of Taxes	12,601,475	12,558,851
Other	1,023,316	489,996
<b>Total Revenues</b>	<b>94,943,527</b>	<b>93,755,466</b>
Program Expenses:		
Instruction	41,160,838	22,560,323
Support Services:		
Pupil and Instructional Staff	10,922,564	7,579,373
School Administrative, General		
Administration, Fiscal and Business	5,769,503	3,111,826
Operations and Maintenance	7,031,736	5,938,972
Pupil Transportation	3,116,211	1,957,663
Central	322,316	145,796
Operation of Non-Instructional Services	4,349,305	3,055,537
Extracurricular Activities	2,189,668	1,792,506
Interest and Fiscal Charges	729,810	802,558
<b>Total Program Expenses</b>	<b>75,591,951</b>	<b>46,944,554</b>
Change in Net Position	19,351,576	46,810,912
Net Position - Beginning of Year	(30,533,553)	(77,344,465)
Net Position - End of Year	( <u>\$11,181,977</u> )	( <u>\$30,533,553</u> )

The District revenues are mainly from two sources. Property taxes levied for general, debt service and capital projects purposes and grants and entitlements comprised 68% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

**Oak Hills Local School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

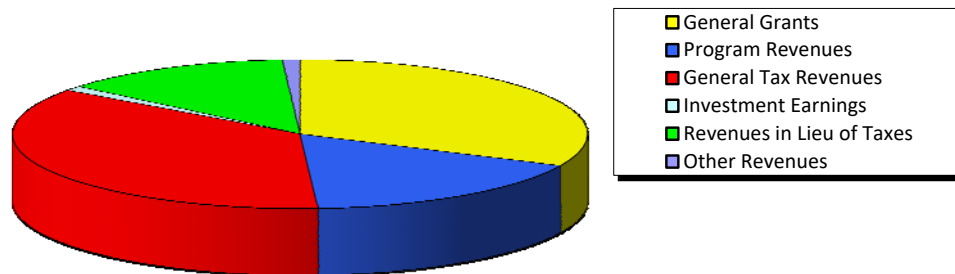
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Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 36% of revenue for governmental activities for the District in fiscal year 2019.

**Governmental Activities**  
**Revenue Sources**

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	2019	Percentage
General Grants	\$29,887,874	32%
Program Revenues	16,294,944	17%
General Tax Revenues	34,410,759	36%
Investment Earnings	725,159	1%
Revenues in Lieu of Taxes	12,601,475	13%
Other Revenues	1,023,316	1%
<b>Total Revenue Sources</b>	<b>\$94,943,527</b>	<b>100%</b>



Instruction comprises 54% of governmental program expenses. Support services expenses were 36% of governmental program expenses. All other expenses including interest and fiscal charges were 10%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Total revenues increased from the prior year due to an increase in program revenues and other revenues. Total expenses increased primarily due to changes in assumptions and benefits by the Statewide pension systems which caused the appearance of a large increase in overall expenses.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. These services are mainly supported by tax revenue and unrestricted State entitlements.

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**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	\$41,160,838	\$22,560,323	(\$33,513,356)	(\$15,594,700)
Support Services:				
Pupil and Instructional Staff	10,922,564	7,579,373	(9,849,671)	(6,050,623)
School Administrative, General				
Administration, Fiscal and Business	5,769,503	3,111,826	(5,323,096)	(2,830,290)
Operations and Maintenance	7,031,736	5,938,972	(6,922,368)	(5,492,732)
Pupil Transportation	3,116,211	1,957,663	(2,716,061)	(1,572,977)
Central	322,316	145,796	(280,409)	(145,796)
Operation of Non-Instructional Services	4,349,305	3,055,537	260,414	1,481,487
Extracurricular Activities	2,189,668	1,792,506	(222,650)	(388,476)
Interest and Fiscal Charges	729,810	802,558	(729,810)	(802,558)
Total Expenses	<u>\$75,591,951</u>	<u>\$46,944,554</u>	<u>(\$59,297,007)</u>	<u>(\$31,396,665)</u>

**The District's Funds**

The District has one major governmental fund: the General Fund. Assets of the General Fund comprised \$78,165,462 (84%), of the total \$92,828,890 governmental funds assets.

**General Fund:** Fund balance at June 30, 2019 was \$39,738,923 including \$36,134,154 of unassigned balance. The District had an increase in fund balance of \$1,119,996. The primary reason for the increase in fund balance was due to an increase in intergovernmental revenues.

**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, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$75,889,496, compared to original budget estimates of \$76,873,215, while the actual revenue had a variance of \$138,764 from the final budget basis revenues due to the underestimating of taxes, and intergovernmental revenue.

The District's unobligated cash balance for the General Fund was \$36,624,591.

**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

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**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2019, the District had \$53,398,379 invested in land, buildings and improvements, and equipment. Table 4 shows fiscal year 2019 balances compared to fiscal year 2018:

**Table 4**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

---

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$2,781,550	\$2,565,969
Buildings and Improvements	45,319,736	45,366,202
Furniture and Equipment	<u>5,297,093</u>	<u>5,367,114</u>
Total Net Capital Assets	<u>\$53,398,379</u>	<u>\$53,299,285</u>

Total Net Capital Assets increased in 2019 as compared to 2018 because depreciation expense and disposals were less than current year additions. See Note 6 to the Basic Financial Statements for further details on the District's capital assets.

**Debt**

At June 30, 2019, the District had \$29,950,966 in debt outstanding, \$3,053,516 due within one year. Table 5 summarizes total debt outstanding.

**Table 5**  
**Outstanding Debt at Year End**

---

	<u>2019</u>	<u>2018</u>
General Obligation Bonds Payable:		
HGB264 Debt	\$3,090,000	\$3,335,000
Premium on HB264 Debt	110,089	120,097
LED Zions Bank Loan	728,400	0
Refunding Bonds:		
Current Interest Bonds –		
School Improvement 2016	21,375,000	23,900,000
Premium on Bonds 2016	2,065,801	2,360,916
Capital Leases	<u>2,581,676</u>	<u>2,697,460</u>
Total Outstanding Debt at Year End	<u>\$29,950,966</u>	<u>\$32,413,473</u>

See Notes 7 and 8 to the Basic Financial Statements for further details on the District's obligations.

**Oak Hills Local School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
(Unaudited)

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**Economic Outlook**

The Ohio Department of Education explains the school funding model in Ohio as follows:

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. Since the 1970s through FY 2009, with the exception of a few years, Ohio's funding formula was foundation based by means of which a per pupil amount determined by the General Assembly as the per-pupil resource for provision of a basic adequate education was multiplied by the number of pupils to determine the base funding of the school districts. From this product, the local share of the basic adequate amount or the charge off was subtracted to arrive at the state share of the base funding. Additional funding was also provided for services targeted to categories of pupils such as handicapped, vocational, gifted, and economically disadvantaged as well as some adjustments and funding guarantees.

The 2010-11 biennial budget (Am. Sub. HBI of the 128th General Assembly) established another new funding formula called the Evidence-Based Model (EBM). Am. Sub. HB 153 of the 129th General Assembly repealed the EBM and implemented a temporary funding formula, the Bridge Formula, for the 12-13 school year as a new funding formula was developed. The State revised the funding model in June, 2013 and adopted HB 59, the FY 14 and FY 15 biennium budget which again changed our funding formula, but not our funding. Under this new model, the District received minimal increases in State Funding.

Oak Hills LSD has a residential tax base that represents 88% of the constituency. In June, 2016 Governor Kasich signed House Bill 64 (FY 2016-17). Having a large residential tax base was critical in the most the House Bill 64 budget as many districts with larger commercial tax bases experienced reductions in State Funding. House Bill 64 provided Oak Hills LSD increases of 2.3% and 3% in Fiscal Year 2016 and 2017, respectively. For fiscal years 2018 and 2019, the District received approximately a 3% increase in gross funding under House Bill 49. House Bill 49 considers enrollment and valuation when determining allocations to each school district. The projected increase for the current biennium budget (House Bill 166) is 1.8% for fiscal year 2020 and 0.7% for fiscal year 2021. Of importance, readers of this document must understand that these increases are gross increases in revenues. The State also deducts from school districts for voucher students, community school students and open enrollment students. After deducting funds for these students, the District has averaged less than a 1% increase in annual funding from the State. State funding represents 40% of the District's overall funding.

Given the uncertainty of the school funding formula and the economic conditions within the State, the level at which the State will fund schools in the future remains uncertain. Oak Hills remains concerned about the instability of the state economy and the political ramifications of changing the funding formula every several years. We plan carefully and prudently to provide resources to meet the needs of our students but the uncertainty of state funding challenges our planning.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Oak Hills Local School District, 6325 Rapid Run Road, Cincinnati, Ohio 45233.

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Oak Hills Local School District, Ohio  
Statement of Net Position  
June 30, 2019

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$42,663,048
Restricted Cash and Investments	380,716
Receivables (Net):	
Taxes	35,169,560
Accounts	32,274
Interest	40,558
Intergovernmental	14,489,159
Inventory	35,575
Nondepreciable Capital Assets	2,781,550
Depreciable Capital Assets, Net	50,616,829
Net OPEB Asset	<u>5,489,377</u>
 Total Assets	 <u>151,698,646</u>
Deferred Outflows of Resources:	
Pension	33,953,746
OPEB	<u>1,240,389</u>
 Total Deferred Outflows of Resources	 <u>35,194,135</u>
Liabilities:	
Accounts Payable	69,929
Accrued Wages and Benefits	8,878,327
Accrued Interest Payable	97,378
Claims Payable	42,781
Long-Term Liabilities:	
Due Within One Year	3,765,832
Due In More Than One Year:	
Net Pension Liability	93,048,601
Net OPEB Liability	8,805,913
Other Amounts	<u>31,354,110</u>
 Total Liabilities	 <u>146,062,871</u>
Deferred Inflows of Resources:	
Property Taxes	20,471,068
Deferred Gain on Refunding	722,861
Revenue in Lieu of Taxes	12,852,846
OPEB	9,231,013
Pension	<u>8,734,099</u>
 Total Deferred Inflows of Resources	 <u>52,011,887</u>
Net Position:	
Net Investment in Capital Assets	24,170,274
Restricted for:	
Debt Service	3,210,068
Extracurricular	498,846
Federal Grants	40,382
Food Service	168,297
Special Education	576,685
Title I	218,047
Improving Teacher Quality	140,508
Unrestricted	<u>(40,205,084)</u>
 Total Net Position	 <u><u>(\$11,181,977)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services and Sales	Operating Grants and Contributions	and Changes in Net Position Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$29,379,179	\$1,358,458	\$16,200	(\$28,004,521)
Special	11,669,083	194,746	6,065,904	(5,408,433)
Vocational	415	0	12,174	11,759
Other	112,161	0	0	(112,161)
<b>Support Services:</b>				
Pupil	6,346,655	0	123,447	(6,223,208)
Instructional Staff	4,575,909	0	949,446	(3,626,463)
General Administration	118,613	0	0	(118,613)
School Administration	4,221,677	0	446,407	(3,775,270)
Fiscal	1,338,750	0	0	(1,338,750)
Business	90,463	0	0	(90,463)
Operations and Maintenance	7,031,736	61,808	47,560	(6,922,368)
Pupil Transportation	3,116,211	85,159	314,991	(2,716,061)
Central	322,316	0	41,907	(280,409)
Operation of Non-Instructional Services	4,349,305	1,711,326	2,898,393	260,414
Extracurricular Activities	2,189,668	1,967,018	0	(222,650)
Interest and Fiscal Charges	729,810	0	0	(729,810)
<b>Totals</b>	<b>\$75,591,951</b>	<b>\$5,378,515</b>	<b>\$10,916,429</b>	<b>(59,297,007)</b>

**General Revenues:**

Property Taxes Levied for:

General Purposes	26,963,655
Debt Service Purposes	3,199,495
Capital Projects Purposes	4,247,609
Grants and Entitlements, Not Restricted	29,887,874
Revenue in Lieu of Taxes	12,601,475
Unrestricted Contributions	362,805
Investment Earnings	725,159
Other Revenues	660,511

Total General Revenues 78,648,583

Change in Net Position 19,351,576

Net Position - Beginning of Year (30,533,553)

Net Position - End of Year (\$11,181,977)

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2019

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$36,896,953	\$5,766,095	\$42,663,048
Restricted Cash and Investments	380,716	0	380,716
<b>Receivables (Net):</b>			
Taxes	27,941,805	7,227,755	35,169,560
Accounts	20,397	11,877	32,274
Interest	40,558	0	40,558
Intergovernmental	12,867,033	1,622,126	14,489,159
Interfund	18,000	0	18,000
Inventory	0	35,575	35,575
<b>Total Assets</b>	<b>78,165,462</b>	<b>14,663,428</b>	<b>92,828,890</b>
<b>Liabilities:</b>			
Accounts Payable	65,548	4,381	69,929
Accrued Wages and Benefits	8,285,502	592,825	8,878,327
Compensated Absences	244,274	0	244,274
Interfund Payable	0	18,000	18,000
<b>Total Liabilities</b>	<b>8,595,324</b>	<b>615,206</b>	<b>9,210,530</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	16,941,805	4,227,755	21,169,560
Grants and Other Taxes	0	1,233,776	1,233,776
Revenue in Lieu of Taxes	12,852,846	0	12,852,846
Investment Earnings	36,564	0	36,564
<b>Total Deferred Inflows of Resources</b>	<b>29,831,215</b>	<b>5,461,531</b>	<b>35,292,746</b>
<b>Fund Balances:</b>			
Restricted	0	4,050,752	4,050,752
Committed	0	4,544,286	4,544,286
Assigned	3,604,769	0	3,604,769
Unassigned	36,134,154	(8,347)	36,125,807
<b>Total Fund Balances</b>	<b>39,738,923</b>	<b>8,586,691</b>	<b>48,325,614</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$78,165,462</b>	<b>\$14,663,428</b>	<b>\$92,828,890</b>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2019

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Total Governmental Fund Balance		\$48,325,614
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		53,398,379
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property Taxes	698,492	
Interest	36,564	
Intergovernmental	<u>1,233,776</u>	
		1,968,832
An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Internal Service Net Position		(42,781)
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(97,378)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(4,924,702)
Deferred gain on refunding associated with long-term liabilities that are not reported in the funds.		
		(722,861)
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	33,953,746	
Deferred inflows of resources related to pensions	(8,734,099)	
Deferred outflows of resources related to OPEB	1,240,389	
Deferred inflows of resources related to OPEB	<u>(9,231,013)</u>	
		17,229,023
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	5,489,377	
Net Pension Liability	(93,048,601)	
Net OPEB Liability	(8,805,913)	
Other Amounts	<u>(29,950,966)</u>	
		<u>(126,316,103)</u>
Net Position of Governmental Activities		<u><u>(\$11,181,977)</u></u>

See accompanying notes to the basic financial statements.



Oak Hills Local School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2019

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	\$27,208,162	\$7,510,354	\$34,718,516
Tuition and Fees	1,659,282	0	1,659,282
Investment Earnings	660,465	31,647	692,112
Intergovernmental	33,415,652	7,598,841	41,014,493
Extracurricular Activities	664,539	1,302,430	1,966,969
Charges for Services	0	1,711,326	1,711,326
Revenue in Lieu of Taxes	12,601,475	0	12,601,475
Other Revenues	601,087	463,165	1,064,252
<b>Total Revenues</b>	<b>76,810,662</b>	<b>18,617,763</b>	<b>95,428,425</b>
Expenditures:			
Current:			
Instruction:			
Regular	36,217,482	270,583	36,488,065
Special	12,520,009	1,788,396	14,308,405
Vocational	415	0	415
Other	149,742	0	149,742
Support Services:			
Pupil	7,250,528	248,440	7,498,968
Instructional Staff	2,543,804	1,943,864	4,487,668
General Administration	123,025	0	123,025
School Administration	5,149,345	282,895	5,432,240
Fiscal	1,419,609	91,591	1,511,200
Business	111,772	0	111,772
Operations and Maintenance	5,471,748	768,316	6,240,064
Pupil Transportation	3,122,155	383,512	3,505,667
Central	360,747	41,907	402,654
Operation of Non-Instructional Services	51,958	4,728,036	4,779,994
Extracurricular Activities	1,084,456	1,297,584	2,382,040
Capital Outlay	80,519	3,287,684	3,368,203
Debt Service:			
Principal Retirement	0	2,885,784	2,885,784
Interest and Fiscal Charges	0	1,146,529	1,146,529
<b>Total Expenditures</b>	<b>75,657,314</b>	<b>19,165,121</b>	<b>94,822,435</b>
Excess of Revenues Over (Under) Expenditures	1,153,348	(547,358)	605,990
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	1,648	122,500	124,148
Issuance of Long-Term Debt	0	728,400	728,400
Transfers In	0	35,000	35,000
Transfers (Out)	(35,000)	0	(35,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(33,352)</b>	<b>885,900</b>	<b>852,548</b>
Net Change in Fund Balance	1,119,996	338,542	1,458,538
Fund Balance - Beginning of Year	38,618,927	8,248,149	46,867,076
Fund Balance - End of Year	\$39,738,923	\$8,586,691	\$48,325,614

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2019

Net Change in Fund Balance - Total Governmental Funds \$1,458,538

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	3,588,838	
Depreciation Expense	(3,327,094)	
		261,744

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (162,650)

Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.

District pension contributions	7,291,516	
Cost of benefits earned net of employee contributions - Pensions	(2,986,461)	
District OPEB contributions	250,081	
Cost of benefits earned net of employee contributions - OPEB	11,495,713	
		16,050,849

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	(307,757)	
Interest	33,047	
Intergovernmental	(210,188)	
		(484,898)

Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,885,784

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 8,330

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	(345,222)	
Amortization of Bond Premium	305,123	
Amortization of Deferred Gain on Refunding	103,266	
		63,167

The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

Change in Net Position - Internal Service Funds		(888)
---	--	-------

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position.		(728,400)
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Change in Net Position of Governmental Activities		\$19,351,576
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See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Net Position  
Proprietary Fund  
June 30, 2019

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	<u>Governmental Activities- Internal Service Funds</u>
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$0</u>
Total Assets	<u>0</u>
Liabilities:	
Current Liabilities:	
Claims Payable	<u>42,781</u>
Total Liabilities	<u>42,781</u>
Net Position:	
Unrestricted	<u>(42,781)</u>
Total Net Position	<u>(\$42,781)</u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2019

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	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues:	
Charges for Services	<u>\$147,313</u>
Total Operating Revenues	<u>147,313</u>
Operating Expenses:	
Personal Services	<u>148,201</u>
Total Operating Expenses	<u>148,201</u>
Change in Net Position	(888)
Net Position - Beginning of Year	<u>(41,893)</u>
Net Position - End of Year	<u><u>(\$42,781)</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2019

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	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$147,313
Cash Payments to Suppliers	<u>(147,313)</u>
Net Cash Provided (Used) by Operating Activities	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalent	0
Cash and Cash Equivalents - Beginning of Year	<u>0</u>
Cash and Cash Equivalents - End of Year	<u><u>0</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(888)
Changes in Assets & Liabilities:	
Increase (Decrease) in Claims Payables	<u>888</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

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	Private Purpose Trust	Agency
	<u>                    </u>	<u>                    </u>
Assets:		
Equity in Pooled Cash and Investments	\$838,870	\$92,520
Receivables (Net):		
Interest	<u>          429</u>	<u>                  0</u>
Total Assets	<u>          839,299</u>	<u>          92,520</u>
Liabilities:		
Other Liabilities	<u>                  0</u>	<u>          92,520</u>
Total Liabilities	<u>                  0</u>	<u>          92,520</u>
Net Position:		
Held in Trust	<u>          839,299</u>	
Total Net Position	<u>          839,299</u>	

See accompanying notes to the basic financial statements.

Oak Hills Local School District, Ohio  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2019

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	Private Purpose Trust
Additions:	
Investment Earnings	\$15,608
Other	57,290
	<hr/>
Total Additions	72,898
	<hr/>
Deductions:	
Scholarships	136,425
	<hr/>
Total Deductions	136,425
	<hr/>
Change in Net Position	(63,527)
	<hr/>
Net Position - Beginning of Year	902,826
	<hr/>
Net Position - End of Year	\$839,299
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 1 - Description of the District**

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The Oak Hills Local School District (“the District”) represents a prior consolidation of three elementary districts: Bridgetown, Delhi and Springmyer. The consolidation was finalized by the Hamilton County Board of Education on April 23, 1956, in order to equalize educational opportunities throughout the area. Today, the District operates under current standards as prescribed by the Ohio State Board of Education, as provided in Division (D) of Section 3301.07 and Section 110.01 of the Ohio Revised Code.

The District operates under a locally elected five-member board form of government and provides educational services. The Board controls the District’s instructional programs and support facilities, staffed by approximately 513 certificated teaching, 54 administrative personnel and approximately 344 non-certificated personnel. To provide services to the adult population in the community, Oak Hills has developed one of the largest community education programs in Hamilton County, Ohio.

The District is the third largest in Hamilton County with 7,784 students for the 2018-19 school year. The District currently operates five (5) elementary schools (grades K-5), three (3) middle schools (grades 6-8), and one (1) comprehensive high school (grades 9-12).

**Note 2 - Summary of Significant Accounting Policies**

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**Reporting Entity**

The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

The District is associated with two organizations that are defined as jointly governed organizations. These organizations include

Jointly Governed Organizations:  
Hamilton Clermont Cooperative Information Technology Center  
Great Oaks Career Campuses

These organizations are presented in Note 12.

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



**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Measurement Focus**

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activity of the internal service funds is eliminated to avoid doubling up revenues and expenses. The interfund services provided and used are not eliminated in the consolidation.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Private Purpose Trust Funds are reported using the economic resources measurement focus.

**Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary, and fiduciary. The focus of government fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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Governmental Funds

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

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

Proprietary Funds

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The internal service fund of the District accounts for a self-insurance program which provides workers' compensation benefits to employees.

Fiduciary Funds

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

**Basis of Accounting**

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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Revenues – Exchange and Non-exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants, and other taxes.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources includes pension and other post employment benefits. These amounts are reported on the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, OPEB, revenue in lieu of taxes (tax incremental financing), deferred gain on refunding, investment earnings, grants and other taxes, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance year 2020 operations. These property tax amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements, and are deferred and recognized as inflows of resources in the period the amounts become available. Revenue in lieu of taxes ('TIF') has been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Deferred gain on refunding has been recorded as deferred inflow on the government-wide statement of net position. Grants and investment earnings are recorded as

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 9 and 10.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Equity in Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

Investments are reported at fair value which is based on quoted market prices.

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

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2019 amounted to \$660,465 and \$31,647 in Other Governmental Funds.

For purposes of the statement of cash flows, the internal service portion of pooled cash and investments is considered a cash equivalent because the District is able to withdraw resources from the internal service funds without prior notice or penalty.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the purchase method on the fund level statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	45-50 years
Furniture and Equipment	5-20 years

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

The compensated absences liability is recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	Hired before 8/1/12 25 days at the start of each contract year	5-20 days for each service year, depending on length of service
Maximum Accumulation	Not Applicable	37.5 days; can be paid for 5 days at year end	30 days
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	252 days	300 days	255 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per contract	Per contract	Per contract

Pensions/Other Postemployment Benefits (OPEB)

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

Net Position

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$4,852,833 in restricted net position, none was restricted by enabling legislation.

Interfund Activity

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

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

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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 are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

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

Committed – resources that can be used only for the specific purposes imposed by a formal action (board resolution) of the District's Board of Education. The Board of Education is the highest level of decision making authority for the District. Those committed resources cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action (board resolution) it employed to previously commit those resources.

Assigned – resources intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts are intended to be used for specific purposes as approved through the District's formal purchase order procedure by the Superintendent and the Treasurer. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the governmental-wide financial statements.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are for the self-insurance program (internal service fund) which provides workers' compensation benefits to employees. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Estimates

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

Restricted Assets

Restricted assets in the general fund represent Equity in Pooled Cash and Investments set aside to establish a budget stabilization reserve.



**Note 3 - Equity in Pooled Cash and Investments**

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The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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

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.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2019, \$4,886,648 of the District's bank balance of \$6,384,574 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

**Investments**

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Negotiable CDs	\$6,188,965	Level 2	2.67
Commercial Paper	6,840,694	Level 2	0.39
Federal Home Loan Bank	600,321	Level 2	3.95
Federal Home Loan Mortgage Corporation	1,828,793	Level 2	2.06
Federal National Mortgage Association	587,752	Level 2	1.56
Federal Farm Credit Bank	2,519,033	Level 2	3.86
STAR Ohio	20,162,366	N/A	0.13
Money Market Fund	7,987	N/A	0.00
Total Investments	\$38,735,911		
Portfolio Weighted Average Maturity			1.00

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2019. STAR Ohio is reported at its share price (Net Asset Value per share).

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. Investments in Commercial Paper were rated A-1+ by Standard and Poor's and P-1 by Moody's Investors Service. The District's investments in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, Federal Farm Credit Bank, and in Federal National Mortgage Association were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. Negotiable CDs and Money Market Funds are not rated.

Concentration of Credit Risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested less than 1% of the District's investments in Money Market Funds, 52% in STAR Ohio, 16% in Negotiable CDs, 1% in Federal National Mortgage Association, 5% in Federal Home Loan Mortgage Corporation, 7% in Federal Farm Credit Bank, 1% in Federal Home Loan Bank, and 18% in Commercial Paper.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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

**Note 4 - Property Taxes**

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Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2019 (other than public utility property tax) represents the collection of 2019 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from the County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2020 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2019. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2019 on the fund financial statements. The entire amount of delinquent taxes receivable is recognized as revenue in the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2019, was \$11,000,000 for General Fund, \$1,700,000 for Permanent Improvement Fund, and \$1,300,000 for Debt Service Fund, and is recognized as revenue.

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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

	<u>Amount</u>
Real Property	\$1,042,918,730
Public Utility Personal	<u>53,342,640</u>
Total	<u><u>\$1,096,261,370</u></u>

**Note 5 – Receivables**

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

**Note 6 - Capital Assets**

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Capital asset activity for the fiscal year ended was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$2,565,969	\$340,152	\$124,571	\$2,781,550
<b><i>Capital Assets, being depreciated:</i></b>				
Buildings and Improvements	82,190,280	2,166,646	0	84,356,926
Furniture and Equipment	<u>12,539,465</u>	<u>1,082,040</u>	<u>219,108</u>	<u>13,402,397</u>
Totals at Historical Cost	<u>97,295,714</u>	<u>3,588,838</u>	<u>343,679</u>	<u>100,540,873</u>
Less Accumulated Depreciation:				
Buildings and Improvements	36,824,078	2,213,112	0	39,037,190
Furniture and Equipment	<u>7,172,351</u>	<u>1,113,982</u>	<u>181,029</u>	<u>8,105,304</u>
Total Accumulated Depreciation	<u>43,996,429</u>	<u>3,327,094</u>	<u>181,029</u>	<u>47,142,494</u>
Governmental Activities Capital Assets, Net	<u><u>\$53,299,285</u></u>	<u><u>\$261,744</u></u>	<u><u>\$162,650</u></u>	<u><u>\$53,398,379</u></u>

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**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		\$698,691
Special		9,982
Support Services:		
Instructional Staff		632,147
School Administration		3,327
Fiscal		3,327
Operations and Maintenance		1,630,276
Pupil Transportation		299,438
Operation of Non-Instructional Services		33,271
Extracurricular Activities		16,635
Total Depreciation Expense		<u>\$3,327,094</u>

**Note 7 - Long-Term Liabilities**

Long-Term Liabilities

	Maturity Date	Interest Rate	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
<b>Governmental Activities:</b>							
General Obligation Bonds:							
HB 264 Debt - Series 2015	12/1/29	1.0-3.5%	\$3,335,000	\$0	\$245,000	\$3,090,000	\$250,000
Premium on HB264 Debt			120,097	0	10,008	110,089	0
Refunding Bonds - Series 2016			23,900,000	0	2,525,000	21,375,000	2,640,000
Premium Refunding Bonds			2,360,916	0	295,115	2,065,801	0
Zions Bank Loan - Series 2019			0	728,400	0	728,400	45,400
Subtotal Bonds			29,716,013	728,400	3,075,123	27,369,290	2,935,400
Capital Lease - Fitness Equipment			277,460	0	65,784	211,676	68,116
Capital Lease - Auditorium			2,420,000	0	50,000	2,370,000	50,000
Compensated Absences			4,629,775	1,018,880	479,679	5,168,976	712,316
Subtotal Bonds & Other Amounts			37,043,248	1,747,280	3,670,586	35,119,942	3,765,832
Net Pension Liability							
STRS			80,925,214	0	5,812,112	75,113,102	0
SERS			18,736,274	0	800,775	17,935,499	0
Total Net Pension Liability			99,661,488	0	6,612,887	93,048,601	0
Net OPEB Liability							
STRS			13,291,411	0	13,291,411	0 (a)	0
SERS			8,513,177	292,736	0	8,805,913	0
Total Net OPEB Liability			21,804,588	292,736	13,291,411	8,805,913	0
Total Government Activities			\$158,509,324	\$2,040,016	\$23,574,884	\$136,974,456	\$3,765,832

(a) OPEB for STRS has a Net OPEB asset in the amount of \$5,489,377 as of June 30, 2019.

General obligation bonds will be paid from the debt service and permanent improvement funds. Compensated absences will be paid from the fund from which the person is paid (usually general and special revenue funds). Net pension liability and OPEB liability represents the long-term portion of the accrued liability associated with STRS and SERS pension liability. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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In February of 2019 the District issued \$728,400 in a long term general obligation direct loan from Zions Bank. The loan matures in Fiscal Year 2034, has an interest rate of 2.91% and will be paid from the Permanent Improvement Fund.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2020	\$2,935,400	\$950,245
2021	3,015,000	857,619
2022	3,196,000	780,140
2023	3,278,000	670,137
2024	3,439,000	509,463
2025-2029	8,729,000	600,788
2030-2034	601,000	26,203
Total	<u>\$25,193,400</u>	<u>\$4,394,595</u>

**Note 8 - Capital Lease Commitments**

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The District is obligated under six leases accounted for as capital leases. The cost of the leased assets (copiers, computers, administration building and high school project) are accounted for in the Governmental Activities Capital Assets and the related liability in the Governmental Activities Long-Term Liabilities. The original cost of the assets under capital lease was \$2,872,326.

In 2018, the District entered into a capital lease for fitness equipment with Life Fitness under a 5 year contract with total rental payment of \$378,094.

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

Fiscal Year Ending June 30	Capital Leases
2020	\$221,088
2021	225,037
2022	223,903
2023	146,600
2024	149,300
2025-2029	729,500
2030-2034	729,375
2035-2039	729,875
2040-2044	722,100
2045-2046	286,100
Total Minimum Lease Payments	\$4,162,878
Amount Representing Interest and Additional program cost component	(1,581,202)
Present Value of Minimum Lease Payments	<u>\$2,581,676</u>

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 9 - Defined Benefit Pension Plans**

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

**Net Pension Liability/Net OPEB Liability (Asset)**

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions and OPEB are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions and OPEB are a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB Statements No. 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

**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,



**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

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

**Funding Policy**

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

The contractually required contribution to SERS was \$1,464,340 for fiscal year 2019. Of this amount \$118,893 is reported as accrued wages and benefits.

**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 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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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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](http://www.strsoh.org).

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

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

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

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

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

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Funding Policy**

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

The contractually required contribution to STRS was \$5,827,176 for fiscal year 2019. Of this amount \$961,300 is reported as accrued wages and benefits.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$17,935,499	\$75,113,102	\$93,048,601
Proportion of the Net Pension Liability:			
Current Measurement Date	0.31316430%	0.34161333%	
Prior Measurement Date	<u>0.31358940%</u>	<u>0.34066295%</u>	
Change in Proportionate Share	<u>-0.00042510%</u>	<u>0.00095038%</u>	
Pension Expense	(\$4,626,979)	\$7,613,440	\$2,986,461

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>			
Differences between expected and actual experience	\$983,649	\$1,733,840	\$2,717,489
Changes of assumptions	405,023	13,311,458	13,716,481
Changes in employer proportionate share of net pension liability	9,284,134	944,126	10,228,260
Contributions subsequent to the measurement date	<u>1,464,340</u>	<u>5,827,176</u>	<u>7,291,516</u>
Total Deferred Outflows of Resources	<u>\$12,137,146</u>	<u>\$21,816,600</u>	<u>\$33,953,746</u>
<b><u>Deferred Inflows of Resources</u></b>			
Differences between expected and actual experience	\$0	\$490,534	\$490,534
Net difference between projected and actual earnings on pension plan investments	496,938	4,554,776	5,051,714
Changes in employer proportionate share of net pension liability	<u>3,108,809</u>	<u>83,042</u>	<u>3,191,851</u>
Total Deferred Inflows of Resources	<u>\$3,605,747</u>	<u>\$5,128,352</u>	<u>\$8,734,099</u>

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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\$7,291,516 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2020	\$4,273,614	\$6,866,813	\$11,140,427
2021	3,534,446	4,329,392	7,863,838
2022	(588,595)	603,931	15,336
2023	<u>(152,406)</u>	<u>(939,064)</u>	<u>(1,091,470)</u>
Total	<u>\$7,067,059</u>	<u>\$10,861,072</u>	<u>\$17,928,131</u>

**Actuarial Assumptions - SERS**

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

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

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

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

Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement. The most recent experience study was completed for the five year period ended June 30, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00%</u>	

**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 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.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$25,263,503	\$17,935,499	\$11,791,459

**Assumption and Benefit Changes Since the Prior Measurement Date**

With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1 2018, actuarial valuation, are presented below:

Inflation	2.50%
Projected Salary Increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0%, effective July 1, 2017

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

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

STRS Ohio's 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
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	<u>1.00%</u>	2.25%
Total	<u><u>100.00%</u></u>	

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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

**Discount Rate**

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

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table represents the net pension liability as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what 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 discount rate:

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$109,692,796	\$75,113,102	\$45,846,081

**Assumption and Benefit Changes since the Prior Measurement Date**

There were no changes in assumptions or benefit terms since the prior measurement date.

**Note 10 - Defined Benefit OPEB Plans**

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See note 9 for a description of the net OPEB liability (asset).

**Plan Description - School Employees Retirement System (SERS)**

**Health Care Plan Description**

The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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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](http://www.ohsers.org) under Employers/Audit Resources.

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

**Funding Policy**

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$195,846.

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 contractually required contribution to SERS was \$250,081 for fiscal year 2019. Of this amount \$118,893 is reported as accrued wages and benefits.

**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](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy**

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



**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$8,805,913	\$0	\$8,805,913
Proportionate Share of the Net OPEB (Asset)	0	(5,489,377)	(5,489,377)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.31741370%	0.34161333%	
Prior Measurement Date	<u>0.31721350%</u>	<u>0.34066295%</u>	
Change in Proportionate Share	<u>0.00020020%</u>	<u>0.00095038%</u>	
OPEB Expense	\$388,647	(\$11,884,360)	(\$11,495,713)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$143,743	\$641,169	\$784,912
Changes in employer proportionate share of net OPEB liability	89,946	115,450	205,396
Contributions subsequent to the measurement date	<u>250,081</u>	<u>0</u>	<u>250,081</u>
Total Deferred Outflows of Resources	<u>\$483,770</u>	<u>\$756,619</u>	<u>\$1,240,389</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$319,829	\$319,829
Changes of assumptions	791,145	7,479,713	8,270,858
Net difference between projected and actual earnings on OPEB plan investments	<u>13,211</u>	<u>627,115</u>	<u>640,326</u>
Total Deferred Inflows of Resources	<u>\$804,356</u>	<u>\$8,426,657</u>	<u>\$9,231,013</u>

\$250,081 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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Fiscal Year Ending June 30:	SERS	STRS	Total
2020	(\$272,782)	(\$1,371,937)	(\$1,644,719)
2021	(214,076)	(1,371,937)	(1,586,013)
2022	(28,174)	(1,371,937)	(1,400,111)
2023	(22,550)	(1,229,514)	(1,252,064)
2024	(23,464)	(1,179,553)	(1,203,017)
Thereafter	(9,621)	(1,145,160)	(1,154,781)
Total	(\$570,667)	(\$7,670,038)	(\$8,240,705)

**Actuarial Assumptions - SERS**

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

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

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

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

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years. The most recent experience study was completed for the five year period ended June 30, 2015.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>10.00%</u>	3.00%
Total	<u><u>100.00%</u></u>	

**Discount Rate**

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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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 Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates**

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70 percent) and higher (4.70 percent) than the current discount rate (3.70 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25 percent decreasing to 3.75 percent) and higher (8.25 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
Proportionate share of the net OPEB liability	\$10,685,284	\$8,805,913	\$7,317,804
	1% Decrease (6.25% decreasing to 3.75%)	Current Trend Rate (7.25% decreasing to 4.75%)	1% Increase (8.25% decreasing to 5.75%)
Proportionate share of the net OPEB liability	\$7,104,757	\$8,805,913	\$11,058,550

**Assumption and Benefit Changes since the Prior Measurement Date**

The following changes in key methods and assumptions as presented below:

- (1) Discount Rate:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.56%
  - Measurement Date 3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%

**Actuarial Assumptions - STRS**

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

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**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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Projected Salary Increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3%
Discount Rate of Return	7.45%

Health Care Cost Trends:

Medical:

Pre-Medicare	6% initial, 4% ultimate
Medicare	5% initial, 4% ultimate

Prescription Drug:

Pre-Medicare	8% initial, 4% ultimate
Medicare	(5.23%) initial, 4% ultimate

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

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

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
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	<u>1.00%</u>	2.25%
Total	<u><u>100.00%</u></u>	

\*10 year annualized geometric nominal returns, which includes 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.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2018. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.

**Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate**

The following table represents the net OPEB (asset) as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Proportionate share of the net OPEB (asset)	(\$4,704,911)	(\$5,489,377)	(\$6,148,685)

	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$6,111,466)	(\$5,489,377)	(\$4,857,598)

**Assumption and Benefit Changes since the Prior Measurement Date**

The discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020. However, in June of 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 11 - Contingent Liabilities**

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School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2019 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Grants

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

Litigation

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

**Note 12 - Jointly Governed Organizations**

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Great Oaks Career Campuses, a jointly governed organization, is a distinct political subdivision of the State of Ohio which operates under the direction of a Board consisting of one representative from each participating school district's elected board. The Board possesses its own budgeting and taxing authority. Great Oaks Career Campuses provides academic preparation and job training which leads to employment and/or further education upon graduation from high school. The District has no ongoing financial interest in or responsibility for the Institute. To obtain financial information, write to Great Oaks Career Campuses at 3254 East Kemper Road, Cincinnati, Ohio 45241.

The District is a participant in the Hamilton Clermont Cooperative Information Technology Center (HCC). HCC is an association of public districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The Board of the School consists of one representative from each of the participating members. The degree of control exercised by any participating district is limited to its representation on the board. To obtain financial information, write to HCC, at 1007 Cottonwood Drive, Loveland, Ohio 45140.

**Note 13 - Risk Management**

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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. The District carries insurance coverage with the following companies.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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<u>Coverage</u>	<u>Company</u>
Automobile	Liberty Mutual
Property	Liberty Mutual
General Liability	Liberty Mutual

Limits and deductible amounts for the above policies vary accordingly.

<u>Coverage</u>	<u>Limits</u>	<u>Deductible</u>
Automobile	\$1,000,000 each occurrence	\$1,000 collision & Comprehensive
Property	\$177,332,551 blanket coverage	\$10,000 each loss
General Liability	\$2,000,000 general aggregate	
Employee Benefit Liability	\$1,000,000	\$1,000 each loss
Umbrella	\$10,000,000	
Sexual Misconduct	\$1,000,000 general aggregate	\$5,000 each loss
Law Enforcement	\$1,000,000 general aggregate	\$7,500 each loss
School Leaders E&O	\$1,000,000 general aggregate	\$10,000 each loss

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

The District is self-insured for its workers' compensation costs. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The District accounts for the activities of this program in an internal service fund in accordance with GASB Statement No. 10. A summary of the changes in self-insurance workers' compensation claims liability is as follows:

	<u>2019</u>	<u>2018</u>
Claims Liability at Beginning of Year	\$41,893	\$13,211
Claims Incurred	148,201	227,219
Claims Paid	(147,313)	(198,537)
Claims Liability at End of Year	<u>\$42,781</u>	<u>\$41,893</u>

**Note 14 – Accountability**

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The following individual funds had a deficit in fund balance at year end:

<u>Fund</u>	<u>Deficit</u>	<u>Proprietary Fund:</u>	<u>Deficit</u>
Other Governmental Funds:		Internal Service	\$42,781
Miscellaneous Federal Grants	\$540		
Title I	5,125		
Improving Teacher Quality	170		
Auxiliary Services	2,512		

The deficit fund balances were caused by GAAP Accruals.



**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 15 – Set Asides**

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

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

	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set Aside Reserve Balance as of June 30, 2018	\$0	\$380,716
Current Year Set Aside Requirement	1,353,388	0
Qualified Disbursements	(399,396)	0
Current Year Offsets	(953,992)	0
Set Aside Reserve Balance as of June 30, 2019	<u>\$0</u>	<u>\$380,716</u>
Restricted Cash as of June 30, 2019	<u>\$0</u>	<u>\$380,716</u>

The District had offsets credits of \$42,242,257 and qualifying disbursements during the year that reduced the set-aside amounts for capital maintenance reserve to below zero, extra qualified disbursement amounts may not be used to reduce the set-aside requirements of future years.

**Note 16 - Interfund Balances**

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At fiscal year end, interfund receivables and payables, and transfers in and out were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$18,000	\$0	\$0	\$35,000
Other Governmental Funds	0	18,000	35,000	0
Total all funds	<u>\$18,000</u>	<u>\$18,000</u>	<u>\$35,000</u>	<u>\$35,000</u>

Interfund balance are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. All balances are expected to be repaid within one year.

**Note 17 – Fund Balances**

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

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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<u>Fund Balances</u>	<b>Other</b>		<u>Total</u>
	<u>General</u>	<u>Governmental Funds</u>	
Restricted for:			
Student Activity	\$0	\$498,846	\$498,846
IDEA Preschool Grants	0	517	517
Special Education	0	32,698	32,698
Food Service	0	300,770	300,770
Debt Service	0	3,217,921	3,217,921
Total Restricted	<u>0</u>	<u>4,050,752</u>	<u>4,050,752</u>
Committed to:			
Capital Improvements	<u>0</u>	<u>4,544,286</u>	<u>4,544,286</u>
Total Committed	<u>0</u>	<u>4,544,286</u>	<u>4,544,286</u>
Assigned to:			
Public Schools	387,736	0	387,736
Encumbrances	14,884	0	14,884
Budgetary Resources	<u>3,202,149</u>	<u>0</u>	<u>3,202,149</u>
Total Assigned	<u>3,604,769</u>	<u>0</u>	<u>3,604,769</u>
Unassigned (Deficit)	<u>36,134,154</u>	<u>(8,347)</u>	<u>36,125,807</u>
Total Fund Balance	<u>\$39,738,923</u>	<u>\$8,586,691</u>	<u>\$48,325,614</u>

**Note 18 – Construction and Other Commitments**

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The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the Districts' commitments for encumbrances in the governmental funds were as follows:

<u>Description</u>	<u>Remaining Commitment</u>
General	\$80,432
Other Governmental	19,082

**Note 19 – Tax Abatements entered Into By Other Governments**

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Other governments entered into property tax abatement agreements with property owners under the solar abatement programs with the taxing districts of the District. The program is a directive incentive tax exemption program benefiting property owners who renovated or constructed solar power improvements. Under this program, the other governments designated areas to encourage these solar power improvements that are 100% abated with no expiration, unless physically removed or the owner does not comply with provisions. Within the taxing districts of the District, other municipalities have entered into solar agreements. Under these agreements the District's property taxes were abated by \$131,270. The district is not receiving any amounts from this government in association with the forgone property tax revenue.

**Oak Hills Local School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 20 – Implementation of New Accounting Principles**

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For the fiscal year ended June 30, 2019, the following have been implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and GASB No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

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

GASB Statement No. 88 sets out to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. If applicable, GASB Statement No. 88 has been implemented in the notes to financial statements.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

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Oak Hills Local School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability
2019	0.34163330%	\$75,113,102	\$39,681,171	189.29%	77.30%
2018	0.34066295%	80,925,214	36,925,029	219.16%	75.30%
2017	0.33852729%	113,315,289	36,324,714	311.95%	66.80%
2016	0.33925921%	93,761,321	34,615,200	270.87%	72.10%
2015	0.33179846%	80,704,868	36,508,377	221.06%	74.70%
2014	0.33179846%	95,923,181	37,781,631	253.89%	69.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Oak Hills Local School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability
2019	0.31316430%	\$17,935,499	\$10,429,622	171.97%	71.36%
2018	0.31358940%	18,736,274	10,162,607	184.36%	69.50%
2017	0.30199600%	22,484,176	11,968,457	187.86%	62.98%
2016	0.30562120%	17,439,042	12,417,178	140.44%	69.16%
2015	0.31708800%	16,047,643	9,307,006	172.43%	71.70%
2014	0.31708800%	19,240,769	12,293,931	156.51%	65.52%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Oak Hills Local School District  
 Required Supplementary Information  
 Schedule of District's Contributions for Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2019	\$5,827,176	(\$5,827,176)	\$0	\$41,622,686	14.00%
2018	5,555,364	(5,555,364)	0	39,681,171	14.00%
2017	5,169,504	(5,169,504)	0	36,925,029	14.00%
2016	5,085,600	(5,085,600)	0	36,325,714	14.00%
2015	4,846,128	(4,846,128)	0	34,615,200	14.00%
2014	4,746,089	(4,746,089)	0	36,508,377	13.00%
2013	4,911,612	(4,911,612)	0	37,781,631	13.00%
2012	5,087,280	(5,087,280)	0	39,132,923	13.00%
2011	5,273,952	(5,273,952)	0	40,568,862	13.00%
2010	5,195,808	(5,195,808)	0	39,967,754	13.00%

See accompanying notes to the required supplementary information.

Oak Hills Local School District  
 Required Supplementary Information  
 Schedule of District's Contributions for Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2019	\$1,464,340	(\$1,464,340)	\$0	\$10,846,963	13.50%
2018	1,407,999	(1,407,999)	0	10,429,622	13.50%
2017	1,422,765	(1,422,765)	0	10,162,607	14.00%
2016	1,675,584	(1,675,584)	0	11,968,457	14.00%
2015	1,636,584	(1,636,584)	0	12,417,178	13.18%
2014	1,289,951	(1,289,951)	0	9,307,006	13.86%
2013	1,701,480	(1,701,480)	0	12,293,931	13.84%
2012	1,649,352	(1,649,352)	0	12,262,840	13.45%
2011	1,796,352	(1,796,352)	0	14,290,788	12.57%
2010	1,544,748	(1,544,748)	0	11,408,774	13.54%

See accompanying notes to the required supplementary information.



Oak Hills Local School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Three Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB (Asset)/Liability
2019	0.34161333%	(\$5,489,377)	\$39,681,171	(13.83%)	176.00%
2018	0.34066295%	13,291,411	36,925,029	36.00%	47.10%
2017	0.33852729%	18,104,528	36,325,714	49.84%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Oak Hills Local School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Three Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB Liability
2019	0.31741370%	\$8,805,913	\$10,429,622	84.43%	13.57%
2018	0.31721350%	8,513,177	10,162,607	83.77%	12.46%
2017	0.31084507%	8,860,234	11,968,457	74.03%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Oak Hills Local School District  
 Required Supplementary Information  
 Schedule of District's Contributions for Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Four Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2019	\$0	\$0	\$0	\$41,622,686	0.00%
2018	0	0	0	39,681,171	0.00%
2017	0	0	0	36,925,029	0.00%
2016	0	0	0	36,325,714	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Oak Hills Local School District  
 Required Supplementary Information  
 Schedule of District's Contributions for Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Four Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2019	\$250,081	(\$250,081)	\$0	\$10,846,963	2.31%
2018	222,335	(222,335)	0	10,429,622	2.13%
2017	168,230	(168,230)	0	10,162,607	1.66%
2016	155,275	(155,275)	0	11,968,457	1.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Oak Hills Local School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$27,535,328	\$27,182,968	\$27,232,672	\$49,704
Revenue in lieu of taxes	12,741,524	12,578,475	12,601,475	23,000
Tuition and Fees	1,659,555	1,638,318	1,641,314	2,996
Investment Earnings	546,362	539,371	540,357	986
Intergovernmental	33,772,679	33,340,502	33,401,465	60,963
Extracurricular Activities	219,730	216,918	217,315	397
Other Revenues	398,037	392,944	393,662	718
<b>Total Revenues</b>	<b>76,873,215</b>	<b>75,889,496</b>	<b>76,028,260</b>	<b>138,764</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	37,069,224	35,970,627	35,969,790	837
Special	12,916,851	12,534,043	12,533,751	292
Vocational	428	415	415	0
Other	154,319	149,745	149,742	3
<b>Support Services:</b>				
Pupil	6,743,282	6,543,435	6,543,283	152
Instructional Staff	2,617,806	2,540,224	2,540,165	59
General Administration	124,544	120,853	120,850	3
School Administration	5,364,694	5,205,704	5,205,583	121
Fiscal	1,447,322	1,404,429	1,404,396	33
Business	114,609	111,213	111,210	3
Operations and Maintenance	5,689,312	5,520,701	5,520,573	128
Pupil Transportation	3,207,683	3,112,619	3,112,547	72
Central	351,767	341,342	341,334	8
Operation of Non-Instructional Services	41,613	40,380	40,379	1
Extracurricular Activities	1,118,496	1,085,348	1,085,323	25
Capital Outlay	82,980	80,521	80,519	2
<b>Total Expenditures</b>	<b>77,044,930</b>	<b>74,761,599</b>	<b>74,759,860</b>	<b>1,739</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(171,715)</b>	<b>1,127,897</b>	<b>1,268,400</b>	<b>140,503</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	1,666	1,645	1,648	3
Transfers (Out)	(36,070)	(35,001)	(35,000)	1
<b>Total Other Financing Sources (Uses)</b>	<b>(34,404)</b>	<b>(33,356)</b>	<b>(33,352)</b>	<b>4</b>
<b>Net Change in Fund Balance</b>	<b>(206,119)</b>	<b>1,094,541</b>	<b>1,235,048</b>	<b>140,507</b>
<b>Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>35,389,543</b>	<b>35,389,543</b>	<b>35,389,543</b>	<b>0</b>
<b>Fund Balance - End of Year</b>	<b>\$35,183,424</b>	<b>\$36,484,084</b>	<b>\$36,624,591</b>	<b>\$140,507</b>

See accompanying notes to the required supplementary information.

**Oak Hills Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2019**

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**Note 1 – Budgetary Process**

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All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by the Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board.

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

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as assigned to a fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis to the budgetary basis for the general fund.

**Oak Hills Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2019**

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Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$1,119,996
Revenue Accruals	(782,401)
Expenditure Accruals	962,453
Encumbrances	<u>(65,000)</u>
Budget Basis	<u><u>\$1,235,048</u></u>

**Note 2 - Net Pension Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the change in the Consumer Price Index Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2018-2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019: There were no changes in benefit terms from the amounts reported for this fiscal year.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Oak Hills Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2019**

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**Changes in Assumptions:**

2019: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**Note 3 - Net OPEB (Asset)/Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2017-2019: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%
- (2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%



**Oak Hills Local School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2019**

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2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

**Changes in Assumptions:**

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

### **Capital Project Fund**

The Permanent Improvement Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

### **Debt Service Fund**

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The District has only one Debt Service fund for fiscal year 2019.

Oak Hills Local School District, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$1,003,746	\$1,917,921	\$2,844,428	\$5,766,095
<b>Receivables (Net):</b>				
Taxes	0	2,915,247	4,312,508	7,227,755
Accounts	6,877	0	5,000	11,877
Intergovernmental	1,622,126	0	0	1,622,126
Inventory	35,575	0	0	35,575
<b>Total Assets</b>	<b>2,668,324</b>	<b>4,833,168</b>	<b>7,161,936</b>	<b>14,663,428</b>
<b>Liabilities:</b>				
Accounts Payable	4,381	0	0	4,381
Accrued Wages and Benefits	587,683	0	5,142	592,825
Interfund Payable	18,000	0	0	18,000
<b>Total Liabilities</b>	<b>610,064</b>	<b>0</b>	<b>5,142</b>	<b>615,206</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	0	1,615,247	2,612,508	4,227,755
Grants and Other Taxes	1,233,776	0	0	1,233,776
<b>Total Deferred Inflows of Resources</b>	<b>1,233,776</b>	<b>1,615,247</b>	<b>2,612,508</b>	<b>5,461,531</b>
<b>Fund Balances:</b>				
Restricted	832,831	3,217,921	0	4,050,752
Committed	0	0	4,544,286	4,544,286
Unassigned	(8,347)	0	0	(8,347)
<b>Total Fund Balances</b>	<b>824,484</b>	<b>3,217,921</b>	<b>4,544,286</b>	<b>8,586,691</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$2,668,324</b>	<b>\$4,833,168</b>	<b>\$7,161,936</b>	<b>\$14,663,428</b>

Oak Hills Local School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$0	\$3,225,096	\$4,285,258	\$7,510,354
Investment Earnings	31,647	0	0	31,647
Intergovernmental	6,421,597	498,987	678,257	7,598,841
Extracurricular Activities	1,302,430	0	0	1,302,430
Charges for Services	1,711,326	0	0	1,711,326
Other Revenues	86,856	32,265	344,044	463,165
<b>Total Revenues</b>	<b>9,553,856</b>	<b>3,756,348</b>	<b>5,307,559</b>	<b>18,617,763</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	16,200	0	254,383	270,583
Special	1,780,106	0	8,290	1,788,396
<b>Support Services:</b>				
Pupil	243,408	0	5,032	248,440
Instructional Staff	914,601	0	1,029,263	1,943,864
School Administration	282,895	0	0	282,895
Fiscal	0	38,870	52,721	91,591
Operations and Maintenance	43,498	0	724,818	768,316
Pupil Transportation	0	0	383,512	383,512
Central	41,907	0	0	41,907
Operation of Non-Instructional Services	4,728,036	0	0	4,728,036
Extracurricular Activities	1,297,584	0	0	1,297,584
Capital Outlay	0	0	3,287,684	3,287,684
<b>Debt Service:</b>				
Principal Retirement	0	2,525,000	360,784	2,885,784
Interest and Fiscal Charges	0	927,700	218,829	1,146,529
<b>Total Expenditures</b>	<b>9,348,235</b>	<b>3,491,570</b>	<b>6,325,316</b>	<b>19,165,121</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>205,621</b>	<b>264,778</b>	<b>(1,017,757)</b>	<b>(547,358)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	0	0	122,500	122,500
Issuance of Long-Term Debt	0	0	728,400	728,400
Transfers In	0	0	35,000	35,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>885,900</b>	<b>885,900</b>
<b>Net Change in Fund Balance</b>	<b>205,621</b>	<b>264,778</b>	<b>(131,857)</b>	<b>338,542</b>
<b>Fund Balance - Beginning of Year</b>	<b>618,863</b>	<b>2,953,143</b>	<b>4,676,143</b>	<b>8,248,149</b>
<b>Fund Balance - End of Year</b>	<b>\$824,484</b>	<b>\$3,217,921</b>	<b>\$4,544,286</b>	<b>\$8,586,691</b>

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## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Student Activity** – Fund used to account for student activity programs that do not have student management of the program, i.e. athletics, band, etc.

**Auxiliary Services** – Fund used to account for state funds used to provide services and materials to students attending non-public schools within the boundaries of the District.

**Data Communications** – State grant used to support technology used for non-instructional purposes, i.e. networking.

**Miscellaneous State Grants** – Fund used to account for state funds that are legally restricted to expenditures for specified purposes.

**Special Education** – Fund used to account for federal monies provided to support programs for students with disabilities.

**Vocational Education** – Funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational educational programs.

**Title I** – Fund used to account for federal monies provided to support programs for educationally deprived students.

**IDEA Preschool Grant** – Fund used to account for federal monies provided to support programs for pre-school aged students with disabilities.

**Improving Teacher Quality** – Fund used to account for funds provided for staff development programs.

**Miscellaneous Federal Grants** – Fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

**Food Service** – Fund used to record financial transactions related to the food service operation.

**Title III** – Funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Oak Hills Local School District, Ohio  
 Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2019

	Student Activity	Auxiliary Services	Data Communications	Miscellaneous State Grants	Special Education	Vocational Education
<b>Assets:</b>						
Equity in Pooled Cash and Investments	\$495,871	\$51,602	\$0	\$0	\$0	\$0
Receivables (Net):						
Accounts	6,875	0	0	0	0	0
Intergovernmental	0	0	0	0	947,347	0
Inventory	0	0	0	0	0	0
<b>Total Assets</b>	<b>502,746</b>	<b>51,602</b>	<b>0</b>	<b>0</b>	<b>947,347</b>	<b>0</b>
<b>Liabilities:</b>						
Accounts Payable	3,900	38	0	0	0	0
Accrued Wages and Benefits	0	54,076	0	0	161,717	0
Interfund Payable	0	0	0	0	18,000	0
<b>Total Liabilities</b>	<b>3,900</b>	<b>54,114</b>	<b>0</b>	<b>0</b>	<b>179,717</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>						
Grants and Other Taxes	0	0	0	0	734,932	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>734,932</b>	<b>0</b>
<b>Fund Balances:</b>						
Restricted	498,846	0	0	0	32,698	0
Unassigned	0	(2,512)	0	0	0	0
<b>Total Fund Balances</b>	<b>498,846</b>	<b>(2,512)</b>	<b>0</b>	<b>0</b>	<b>32,698</b>	<b>0</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$502,746</b>	<b>\$51,602</b>	<b>\$0</b>	<b>\$0</b>	<b>\$947,347</b>	<b>\$0</b>

Title I	IDEA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Food Service	Title III	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$456,273	\$0	\$1,003,746
0	0	0	0	2	0	6,877
477,472	15,545	140,678	26,609	0	14,475	1,622,126
0	0	0	0	35,575	0	35,575
<u>477,472</u>	<u>15,545</u>	<u>140,678</u>	<u>26,609</u>	<u>491,850</u>	<u>14,475</u>	<u>2,668,324</u>
273	0	170	0	0	0	4,381
170,070	4,179	0	6,561	191,080	0	587,683
0	0	0	0	0	0	18,000
<u>170,343</u>	<u>4,179</u>	<u>170</u>	<u>6,561</u>	<u>191,080</u>	<u>0</u>	<u>610,064</u>
312,254	10,849	140,678	20,588	0	14,475	1,233,776
<u>312,254</u>	<u>10,849</u>	<u>140,678</u>	<u>20,588</u>	<u>0</u>	<u>14,475</u>	<u>1,233,776</u>
0	517	0	0	300,770	0	832,831
(5,125)	0	(170)	(540)	0	0	(8,347)
<u>(5,125)</u>	<u>517</u>	<u>(170)</u>	<u>(540)</u>	<u>300,770</u>	<u>0</u>	<u>824,484</u>
<u>\$477,472</u>	<u>\$15,545</u>	<u>\$140,678</u>	<u>\$26,609</u>	<u>\$491,850</u>	<u>\$14,475</u>	<u>\$2,668,324</u>

Oak Hills Local School District, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2019

	Student Activity	Auxiliary Services	Data Communications	Miscellaneous State Grants	Special Education	Vocational Education
<b>Revenues:</b>						
Investment Earnings	\$0	\$22,040	\$0	\$0	\$0	\$0
Intergovernmental	0	1,915,660	16,200	185,322	2,038,891	2,000
Extracurricular Activities	1,302,430	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Other Revenues	86,854	0	0	0	0	0
<b>Total Revenues</b>	<b>1,389,284</b>	<b>1,937,700</b>	<b>16,200</b>	<b>185,322</b>	<b>2,038,891</b>	<b>2,000</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	0	0	16,200	0	0	0
Special	0	0	0	0	876,764	0
<b>Support Services:</b>						
Pupil	0	0	0	118,415	52,192	2,000
Instructional Staff	0	0	0	25,000	533,461	0
School Administration	0	0	0	0	282,895	0
Operations and Maintenance	0	0	0	0	0	0
Central	0	0	0	41,907	0	0
Operation of Non-Instructional Services	0	2,173,654	0	0	219,953	0
Extracurricular Activities	1,297,584	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,297,584</b>	<b>2,173,654</b>	<b>16,200</b>	<b>185,322</b>	<b>1,965,265</b>	<b>2,000</b>
<b>Net Change in Fund Balance</b>	<b>91,700</b>	<b>(235,954)</b>	<b>0</b>	<b>0</b>	<b>73,626</b>	<b>0</b>
<b>Fund Balance - Beginning of Year</b>	<b>407,146</b>	<b>233,442</b>	<b>0</b>	<b>0</b>	<b>(40,928)</b>	<b>0</b>
<b>Fund Balance - End of Year</b>	<b>\$498,846</b>	<b>(\$2,512)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,698</b>	<b>\$0</b>

Title I	IDEA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Food Service	Title III	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$9,607	\$0	\$31,647
1,231,265	35,830	180,055	99,148	706,684	10,542	6,421,597
0	0	0	0	0	0	1,302,430
0	0	0	0	1,711,326	0	1,711,326
0	0	0	0	2	0	86,856
<u>1,231,265</u>	<u>35,830</u>	<u>180,055</u>	<u>99,148</u>	<u>2,427,619</u>	<u>10,542</u>	<u>9,553,856</u>
0	0	0	0	0	0	16,200
899,170	0	0	0	0	4,172	1,780,106
70,801	0	0	0	0	0	243,408
155,485	33,465	126,415	34,419	0	6,356	914,601
0	0	0	0	0	0	282,895
0	0	0	43,498	0	0	43,498
0	0	0	0	0	0	41,907
0	0	53,810	21,771	2,258,848	0	4,728,036
0	0	0	0	0	0	1,297,584
<u>1,125,456</u>	<u>33,465</u>	<u>180,225</u>	<u>99,688</u>	<u>2,258,848</u>	<u>10,528</u>	<u>9,348,235</u>
105,809	2,365	(170)	(540)	168,771	14	205,621
(110,934)	(1,848)	0	0	131,999	(14)	618,863
<u>(\$5,125)</u>	<u>\$517</u>	<u>(\$170)</u>	<u>(\$540)</u>	<u>\$300,770</u>	<u>\$0</u>	<u>\$824,484</u>

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Student Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$1,291,828	\$1,302,974	\$11,146
Other Revenues	80,076	80,767	691
Total Revenues	<u>1,371,904</u>	<u>1,383,741</u>	<u>11,837</u>
Expenditures:			
Current:			
Extracurricular Activities	<u>1,316,307</u>	<u>1,316,307</u>	<u>0</u>
Total Expenditures	<u>1,316,307</u>	<u>1,316,307</u>	<u>0</u>
Net Change in Fund Balance	55,597	67,434	11,837
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>410,449</u>	<u>410,449</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$466,046</u></u>	<u><u>\$477,883</u></u>	<u><u>\$11,837</u></u>

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$22,040	\$22,040	\$0
Intergovernmental	1,915,660	1,915,660	0
Total Revenues	1,937,700	1,937,700	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,175,903	2,175,903	0
Total Expenditures	2,175,903	2,175,903	0
Net Change in Fund Balance	(238,203)	(238,203)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	289,805	289,805	0
Fund Balance - End of Year	\$51,602	\$51,602	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Data Communications Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,200	\$16,200	\$0
Total Revenues	16,200	16,200	0
Expenditures:			
Current:			
Instruction:			
Regular	16,200	16,200	0
Total Expenditures	16,200	16,200	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0



Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$185,323	\$185,323	\$0
Total Revenues	185,323	185,323	0
Expenditures:			
Current:			
Support Services:			
Pupil	118,416	118,416	0
Instructional Staff	25,000	25,000	0
Central	41,907	41,907	0
Total Expenditures	185,323	185,323	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,961,016	\$1,961,016	\$0
Total Revenues	<u>1,961,016</u>	<u>1,961,016</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	769,530	769,530	0
Support Services:			
Pupil	128,842	128,842	0
Instructional Staff	555,093	555,093	0
School Administration	287,598	287,598	0
Operation of Non-Instructional Services	<u>219,953</u>	<u>219,953</u>	<u>0</u>
Total Expenditures	<u>1,961,016</u>	<u>1,961,016</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,000	\$2,000	\$0
Total Revenues	2,000	2,000	0
Expenditures:			
Current:			
Support Services:			
Pupil	2,000	2,000	0
Total Expenditures	2,000	2,000	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,117,664	\$1,117,664	\$0
Total Revenues	<u>1,117,664</u>	<u>1,117,664</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	889,039	889,039	0
Support Services:			
Pupil	69,789	69,789	0
Instructional Staff	155,276	155,276	0
Operation of Non-Instructional Services	<u>3,560</u>	<u>3,560</u>	<u>0</u>
Total Expenditures	<u>1,117,664</u>	<u>1,117,664</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	IDEA Preschool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$33,855	\$33,855	\$0
Total Revenues	33,855	33,855	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	33,855	33,855	0
Total Expenditures	33,855	33,855	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$180,055	\$180,055	\$0
Total Revenues	180,055	180,055	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	126,245	126,245	0
Operation of Non-Instructional Services	53,810	53,810	0
Total Expenditures	180,055	180,055	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$93,127	\$93,127	\$0
Total Revenues	93,127	93,127	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	34,419	34,419	0
Operations and Maintenance	36,937	36,937	0
Operation of Non-Instructional Services	21,771	21,771	0
Total Expenditures	93,127	93,127	(0)
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance - End of Year	\$0	\$0	\$0

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$9,600	\$9,607	\$7
Intergovernmental	602,139	602,561	422
Charges for Services	1,710,127	1,711,326	1,199
<b>Total Revenues</b>	<b>2,321,866</b>	<b>2,323,494</b>	<b>1,628</b>
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,234,403	2,234,403	0
<b>Total Expenditures</b>	<b>2,234,403</b>	<b>2,234,403</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>87,463</b>	<b>89,091</b>	<b>1,628</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	367,181	367,181	0
<b>Fund Balance - End of Year</b>	<b>\$454,644</b>	<b>\$456,272</b>	<b>\$1,628</b>



Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,542	\$10,542	0
Total Revenues	<u>10,542</u>	<u>10,542</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	4,186	4,186	0
Support Services:			
Instructional Staff	<u>6,356</u>	<u>6,356</u>	<u>0</u>
Total Expenditures	<u>10,542</u>	<u>10,542</u>	<u>(0)</u>
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

## **NONMAJOR DEBT SERVICE FUND**

### **Fund Description**

**Debt Service Fund** – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Debt Service Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$3,115,096	\$3,115,096	\$0
Intergovernmental	498,987	498,987	0
Other Revenues	32,265	32,265	0
Total Revenues	<u>3,646,348</u>	<u>3,646,348</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	38,870	38,870	0
Debt Service:			
Principal Retirement	2,525,000	2,525,000	0
Interest and Fiscal Charges	927,700	927,700	0
Total Expenditures	<u>3,491,570</u>	<u>3,491,570</u>	<u>0</u>
Net Change in Fund Balance	154,778	154,778	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,763,145</u>	<u>1,763,145</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$1,917,923</u></u>	<u><u>\$1,917,923</u></u>	<u><u>\$0</u></u>

## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **Fund Description**

**Permanent Improvement Fund** – The Permanent Improvement Fund is used to account for financial resources, to maintain the District's facilities, as well as provide for major equipment and instructional material purchases

Oak Hills Local School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,230,258	\$4,230,258	\$0
Intergovernmental	678,257	678,257	0
Other Revenues	339,044	339,044	0
Total Revenues	5,247,559	5,247,559	0
Expenditures:			
Current:			
Instruction:			
Regular	254,383	254,383	0
Special	8,290	8,290	0
Support Services:			
Pupil	5,032	5,032	0
Instructional Staff	1,029,263	1,029,263	0
Fiscal	52,721	52,721	0
Operations and Maintenance	734,736	734,736	0
Pupil Transportation	386,464	386,464	0
Extracurricular Activities	75,619	75,619	0
Capital Outlay	3,287,684	3,287,684	0
Debt Service:			
Principal Retirement	295,000	295,000	0
Interest and Fiscal Charges	188,994	188,994	0
Total Expenditures	6,318,186	6,318,186	0
Excess of Revenues Over (Under) Expenditures	(1,070,627)	(1,070,627)	0
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	122,500	122,500	0
Issuance of Long-Term Capital-Related Debt	708,400	708,400	0
Transfers In	172,745	172,745	0
Transfers (Out)	(137,745)	(137,745)	0
Total Other Financing Sources (Uses)	865,900	865,900	0
Net Change in Fund Balance	(204,727)	(204,727)	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,049,159	3,049,159	0
Fund Balance - End of Year	\$2,844,432	\$2,844,432	\$0

## **OTHER GENERAL FUNDS**

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

### **Fund Descriptions**

**Public School** – Fund used to account for specific local revenue sources generated by individual school buildings. Expenditures include field trips, items to support co-curricular and extra-curricular programs, and recognition programs.

**State Subdivision** – Fund used to account for state monies provided for the state subdivision programs.

**Uniform School Supply** – Fund to account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Public School Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$436,829	\$445,695	\$8,866
Other Revenues	190,486	194,352	3,866
Total Revenues	<u>627,315</u>	<u>640,047</u>	<u>12,732</u>
Expenditures:			
Current:			
Support Services:			
Pupil	591,565	591,575	(10)
Central	20,608	20,608	0
Total Expenditures	<u>612,173</u>	<u>612,183</u>	<u>(10)</u>
Net Change in Fund Balance	15,142	27,864	12,722
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>392,460</u>	<u>392,460</u>	<u>0</u>
Fund Balance - End of Year	<u>\$407,602</u>	<u>\$420,324</u>	<u>\$12,722</u>

(1) - This fund is included in General Fund in GAAP Statements

Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	State Subdivision Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance - End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

(1) - This fund is included in General Fund in GAAP Statements



Oak Hills Local School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2019

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$26,990	\$26,990	\$0
Other Revenues	40	40	0
Total Revenues	<u>27,030</u>	<u>27,030</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	20,551	20,551	0
Total Expenditures	<u>20,551</u>	<u>20,551</u>	<u>0</u>
Net Change in Fund Balance	6,479	6,479	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>18,112</u>	<u>18,112</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$24,591</u></u>	<u><u>\$24,591</u></u>	<u><u>\$0</u></u>

(1) - This fund is included in General Fund in GAAP Statements

## **NONMAJOR FUNDS**

### **Fiduciary funds**

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

**Student Activity (Agency Fund)** – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

**Athletic Tournament S-Agency Fund** - Fund used to account for resources to be used for athletic tournaments.

Oak Hills Local School District, Ohio  
Statement of Changes In Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2019

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$102,622	\$193,848	\$203,950	\$92,520
Receivables (Net):				
Accounts	325	0	325	0
<b>Total Assets</b>	<b>102,947</b>	<b>193,848</b>	<b>204,275</b>	<b>92,520</b>
<b>Liabilities:</b>				
Other Liabilities	102,947	193,848	204,275	92,520
<b>Total Liabilities</b>	<b>\$102,947</b>	<b>\$193,848</b>	<b>\$204,275</b>	<b>\$92,520</b>

	Athletic Tournament S-Agency Fund			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$0	\$6,938	\$6,938	\$0
<b>Total Assets</b>	<b>0</b>	<b>6,938</b>	<b>6,938</b>	<b>0</b>
<b>Liabilities:</b>				
Other Liabilities	0	6,938	6,938	0
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$6,938</b>	<b>\$6,938</b>	<b>\$0</b>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$102,622	\$200,786	\$210,888	\$92,520
Receivables (Net):				
Accounts	325	0	325	0
<b>Total Assets</b>	<b>102,947</b>	<b>200,786</b>	<b>211,213</b>	<b>92,520</b>
<b>Liabilities:</b>				
Other Liabilities	102,947	200,786	211,213	92,520
<b>Total Liabilities</b>	<b>\$102,947</b>	<b>\$200,786</b>	<b>\$211,213</b>	<b>\$92,520</b>

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# STATISTICAL SECTION



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## **STATISTICAL SECTION**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **CONTENTS**

**Financial Trends** - These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

**Revenue Capacity** - These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

**Economic and Demographic Information** - These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

**Operation Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**Sources** - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Oak Hills Local School District, Ohio  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 1

	Fiscal Year									
	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018 (2)	2019
Governmental Activities										
Net Investment in Capital Assets										
Restricted	\$7,686,787	\$8,896,621	\$9,492,221	\$9,782,816	\$10,281,225	\$14,112,024	\$17,720,253	\$20,053,468	\$21,711,939	\$24,170,274
Unrestricted	8,150,504	4,153,714	4,378,079	4,048,421	4,760,786	5,546,195	5,339,785	4,147,982	4,665,303	4,852,833
Total Net Position	21,724,164	21,570,363	20,653,086	20,870,979	29,158,085	(76,441,186)	(77,740,981)	(74,749,383)	(56,910,795)	(40,205,084)
	\$37,561,455	\$34,620,698	\$34,523,386	\$34,702,216	\$44,200,096	(\$56,782,967)	(\$54,680,943)	(\$50,547,933)	(\$30,533,553)	(\$11,181,977)

Source: District Records

- (1) - GASB 68 was implemented
- (2) - GASB 75 was implemented



Oak Hills Local School District, Ohio  
 Expenses, Program Revenues and Net (Expense)/Revenue  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 2

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$43,400,150	\$44,447,001	\$42,082,843	\$41,099,941	\$43,441,355	\$45,588,622	\$45,802,259	\$50,189,130	\$22,560,323	\$41,160,838
Pupil	4,999,928	4,968,916	5,337,790	5,035,797	5,534,470	5,941,913	6,037,513	6,724,307	4,027,123	6,346,655
Instructional staff	7,100,492	7,291,063	5,312,361	5,685,892	4,117,596	3,400,455	4,432,445	4,572,224	3,552,250	4,575,909
General Administration	163,458	128,139	730,144	126,079	160,001	134,554	136,227	150,762	84,836	118,613
School Administration	5,328,461	5,419,652	5,009,998	5,455,185	5,361,576	5,000,652	5,332,399	5,686,259	2,003,837	4,221,677
Fiscal	1,281,511	1,313,411	1,245,878	1,259,348	1,169,771	1,469,355	1,563,102	1,414,164	963,071	1,338,750
Business	284,383	277,321	299,053	113,062	107,136	106,694	121,695	121,054	60,082	90,463
Operation and Maintenance	6,988,413	6,846,285	6,047,467	6,233,071	6,235,743	6,032,693	7,417,029	8,206,231	5,938,972	7,031,736
Pupil Transportation	2,894,554	3,004,197	3,045,054	3,016,409	3,259,887	2,905,561	3,383,465	3,590,423	1,957,663	3,116,211
Central	541,132	580,400	483,088	554,851	333,268	299,724	371,715	387,815	145,796	322,316
Operation of Non-Instructional Services	4,428,200	4,827,525	4,075,877	4,498,202	4,125,883	4,078,086	4,253,444	5,035,000	3,055,537	4,349,305
Extracurricular Activities	2,099,337	2,025,274	2,058,361	2,185,473	2,074,027	2,164,501	2,140,984	2,177,472	1,792,506	2,189,668
Interest and Fiscal Charges	1,956,139	1,867,715	1,799,761	1,711,279	1,601,184	1,600,480	1,667,316	850,288	802,558	729,810
<b>Total Government Expenses</b>	<b>81,466,158</b>	<b>82,996,899</b>	<b>77,527,675</b>	<b>76,974,589</b>	<b>77,521,897</b>	<b>78,723,290</b>	<b>82,659,593</b>	<b>89,105,129</b>	<b>46,944,554</b>	<b>75,591,951</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services										
Instruction	1,213,258	1,297,724	1,329,534	1,277,929	1,110,772	1,244,038	1,057,447	1,367,652	1,676,252	1,553,204
Pupil	278,644	0	0	0	0	0	0	0	0	0
Operation and Maintenance	21,291	22,950	23,330	34,830	375,903	414,529	430,366	439,841	446,240	61,808
Pupil Transportation	68,025	68,099	61,423	15,510	104,969	53,122	51,178	53,561	58,351	85,159
Central	12,677	0	0	0	0	0	0	0	0	0
Operation of Non-Instructional	2,112,094	1,976,544	2,019,973	1,889,472	1,710,383	1,651,891	1,647,916	1,685,481	1,652,587	1,711,326
Extracurricular Activities	1,195,044	1,421,483	1,390,466	1,642,081	1,209,731	1,251,303	1,201,280	1,284,191	1,404,030	1,967,018
Operating Grants and Contributions	9,817,213	8,656,757	8,032,996	6,542,478	9,682,006	8,091,953	10,487,244	10,135,670	10,310,429	10,916,429
Capital Grants and Contributions	0	0	0	0	0	0	0	0	0	0
<b>Total Government Revenues</b>	<b>14,718,246</b>	<b>13,443,557</b>	<b>12,857,722</b>	<b>11,402,300</b>	<b>14,193,764</b>	<b>12,706,836</b>	<b>14,875,431</b>	<b>14,966,396</b>	<b>15,547,889</b>	<b>16,294,944</b>
<b>Net (Expense)/Revenue</b>	<b>(\$66,747,912)</b>	<b>(\$69,553,342)</b>	<b>(\$64,669,953)</b>	<b>(\$65,572,289)</b>	<b>(\$63,328,133)</b>	<b>(\$66,016,454)</b>	<b>(\$67,784,162)</b>	<b>(\$74,138,733)</b>	<b>(\$31,396,665)</b>	<b>(\$59,297,007)</b>

Source: District Records

Oak Hills Local School District, Ohio  
 General Revenues and Total Change in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule 3

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Total Government Net Expense	(\$66,747,912)	(\$69,553,342)	(\$64,669,953)	(\$65,572,289)	(\$63,328,133)	(\$66,016,454)	(\$67,784,162)	(\$74,138,733)	(\$31,396,665)	(\$59,297,007)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes										
Property Taxes Levied for General Purposes	22,469,396	22,185,957	21,255,588	20,671,331	27,042,320	27,312,721	24,096,973	30,179,334	28,344,582	26,963,655
Property Taxes Levied for Debt Service Purposes	2,793,781	2,749,573	2,574,878	2,767,198	2,806,705	2,654,719	2,413,153	2,937,057	3,124,671	3,199,495
Property Taxes Levied for Capital Projects Purposes	4,823,270	4,820,177	4,174,592	4,158,680	4,481,251	4,089,264	3,732,973	4,548,104	4,326,496	4,247,609
Grants and Entitlements Not Restricted	27,516,062	26,449,129	26,470,882	27,809,237	27,350,047	27,875,377	27,893,138	28,301,873	29,027,300	29,887,874
Payment in Lieu of Taxes	9,861,510	9,577,067	9,619,710	9,694,573	10,492,639	11,110,870	10,965,704	11,525,085	12,558,851	12,601,475
Unrestricted Contributions	126,969	174,606	155,153	123,009	151,374	176,668	273,028	180,218	100,457	362,805
Investment Earnings	373,400	352,248	28,397	8,590	59,083	63,991	114,401	126,172	335,681	725,159
Other Revenues	410,181	303,828	293,441	752,693	442,594	451,811	396,816	473,900	389,539	660,511
Total Governmental Activities	68,374,569	66,612,585	64,572,641	65,985,311	72,826,013	73,735,421	69,886,186	78,271,743	78,207,577	78,648,583
Change in Net Position - Total Government	1,626,657	(2,940,757)	(97,312)	413,022	9,497,880	7,718,967	2,102,024	4,133,010	46,810,912	19,351,576

Source: District Records

Oak Hills Local School District, Ohio  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Schedule 4

	Fiscal Year									
	2010	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)
General Fund										
Reserved	\$8,795,914									
Unreserved	16,642,603									
Assigned	99,794	\$5,456,159	\$3,988,644	\$359,310	\$246,955	\$270,832	\$1,960,550	\$457,153	\$3,604,769	
Unassigned	20,683,669	13,308,707	12,401,600	22,365,608	28,132,894	29,075,413	33,240,773	38,161,774	36,134,154	
<b>Total General Fund</b>	<b>25,438,517</b>	<b>20,783,463</b>	<b>18,764,866</b>	<b>16,390,244</b>	<b>22,724,918</b>	<b>29,346,245</b>	<b>35,201,323</b>	<b>38,618,927</b>	<b>39,738,923</b>	
All Other Governmental Funds										
Reserved	3,847,042									
Unreserved, Reported in:										
Capital Project Funds	1,206,089									
Debt Service Funds	2,326,797									
Special Revenue Funds	(263,181)									
Restricted	3,841,895	4,001,717	3,791,678	4,075,973	5,735,254	4,806,871	3,447,786	3,725,730	4,050,752	
Committed	4,598,621	6,038,603	8,476,565	9,574,886	6,903,364	5,645,624	5,324,951	4,676,143	4,544,286	
Unassigned	(348,019)	(573,841)	(160,738)	(125,114)	(5,864)	(12,919)	(56,285)	(153,724)	(8,347)	
<b>Total all Other Governmental Funds</b>	<b>\$7,116,747</b>	<b>\$8,092,497</b>	<b>\$9,466,479</b>	<b>\$12,107,505</b>	<b>\$13,525,745</b>	<b>\$10,439,576</b>	<b>\$8,716,452</b>	<b>\$8,248,149</b>	<b>\$8,586,691</b>	

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The classification of fund balance are discussed in the Notes to the Financial Statements.

Oak Hills Local School District, Ohio  
 Governmental Funds Revenues  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 5

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Taxes	\$29,897,760	\$29,696,733	\$28,235,311	\$27,802,403	\$34,237,484	\$34,118,374	\$30,243,099	\$37,834,522	\$35,622,243	\$34,718,516
Tuition and Fees	1,362,830	1,303,814	1,241,469	1,216,417	1,267,018	1,317,500	1,129,709	1,439,046	1,763,711	1,659,282
Investment Earnings	360,629	352,248	51,480	8,215	63,958	62,127	114,270	124,957	335,749	692,112
Intergovernmental	36,952,325	35,433,886	34,562,003	34,511,674	35,994,293	37,004,677	37,521,736	38,176,871	39,013,087	41,014,493
Extracurricular Activities	1,486,365	1,465,931	1,527,380	1,641,466	1,561,553	1,610,592	1,563,537	1,664,241	1,785,681	1,966,969
Charges for Services	2,016,752	1,976,544	2,019,973	1,924,918	1,784,372	1,651,891	1,647,916	1,685,481	1,652,587	1,711,326
Revenue in Lieu of Taxes	9,861,510	9,577,067	9,619,710	9,694,573	10,492,639	11,110,870	10,965,704	11,525,085	12,558,851	12,601,475
Other Revenues	572,236	518,947	484,497	952,394	570,115	619,034	700,167	685,013	473,967	1,064,252
<b>Total Revenues</b>	<b>\$82,510,407</b>	<b>\$80,325,170</b>	<b>\$77,741,823</b>	<b>\$77,752,060</b>	<b>\$85,971,432</b>	<b>\$87,495,065</b>	<b>\$83,886,138</b>	<b>\$93,135,216</b>	<b>\$93,205,876</b>	<b>\$95,428,425</b>

Source: District Records

Oak Hills Local School District, Ohio  
 Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 6

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Regular Instruction	\$34,100,823	\$34,711,759	\$32,494,697	\$31,136,770	\$31,605,906	\$34,057,824	\$32,982,876	\$34,228,639	\$35,443,389	\$36,488,065
Special Instruction	8,301,525	8,551,494	8,303,352	8,622,566	10,377,927	11,196,871	11,478,828	12,681,862	13,452,103	14,308,405
Vocational Instruction	101	189	149	447	370	293	1,069	1,161	576	415
Other Instruction	319,185	264,077	232,155	239,570	253,570	231,013	229,551	145,606	140,965	149,742
Pupil	5,004,577	5,018,056	5,310,530	5,070,589	5,530,670	6,001,930	5,905,770	6,539,847	7,003,298	7,498,968
Instructional Staff	7,167,145	7,274,389	5,482,111	5,651,256	4,116,220	4,989,420	5,294,202	3,733,486	4,445,969	4,487,668
General Administration	163,458	128,139	730,144	126,079	160,001	135,845	135,667	149,656	97,496	123,025
School Administration	5,294,124	5,253,965	4,967,698	5,456,558	5,258,504	5,171,762	5,304,121	5,339,442	5,565,501	5,432,240
Fiscal	1,284,025	1,324,012	1,230,560	1,258,301	1,175,339	1,513,497	1,536,056	1,390,832	1,483,130	1,511,200
Business	283,795	280,145	353,546	116,976	102,600	110,871	118,331	117,220	116,641	111,772
Operations and Maintenance	6,941,682	6,820,243	5,972,480	6,167,959	5,995,767	6,201,669	6,229,696	6,363,924	6,585,793	6,240,064
Pupil Transportation	2,807,110	2,855,087	2,891,707	2,882,636	3,002,995	3,258,813	3,236,990	3,118,984	3,471,371	3,505,667
Central	524,294	570,008	489,965	548,724	331,538	329,214	358,717	368,739	347,954	402,654
Operation of Non-Instructional Services	4,367,128	4,797,893	4,006,914	4,548,106	4,005,365	4,453,621	4,156,817	4,897,434	4,342,368	4,779,994
Extracurricular Activities	2,089,668	2,004,249	2,037,662	2,161,777	2,064,649	2,172,822	2,115,874	2,102,263	2,313,113	2,382,040
Capital Outlay	1,169,126	791,450	436,704	343,496	991,007	3,643,038	5,092,867	3,982,682	1,921,756	3,368,203
Debt Service:										
Principal Retirement	1,375,000	1,526,000	1,689,000	1,490,000	1,539,137	1,306,984	33,073,865	2,570,000	2,719,866	2,885,784
Interest and Fiscal Charges	1,921,496	1,843,706	1,757,064	1,664,175	1,706,963	2,055,646	2,284,641	1,282,544	1,209,122	1,146,529
Bond Issuance Costs	0	0	0	0	0	61,459	364,946	0	0	0
<b>Total Expenditures</b>	<b>\$83,114,262</b>	<b>\$84,014,861</b>	<b>\$78,386,438</b>	<b>\$77,485,985</b>	<b>\$78,218,528</b>	<b>\$86,892,592</b>	<b>\$119,900,884</b>	<b>\$89,014,321</b>	<b>\$90,660,411</b>	<b>\$94,822,435</b>
Debt Service as a Percentage of Noncapital Expenditures	4.07%	4.08%	4.43%	4.10%	4.19%	4.26%	32.11%	4.63%	4.45%	4.42%

Source: District Records

(1) - Principal retirement includes a current refunding.

Oak Hills Local School District, Ohio  
 Other Financing Sources and Uses and Net Change in Fund Balances - Governmental Funds  
 Last Ten Fiscal Years

(modified accrual basis of accounting)  
 Schedule 7

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other Financing Sources (Uses):</b>										
Proceeds from Sale of Capital Assets	\$0	\$10,387	\$0	\$329	\$0	\$44,346	\$16,703	\$11,059	\$51,510	\$124,148
Issuance of Capital Leases	0	0	0	0	0	0	2,520,000	0	352,326	0
Issuance of Long Term Debt	0	0	0	0	0	3,965,000	0	0	0	728,400
Issuance of Refunding Bonds	0	0	0	0	0	0	29,005,000	0	0	0
Premium on Issuance of Debt	0	0	0	0	0	150,121	3,246,261	0	0	0
Transfers In	374,879	671,663	371,484	246,270	40,000	0	130,000	0	0	35,000
Transfers (Out)	(374,879)	(671,663)	(371,484)	(246,270)	(40,000)	0	(130,000)	0	0	(35,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>10,387</b>	<b>0</b>	<b>329</b>	<b>0</b>	<b>4,159,467</b>	<b>34,787,964</b>	<b>11,059</b>	<b>403,836</b>	<b>852,548</b>
<b>Net Change in Fund Balances</b>	<b>(\$603,855)</b>	<b>(\$3,679,304)</b>	<b>(\$644,615)</b>	<b>\$266,404</b>	<b>\$7,752,904</b>	<b>\$4,761,940</b>	<b>(\$1,226,782)</b>	<b>\$4,131,954</b>	<b>\$2,949,301</b>	<b>\$1,458,538</b>

Source: District Records

Oak Hills Local School District, Ohio  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Collection (Calendar) Years (1)  
 Schedule 8

Collection Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total		Total Direct Rate
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	
2009	\$1,177,873,300	\$1,819,270	\$33,369,740	\$1,213,062,310	\$3,405,999,106	45.83
2010	1,176,118,440	911,750	33,888,810	1,210,919,000	3,397,874,210	45.83
2011	1,061,520,280	0	35,117,890	1,096,638,170	3,068,032,976	46.02
2012	1,058,878,380	0	36,658,060	1,095,536,440	3,062,024,860	46.15
2013	1,056,409,240	0	40,156,600	1,096,565,840	3,058,468,714	50.97
2014	1,017,952,600	0	42,717,560	1,060,670,160	2,951,153,560	51.15
2015	1,017,997,280	0	44,599,470	1,062,596,750	2,953,163,127	51.15
2016	1,016,833,270	0	45,326,000	1,062,159,270	2,950,563,914	51.15
2017	1,040,645,510	0	50,058,460	1,090,703,970	3,023,331,346	51.51
2018	1,042,918,730	0	53,342,640	1,096,261,370	3,033,110,440	51.29

Source: County Auditor

(1) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. House Bill 66 phased out tangible personal property with the last collection during 2010. Telephone personal property was assessed at 10% for 2009, 5% for 2010, and eliminated in 2011.

Oak Hills Local School District, Ohio  
 Direct and Overlapping Property Tax Rates  
 Last Ten Calendar Years  
 Schedule 9

Calendar Year	District Direct Rates				Overlapping Rates				
	General	Debt Service	Permanent Improvement	Total	City of Cincinnati	Hamilton County	Delhi Township	Green Township	Great Oaks Joint Vocational School
2009	38.64	2.63	4.56	45.83	7.45	20.48	26.34	11.71	2.70
2010	38.64	2.63	4.56	45.83	7.45	20.48	26.34	11.71	2.70
2011	38.83	2.63	4.56	46.02	8.13	19.03	26.34	11.71	2.70
2012	38.96	2.63	4.56	46.15	8.48	19.03	26.34	11.71	2.70
2013	43.03	2.90	5.04	50.97	9.83	19.03	28.09	11.71	2.70
2014	43.21	2.90	5.04	51.15	9.73	18.85	30.58	14.66	2.70
2015	43.21	2.90	5.04	51.15	9.73	18.85	30.58	14.66	2.70
2016	43.21	2.90	5.04	51.15	9.67	18.85	31.12	14.66	2.70
2017	43.57	2.90	5.04	51.51	9.67	19.16	31.12	14.66	2.70
2018	43.33	3.40	4.56	51.29	10.05	21.14	34.57	14.66	2.70

Source: County Auditor



Oak Hills Local School District, Ohio  
Principal Property Tax Payers  
Current Calendar Year and Nine Years Ago  
Schedule 10

Taxpayer	2018	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Duke Energy	\$53,099,180	5.00%
CTR Partnership LP	3,389,380	0.32%
CSG Enterprises LLC	2,936,700	0.28%
BRE Retail Residual Owner LLC	2,782,610	0.26%
Sisters of Charity Cincinnati	2,651,980	0.25%
Delhi Property LLC	2,265,620	0.21%
Jets Properties LLC	1,939,240	0.18%
Western Woods Mall	1,885,100	0.18%
EDA RAE Corp	1,677,230	0.16%
DFG Delhi LLC	1,662,170	0.16%
<b>Total Principal Taxpayers</b>	<b>74,289,210</b>	<b>6.78%</b>
All Other Taxpayers	1,021,972,160	93.22%
<b>Total Taxpayers</b>	<b>\$1,096,261,370</b>	<b>100.00%</b>

Taxpayer	2009	
	Tangible Personal & Real Property	Percentage of Total Taxable Value
Duke Energy	\$32,438,710	2.67%
Centro NP Residual Pool	2,984,190	0.25%
Sisters of Charity of Cincinnati	2,875,520	0.24%
BKS Investors	2,458,750	0.20%
Dillard's	2,397,510	0.20%
Western Hills Country Club	2,337,400	0.19%
CSG Enterprises LLC	2,143,620	0.18%
Barrett Capital LLC	2,074,170	0.17%
CMPC LLC	2,065,000	0.17%
Hamilton County Commrs	1,928,930	0.16%
<b>Total Principal Taxpayers</b>	<b>53,703,800</b>	<b>4.43%</b>
All Other Taxpayers	1,159,358,510	95.57%
<b>Total Taxpayers</b>	<b>\$1,213,062,310</b>	<b>100.00%</b>

Source: County Auditor

Oak Hills Local School District, Ohio  
Property Tax Levies and Collections  
Last Ten Calendar Years  
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Collections	Refunds	Total Collections to Date	
		Amount (2)	Percentage of Levy			Amount	Percentage of Levy
2009	\$35,360,288	\$33,237,531	94.00%	\$850,111	\$40,264	\$34,047,378	96.29%
2010	35,473,030	33,080,634	93.26%	981,610	63,545	33,998,699	95.84%
2011	34,243,763	32,149,132	93.88%	908,785	477,119	32,580,798	95.14%
2012	33,513,479	32,857,677	98.04%	782,352	127,804	33,512,225	100.00%
2013	38,785,744	38,072,480	98.16%	771,163	62,979	38,780,664	99.99%
2014	38,798,917	38,040,000	98.04%	685,918	75,122	38,650,796	99.62%
2015	38,837,954	38,235,939	98.45%	749,951	147,936	38,837,954	100.00%
2016	38,874,673	38,306,872	98.54%	655,742	87,941	38,874,673	100.00%
2017	39,911,610	39,348,917	98.59%	606,067	43,374	39,911,610	100.00%
2018	39,858,343	39,338,904	98.70%	591,364	381,177	39,549,091	99.22%

Source: County Auditor

(1) - Taxes levied and collected are presented on a cash basis

(2) - State reimbursements of rollback and homestead exemptions are included

Oak Hills Local School District, Ohio  
 Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Schedule 12

Fiscal Year	General Bonded Debt Outstanding			General Bonded Debt Outstanding		Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita
	Total General Obligation Bonds	Capital Lease	Debt Service Balance (1)	Net General Obligation Bonds				
2010	\$42,235,353	\$0	\$3,629,835	\$38,605,518		1.28%	0.12%	\$492
2011	40,735,978	0	3,772,998	36,962,980		1.24%	0.12%	464
2012	39,078,460	0	3,660,545	35,417,915		1.33%	0.11%	445
2013	37,624,983	0	3,708,128	33,916,855		1.27%	0.10%	428
2014	35,987,312	0	3,461,721	32,525,591		1.06%	0.08%	410
2015	38,267,256	0	3,144,679	35,122,577		1.19%	0.08%	435
2016	35,441,259	2,520,000	2,761,861	32,679,398		1.11%	0.08%	403
2017	32,616,136	2,470,000	2,755,964	29,860,172		1.01%	0.07%	371
2018	29,716,013	2,697,460	2,962,474	26,753,539		0.88%	0.06%	335
2019	27,369,290	2,581,676	3,210,068	24,159,222		0.80%	0.05%	308

Source: District Records

(1) Restricted Balance on Statement of Net Position

Oak Hills Local School District, Ohio  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2019  
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Hamilton County	\$126,870,000	5.64%	\$7,155,468
City of Cincinnati	480,665,000	0.00%	0
Delhi Township	1,725,000	98.41%	1,697,573
Great Oaks Joint Vocational School	<u>3,105,000</u>	55.30%	<u>1,717,065</u>
Subtotal, Overlapping Debt	<u>612,365,000</u>		<u>10,570,106</u>
District Direct Debt	<u>29,950,966</u>	100.00%	<u>29,950,966</u>
Total Direct and Overlapping Debt	<u><u>\$642,315,966</u></u>		<u><u>\$40,521,072</u></u>

Source: Ohio Municipal Advisory Council

(1) - The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the District's boundaries and dividing it by the county's total taxable assessed value.

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value (1)	\$1,096,261,370
Debt limit (9% of assessed value)	98,663,523
Debt applicable to limit	29,950,966
Legal debt margin	\$68,712,557

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$109,175,608	\$108,982,710	\$98,697,435	\$98,598,280	\$98,690,926	\$95,460,314	\$95,633,708	\$95,594,334	\$98,163,357	\$98,663,523
Total Net Debt Applicable to Limit	39,289,986	38,114,986	39,078,460	37,624,983	35,987,312	35,064,114	32,632,471	35,086,136	32,413,473	29,950,966
Legal Debt Margin	\$68,805,372	\$69,885,622	\$70,867,724	\$59,618,975	\$62,703,614	\$60,396,200	\$63,001,237	\$60,508,198	\$65,749,884	\$68,712,557

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	36.95%	35.99%	34.97%	39.59%	36.46%	36.73%	34.12%	36.70%	33.02%	30.36%
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Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2018 is calendar year 2017)

Oak Hills Local School District, Ohio  
 Demographic and Economic Statistics  
 Last Ten Calendar Years  
 Schedule 15

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Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2009	85,764	\$36,248,694	\$42,393	8.9%
2010	87,880	35,888,024	44,751	9.4%
2011	87,880	37,522,065	46,881	8.0%
2012	87,880	39,631,501	49,413	7.0%
2013	87,880	40,415,100	50,235	7.1%
2014	87,880	41,382,133	51,312	5.3%
2015	87,880	42,669,035	52,825	4.4%
2016	87,880	43,251,503	53,456	4.9%
2017	88,728	46,331,959	56,931	4.7%
2018	88,728	48,642,736	59,561	4.1%

- Sources:
- (1) - Population estimates provided by Ohio Department of Development for Green and Delhi Townships
  - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
  - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
  - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

Oak Hills Local School District, Ohio  
Major Employers (1)  
Current Fiscal Year and Fiscal Period Nine Years Ago  
Schedule 16

2019			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Kroger Co	Trade	(4)	(5)
Cincinnati Children's Hospital	Serv	(4)	(5)
UC Health	Serv	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
Cincinnati/NKY International Airpoty	Travel	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
University of Cincinnati	Govt	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
St. Elizabeth Healthcare	Serv	(4)	(5)
GE Aviation	Mfg	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Sheakley	Serv	(4)	(5)

2010			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Convergys Corp	Serv	(4)	(5)
Duke Energy Corp	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Hamilton County

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available

(5) - The employer's percentage of total employment for each major employer was not available

Oak Hills Local School District, Ohio  
 Full-Time Equivalent District Employees by Type  
 Last Ten Fiscal Years  
 Schedule 17

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Instruction</b>										
Classroom Teachers	394.0	388.5	381.0	375.0	377.0	381.0	381.0	394.0	0.0	0.0
Special Education Teachers and Tutors	76.0	75.0	77.0	73.0	81.5	81.0	81.0	82.0	0.0	0.0
Educational Aides	47.0	45.0	34.0	31.0	36.0	35.0	35.0	36.0	0.0	0.0
Special Education Aides and Attendants	77.0	75.0	77.0	74.0	78.0	79.0	79.0	88.0	0.0	0.0
Certified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	445.5	445.1
Instructional Aides	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	94.7	100.0
Media Center Aides	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.5	7.0
Related Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	53.2	46.8
Tutors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	12.0
<b>Total Instruction</b>	<b>594.0</b>	<b>583.5</b>	<b>569.0</b>	<b>553.0</b>	<b>572.5</b>	<b>576.0</b>	<b>576.0</b>	<b>600.0</b>	<b>609.9</b>	<b>610.9</b>
<b>Support and Administration</b>										
Support Personnel										
Librarians, Nurses, Counselors	26.0	25.0	24.0	24.0	23.0	22.0	22.0	10.8	0.0	0.0
Principals	20.0	19.0	19.0	19.0	19.0	19.0	19.0	20.0	0.0	0.0
Certified Administration	29.0	19.0	19.0	19.0	17.0	21.0	21.0	19.0	28.0	29.0
Classified Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.0	12.0
Secretaries and Clerical	40.0	37.0	36.0	35.0	45.0	38.0	38.0	40.0	21.9	21.9
Technology Support	5.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Auxiliary Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0
Transportation	55.0	47.0	52.0	51.0	64.0	63.0	63.0	62.0	0.0	0.0
Bus Drivers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.9	40.0
Bus Aides	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.6	13.0
Food Service	62.0	54.0	54.0	52.0	55.0	52.0	52.0	44.0	30.1	30.0
Custodial	62.0	58.0	52.0	50.0	53.0	53.0	53.0	52.0	45.8	46.0
Maintenance and Mechanics	13.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0	12.0	11.0
Healthroom Aides	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.7	3.0
Nurse Attendant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.9	12.0
<b>Total Support and Administration</b>	<b>315.0</b>	<b>274.0</b>	<b>271.0</b>	<b>265.0</b>	<b>290.0</b>	<b>281.0</b>	<b>281.0</b>	<b>261.8</b>	<b>208.9</b>	<b>220.9</b>
<b>Total Employees</b>	<b>909.0</b>	<b>857.5</b>	<b>840.0</b>	<b>818.0</b>	<b>862.5</b>	<b>857.0</b>	<b>857.0</b>	<b>861.8</b>	<b>818.8</b>	<b>831.8</b>

Source: District Records

Note - In fiscal year 2018, the District changed the presentation of this table to better reflect their operations.



Oak Hills Local School District, Ohio  
 Operating Statistics  
 Last Ten Fiscal Years  
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil	Percentage Change	Expenses (2)	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2010	8,096	\$78,648,640	\$9,715	4.72%	\$81,466,158	\$10,063	4.45%	485.7	16.7	0.04%
2011	8,156	79,853,705	9,791	0.79%	82,996,899	10,176	1.14%	480.0	17.0	0.05%
2012	8,085	74,503,670	9,215	(5.88%)	77,527,675	9,589	(5.76%)	473.0	17.1	0.07%
2013	8,179	73,988,314	9,046	(1.83%)	76,974,589	9,411	(1.84%)	485.0	16.9	10.60%
2014	7,889	73,981,421	9,378	3.67%	77,521,897	9,827	4.42%	458.5	17.2	17.00%
2015	7,767	79,825,465	10,278	9.59%	78,723,290	10,136	3.15%	462.0	16.8	18.00%
2016	7,834	79,084,565	10,095	(1.78%)	82,659,593	10,551	4.11%	450.0	17.4	21.00%
2017	7,936	81,179,095	10,229	1.33%	89,105,129	11,228	6.42%	479.0	16.6	20.09%
2018	7,841	84,809,667	10,816	5.74%	46,944,554	5,987	(46.67%)	453.6	17.3	18.45%
2019	7,784	87,421,919	11,231	3.83%	75,591,951	9,711	62.21%	445.1	17.5	18.73%

Source: District Records

(1) - Operating Expenditure is Total Expenditures minus Capital Outlay and Debt Service from Schedule 6

(2) - Expenses is Total Expenses from Schedule 2

Oak Hills Local School District, Ohio  
 School Building Information  
 Last Ten Fiscal Years  
 Schedule 19

School	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Oak Hills High School - 1959</b>										
Square Feet	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074	347,074
Capacity	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Enrollment, Incl. JVS students	2,743	2,705	2,610	2,687	2,617	2,466	2,424	2,424	2,433	2,433
<b>Bridgetown Middle School - 1939</b>										
Square Feet	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962	94,962
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	607	601	604	614	602	602	577	577	643	643
<b>Delhi Middle School - 1926</b>										
Square Feet	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367	86,367
Capacity	825	825	825	825	825	825	825	825	825	825
Enrollment	580	593	610	592	570	570	589	589	546	546
<b>Rapid Run Middle School - 1999</b>										
Square Feet	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733	126,733
Capacity	950	950	950	950	950	950	950	950	950	950
Enrollment	635	615	626	647	665	621	642	642	665	665
<b>C.O. Harrison Elementary - 1961</b>										
Square Feet	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302	77,302
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	981	1,005	1,018	1,012	918	991	960	960	911	911
<b>Delshire Elementary - 1970</b>										
Square Feet	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042	50,042
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	527	562	592	589	536	536	562	562	549	549
<b>John Foster Dulles Elementary - 1961</b>										
Square Feet	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700	75,700
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	847	849	823	825	796	796	830	830	826	826

Oak Hills Local School District, Ohio  
 School Building Information  
 Last Ten Fiscal Years  
 Schedule 19 (Continued)

School	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Oakdale Elementary - 1969</b>										
Square Feet	63,273	63,273	63,273	63,273	63,273	63,273	65,273	65,273	65,273	65,273
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	682	697	681	713	679	679	725	725	775	775
<b>Springmyer Elementary - 1939</b>										
Square Feet	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366	41,366
Capacity	480	480	480	480	480	480	480	480	480	480
Enrollment	494	529	521	500	506	506	525	525	493	493

Source: District Records

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# OHIO AUDITOR OF STATE KEITH FABER



**OAK HILLS LOCAL SCHOOL DISTRICT**

**HAMILTON 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  
DECEMBER 31, 2019**