WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

DOUGLAS BEEMAN, TREASURER

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

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Julian & Grube, Inc.
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Accountant's Compilation Report

To the Wadsworth City School District Board of Education
Wadsworth, Ohio

Management is responsible for the accompanying financial statements of Wadsworth City School District, which comprise the statements listed in the table of contents as of June 30, 2019 and for the fiscal year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 3 through 14 and the required supplementary information on pages 79 through 94 be presented to supplement the basic financial statements. Although this information is not a part of the basic financial statements, the Governmental Accounting Standards Board considers it essential to placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
October 31, 2019

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

The management's discussion and analysis of the Wadsworth City School District's (the "District") 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 notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- In total, net position of governmental activities increased $3,499,930 which represents a 11.04% increase from the 2018 net position. This increase is primarily from a reduction in the net pension and net OPEB liability. Net position of business-type activities increased $4,001 from 2018.

- Governmental activities general revenues accounted for $50,006,583 in revenues or 85.65% of all governmental activities revenues. Governmental activities program specific revenues in the form of charges for services and sales, operating and capital grants and contributions accounted for $8,378,861 or 14.35% of total governmental activities revenues of $58,385,444.

- The District had $54,885,514 in expenses related to governmental activities; only $8,378,861 of these expenses were offset by program specific charges for services, operating and capital grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $50,006,583 were adequate to provide for these programs.

- The District had $36,130 in expenses related to business-type activities; a total of $40,131 was offset by program specific charges for services. Total revenues were adequate to provide for these programs by $4,001 resulting in an increase in net position from a balance of $22,826 to a balance of $26,827.

- The District's major funds are the general fund and the debt service fund. The general fund had $45,626,031 in revenues and other financing sources and $47,865,914 in expenditures and other financing uses. During fiscal year 2019, the general fund's fund balance decreased $2,239,883 from a balance of $19,462,699 to a balance of $17,222,816.

- The debt service fund had $28,644,316 in revenues and other financing sources and $29,143,481 in expenditures and other financing uses. During fiscal year 2019, the debt service fund's fund balance decreased $499,165 from a balance of $7,006,701 to a balance of $6,507,536.

Using these Basic 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 statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. 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. In the case of the District, the general fund and the debt service fund are the only major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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 statement of net position and the statement of activities answer this question. These statements include all (non-fiduciary) assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's recreation programs are reported as business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major funds are the general fund and the debt service fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at 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 financial 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 basic financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for student activities and the Four Cities Educational Compact. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB asset/liability.

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The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2019 and June 30, 2018.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current assets	$ 69,336,588	$ 62,851,516	$ 27,127	$ 24,075	$ 69,363,715	$ 62,875,591
Capital assets, net	131,476,170	135,379,476	-	-	131,476,170	135,379,476
Total assets	200,812,758	198,230,992	27,127	24,075	200,839,885	198,255,067
Deferred outflows						
Unamortized deferred charges on debt refunding	458,957	272,297	-	-	458,957	272,297
Pension	15,095,795	17,955,052	-	-	15,095,795	17,955,052
OPEB	870,443	695,824	-	-	870,443	695,824
Total deferred outflows	16,425,195	18,923,173	-	-	16,425,195	18,923,173
Liabilities						
Current liabilities	6,324,885	5,967,448	300	1,249	6,325,185	5,968,697
Long-term liabilities:						
Due in one year	5,920,739	5,293,018	-	-	5,920,739	5,293,018
Due in more than one year:						
Net pension liability	53,138,294	55,885,029	-	-	53,138,294	55,885,029
Net OPEB liability	5,343,350	12,439,736	-	-	5,343,350	12,439,736
Other amounts	76,074,372	81,105,980	-	-	76,074,372	81,105,980
Total liabilities	146,801,640	160,691,211	300	1,249	146,801,940	160,692,460
Deferred inflows						
Property taxes levied for the next fiscal year	26,777,442	21,375,890	-	-	26,777,442	21,375,890
Unamortized deferred gain on debt refunding	87,497	92,227	-	-	87,497	92,227
Pension	3,141,148	1,893,042	-	-	3,141,148	1,893,042
OPEB	5,230,991	1,402,490	-	-	5,230,991	1,402,490
Total deferred inflows	35,237,078	24,763,649	-	-	35,237,078	24,763,649
Net Position						
Net investment in capital assets	57,965,957	57,669,388	-	-	57,965,957	57,669,388
Restricted	17,611,725	17,814,298	-	-	17,611,725	17,814,298
Unrestricted (deficit)	(40,378,447)	(43,784,381)	26,827	22,826	(40,351,620)	(43,761,555)
Total net position	$ 35,199,235	$ 31,699,305	$ 26,827	$ 22,826	$ 35,226,062	$ 31,722,131

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.
In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

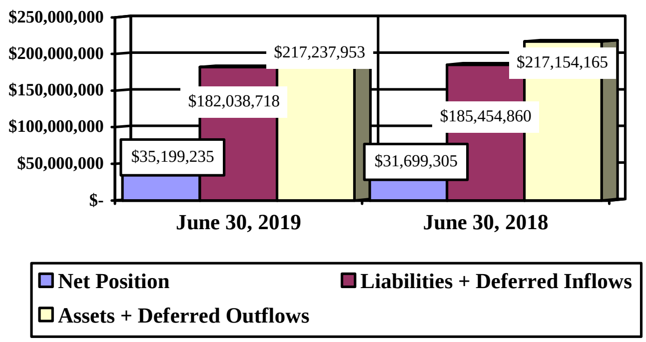
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $35,226,062. Of this amount, $35,199,235 is reported in governmental activities and $26,827 is reported in business-type activities.

At year end, capital assets represented 65.47% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2019, was $57,965,957. 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.

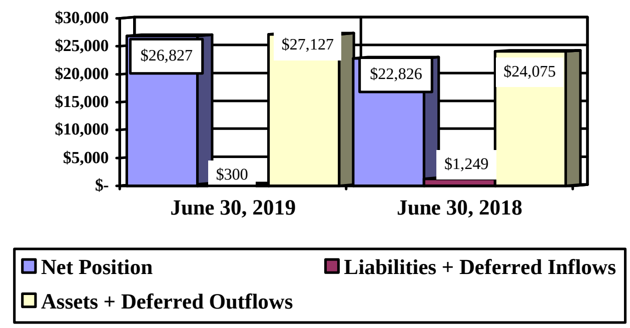
A portion of the District's net position, $17,611,725, represents resources that are subject to external restriction on how they may be used.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2019 and June 30, 2018.

Governmental – Net Position



Business-Type – Net Position



The table below shows the changes in net position for fiscal years 2019 and 2018.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services and sales	$ 3,406,871	$ 3,598,489	$ 40,131	$ 40,131	$ 3,447,002	$ 3,638,620
Operating grants and contributions	4,896,271	4,738,149	-	-	4,896,271	4,738,149
Capital grants and contributions	75,719	624,848	-	-	75,719	624,848
General revenues:						
Property taxes	25,852,955	31,778,559	-	-	25,852,955	31,778,559
Grants and entitlements	21,328,143	21,206,068	-	-	21,328,143	21,206,068
Shared sales taxes	1,967,396	1,915,136	-	-	1,967,396	1,915,136
Investment earnings	607,394	239,035	-	-	607,394	239,035
Increase/Decrease in FMV of investments	223,329	(76,119)	-	-	223,329	(76,119)
Miscellaneous	27,366	89,062	-	-	27,366	89,062
Total revenues	58,385,444	64,113,227	40,131	40,131	58,425,575	64,153,358

(Continued)

	Governmental Activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Expenses						
Program expenses:						
Instruction:						
Regular	22,317,391	11,864,392	-	-	22,317,391	11,864,392
Special	6,160,828	3,464,392	-	-	6,160,828	3,464,392
Vocational	1,888,748	1,465,526	-	-	1,888,748	1,465,526
Other	1,246,318	1,392,683	-	-	1,246,318	1,392,683
Support services:						
Pupil	4,318,094	2,213,659	-	-	4,318,094	2,213,659
Instructional staff	97,189	334,290	-	-	97,189	334,290
Board of education	214,822	142,340	-	-	214,822	142,340
Administration	3,988,057	2,244,183	-	-	3,988,057	2,244,183
Fiscal	935,406	757,072	-	-	935,406	757,072
Operations and maintenance	5,005,197	3,669,316	-	-	5,005,197	3,669,316
Pupil transportation	1,758,336	1,192,653	-	-	1,758,336	1,192,653
Central	750,971	349,389	-	-	750,971	349,389
Operation of non-instructional services						
Other non-instructional services	483,328	372,435	-	-	483,328	372,435
Food service operations	1,397,290	970,575	-	-	1,397,290	970,575
Extracurricular activities	1,757,993	1,175,334	-	-	1,757,993	1,175,334
Interest and fiscal charges	2,565,546	3,534,022	-	-	2,565,546	3,534,022
Recreation	-	-	36,130	33,686	36,130	33,686
Total expenses	54,885,514	35,142,261	36,130	33,686	54,921,644	35,175,947
Changes in net position	3,499,930	28,970,966	4,001	6,445	3,503,931	28,977,411
Net position at beginning of year	31,699,305	2,728,339	22,826	16,381	31,722,131	2,744,720
Net position at end of year	$ 35,199,235	$ 31,699,305	$ 26,827	$ 22,826	$ 35,226,062	$ 31,722,131

Governmental Activities

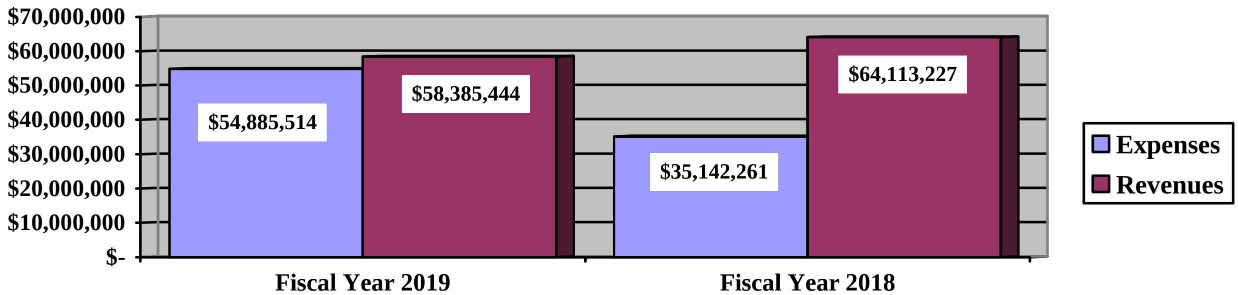
Net position of the District's governmental activities increased $3,449,930. Total governmental expenses of $54,885,514 were offset by program revenues of $8,378,861 and general revenues of $50,006,583. Program revenues supported 15.27% of the total governmental expenses. The primary sources of revenue for governmental activities are derived from property taxes, grants and entitlements not restricted to specific programs, capital grants not restricted to specific purposes and shared sales taxes. These revenue sources represent 84.18% of total governmental revenue.

Expenses of the governmental activities increased $19,743,253 or 56.18%. This increase is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2018. The expenses of the governmental activities are comparable to fiscal year 2017 expenses before the STRS and SERS COLA adjustments.

Total revenues decreased $5,727,783 during the current fiscal year. The majority of the decrease is due to a $5,925,604 decrease in property taxes. Property taxes decreased due to a fluctuation in the amount of tax collected and available for advance at fiscal year-end by the Medina County Fiscal Officer. Tax advances available are recorded as revenue under GAAP. The amount of tax advances available at June 30, 2019 and 2018 were $2,591,430 and $5,758,140, respectively. The amount of tax advance available at year-end can vary depending upon when the county fiscal officers distribute tax bills.

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

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2019 and 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted grants and entitlements.

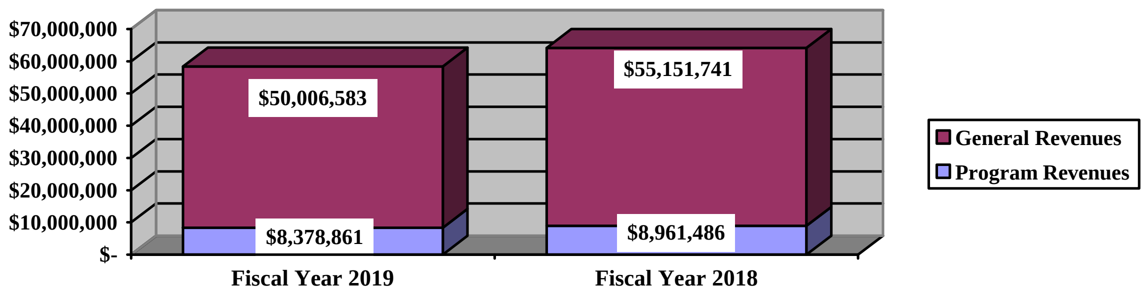
Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Program expenses:				
Instruction:				
Regular	$ 22,317,391	$ 21,422,404	$ 11,864,392	$ 10,550,724
Special	6,160,828	3,038,380	3,464,392	569,956
Vocational	1,888,748	1,090,947	1,465,526	612,817
Other	1,246,318	1,246,318	1,392,683	1,392,683
Support services:				
Pupil	4,318,094	4,081,479	2,213,659	1,950,957
Instructional staff	97,189	85,433	334,290	332,448
Board of Education	214,822	214,822	142,340	142,340
Administration	3,988,057	3,585,829	2,244,183	1,869,399
Fiscal	935,406	930,285	757,072	753,709
Operations and maintenance	5,005,197	4,869,144	3,669,316	3,591,925
Pupil transportation	1,758,336	1,654,886	1,192,653	1,101,388
Central	750,971	736,571	349,389	334,989
Operation of non-instructional services:				
Other non-instructional services	483,328	(24,853)	372,435	(110,797)
Food service operations	1,397,290	99,724	970,575	(373,778)
Extracurricular activities	1,757,993	909,738	1,175,334	416,968
Interest and fiscal charges	2,565,546	2,565,546	3,534,022	3,045,047
Total expenses	$ 54,885,514	$ 46,506,653	$ 35,142,261	$ 26,180,775

The dependence upon tax and other general revenues for governmental activities is apparent; 84.77% of instruction activities in fiscal year 2019 are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.73%. The District's taxpayers, and grants and entitlements from the State of Ohio, as a whole, are by far the primary support for the District's students.

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

Governmental Activities - General and Program Revenues



Business-Type Activities

Business-type activities include recreation. This program had revenues of $40,131 and expenses of $36,130 for fiscal year 2019. This resulted in an increase to net position for the fiscal year of $4,001. This fund is intended to be self-supporting through user fees and charges. Management assesses their performance to ensure that they are run efficiently.

The District's Funds

The District's governmental funds reported a combined fund balance of $31,384,727 which is lower than last year's balance of $34,405,939. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	(Decrease)
General	$ 17,222,816	$ 19,462,699	$ (2,239,883)
Debt service	6,507,536	7,006,701	(499,165)
Other governmental	7,654,375	7,936,539	(282,164)
Total	$ 31,384,727	$ 34,405,939	$ (3,021,212)

General Fund

The District's general fund balance decreased $2,239,883. During the current fiscal year, general fund tax revenues decreased $4,229,650 due to a decrease in the amount available by the County for an advance. Earnings on investments increased $300,439 due to an increase in the amount of interest revenue received during the current fiscal year on investments. Instruction and support services fluctuated slightly during the year mostly due to personnel costs. Capital outlay and debt service expenditures increased due to the inception of a new capital lease.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2019 Amount	2018 Amount	Percentage Change
Revenues			
Taxes	$ 20,378,634	$ 24,608,284	(17.19) %
Earnings on investments	536,838	236,399	127.09 %
Intergovernmental	22,422,161	22,141,079	1.27 %
Other revenues	1,971,539	2,083,443	(5.37) %
Total	$ 45,309,172	$ 49,069,205	(7.66) %
Expenditures			
Instruction	$ 30,182,008	$ 28,363,473	6.41 %
Support services	16,375,042	15,575,164	5.14 %
Extracurricular activities	878,340	867,756	1.22 %
Facilities acquisition and construction	23,691	19,967	18.65 %
Capital outlay	310,847	-	100.00 %
Debt service	59,256	-	100.00 %
Total	$ 47,829,184	$ 44,826,360	6.70 %

Debt Service Fund

The debt service fund had $28,644,316 in revenues and other financing sources and $29,143,481 in expenditures and other financing uses. During fiscal year 2019, the debt service fund's fund balance decreased $499,165 from a balance of $7,006,701 to a balance of $6,507,536. The decrease is primarily due to the receipt of less tax revenue.

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.

During the course of fiscal year 2019, the District amended its general fund budget twice. For the general fund, final budgeted revenues and other financing sources were $51,574,068, which was higher than the original budgeted revenues estimate of $50,428,862. Actual revenues and other financing sources for fiscal year 2019 were $51,574,068. This is the same figure that was used for the final budgeted revenues.

General fund original appropriations and other financing uses of $48,631,459 were increased to $51,650,711 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2019 totaled $51,650,711. This is the same figure that was used for the final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the District had $131,476,170 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities.

The following table shows fiscal year 2019 balances compared to 2018:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2019	2018
Land	$ 1,836,724	$ 1,836,724
Land improvements	2,014,015	2,101,643
Building and improvements	123,441,857	127,595,400
Furniture and equipment	2,994,126	2,776,220
Vehicles	1,189,448	1,069,489
Total	$ 131,476,170	$ 135,379,476

The overall decrease in capital assets is due to depreciation expense of $4,946,762 and disposals (net of accumulated depreciation) of $13,956 exceeding capital outlays of $1,057,412 in the current period.

See Note 8 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2019, the District had $69,024,000 in general obligation bonds and $7,566,953 in capital leases outstanding. Of this total, $5,318,028 is due within one year and $71,272,925 is due within greater than one year. The following table summarizes the liabilities outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2019	Governmental Activities 2018
General obligation bonds	$ 69,024,000	$ 73,019,425
Capital lease - COP	7,300,000	8,260,000
Capital lease - Copiers	266,953	-
Total	$ 76,590,953	$ 81,279,425

See Note 13 to the basic financial statements for detail on the District's debt administration.

Current Financial Related Activities

The District continues to receive support from the residents of the District. As the preceding information shows, the District relies heavily on its local property taxpayers. The last operating levy passed by the residents of the District was in November 2011, with the promise that the revenue generated by a levy would provide sufficient funding for five years.

Real estate and personal property tax collections have shown small increases. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due to Ohio House Bill 920 (passed in 1976). 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 was reappraised and increased to $200,000 (and this inflationary increase in value is compared to other property owners) the effective tax rate would become .5 mills and the owner would still pay $35.00.

Thus, the District's dependence upon property taxes is 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 48.3% of revenues for governmental activities for the District in fiscal year 2019.

The District has also been affected by increased delinquency rates and changes in the personal property tax structure (utility deregulation) and commercial business/property uncertainties. Management has diligently planned expenses to prevent the District from returning to the ballot with an operating levy request. This has made it increasingly difficult with mandates in gifted education, rising utility costs, increased special education services required for our students, and significant increase in health insurance and property/liability/fleet insurance.

From State funding perspective, the State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional education system, one that was neither "adequate" nor "equitable". Since 1997, the State has directed its tax revenue growth toward Districts with little property tax wealth.

The District anticipates revenue growth for all five years of the fiscal forecast. The majority of the growth is from local property taxes. The five years of the forecast the Biennial budget is not projected to provide revenue growth. The District has seen revenue growth from state funding in previous Biennial Budgets when they were a capped or formula district. The District is now on the guarantee.

All scenarios require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In addition, the District's systems of budgeting and internal controls are well regarded. All of the District's financial abilities will be needed to meet the challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact, Douglas Beeman, Treasurer of Wadsworth City School District, 524 Broad Street., Wadsworth, Ohio 44281, e-mail dbeeman@wadsworthschools.org.

BASIC
FINANCIAL STATEMENTS

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WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	$ 34,176,991	$ 27,127	$ 34,204,118
Cash with fiscal agent	31,219	-	31,219
Receivables:			
Property taxes	29,610,803	-	29,610,803
Accounts	31,650	-	31,650
Accrued interest	192,631	-	192,631
Shared sales taxes	1,124,910	-	1,124,910
Intergovernmental	768,598	-	768,598
Prepayments	89,677	-	89,677
Materials and supplies inventory	77,849	-	77,849
Net OPEB asset	3,089,677	-	3,089,677
Assets held for resale	142,583	-	142,583
Capital assets:			
Land and construction in progress	1,836,724	-	1,836,724
Depreciable capital assets, net	129,639,446	-	129,639,446
Capital assets, net	131,476,170	-	131,476,170
Total assets	200,812,758	27,127	200,839,885
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	458,957	-	458,957
Pension	15,095,795	-	15,095,795
OPEB	870,443	-	870,443
Total deferred outflows of resources	16,425,195	-	16,425,195
Liabilities:			
Accounts payable	511,719	300	512,019
Accrued wages and benefits	4,528,451	-	4,528,451
Pension and postemployment benefits payable	809,842	-	809,842
Intergovernmental payable	323,731	-	323,731
Accrued interest payable	151,142	-	151,142
Long-term liabilities:			
Due within one year	5,920,739	-	5,920,739
Due in more than one year:			
Net pension liability	53,138,294	-	53,138,294
Net OPEB liability	5,343,350	-	5,343,350
Other amounts due in more than one year	76,074,372	-	76,074,372
Total liabilities	146,801,640	300	146,801,940
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	26,777,442	-	26,777,442
Unamortized deferred gain on debt refunding	87,497	-	87,497
Pension	3,141,148	-	3,141,148
OPEB	5,230,991	-	5,230,991
Total deferred inflows of resources	35,237,078	-	35,237,078
Net position:			
Net investment in capital assets	57,965,957	-	57,965,957
Restricted for:			
Capital projects	9,084,305	-	9,084,305
Classroom facilities maintenance	2,228,045	-	2,228,045
Debt service	5,234,577	-	5,234,577
Locally funded programs	19,085	-	19,085
State funded programs	23,632	-	23,632
Federally funded programs	12,295	-	12,295
Student activities	114,088	-	114,088
Other purposes	895,698	-	895,698
Unrestricted (deficit)	(40,378,447)	26,827	(40,351,620)
Total net position	$ 35,199,235	$ 26,827	$ 35,226,062

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Instruction:				
Regular	$ 22,317,391	$ 671,592	$ 223,395	$ -
Special	6,160,828	202,265	2,920,183	-
Vocational	1,888,748	396,907	395,214	5,680
Other	1,246,318	-	-	-
Support services:				
Pupil	4,318,094	-	236,615	-
Instructional staff	97,189	-	11,756	-
Board of education	214,822	-	-	-
Administration	3,988,057	227,453	174,775	-
Fiscal	935,406	5,121	-	-
Operations and maintenance	5,005,197	91,698	44,355	-
Pupil transportation	1,758,336	40,528	62,922	-
Central	750,971	-	14,400	-
Operation of non-instructional services:				
Other non-instructional services	483,328	202,842	305,339	-
Food service operations	1,397,290	791,864	505,702	-
Extracurricular activities	1,757,993	776,601	1,615	70,039
Interest and fiscal charges	2,565,546	-	-	-
Total governmental activities	54,885,514	3,406,871	4,896,271	75,719
Business-type activities:				
Recreation	36,130	40,131	-	-
Total business-type activities	36,130	40,131	-	-
Totals	$ 54,921,644	$ 3,447,002	$ 4,896,271	$ 75,719

General revenues:
Property taxes levied for:
General purposes
Debt service
Grants and entitlements not restricted to specific programs:
General purposes
Capital grants
Classroom facilities and maintenance
Shared sales taxes
Investment earnings
Increase in FMV of investments
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
$ (21,422,404)	$ -	$ (21,422,404)
(3,038,380)	-	(3,038,380)
(1,090,947)	-	(1,090,947)
(1,246,318)	-	(1,246,318)
(4,081,479)	-	(4,081,479)
(85,433)	-	(85,433)
(214,822)	-	(214,822)
(3,585,829)	-	(3,585,829)
(930,285)	-	(930,285)
(4,869,144)	-	(4,869,144)
(1,654,886)	-	(1,654,886)
(736,571)	-	(736,571)
24,853	-	24,853
(99,724)	-	(99,724)
(909,738)	-	(909,738)
(2,565,546)	-	(2,565,546)
(46,506,653)	-	(46,506,653)
-	4,001	4,001
-	4,001	4,001
(46,506,653)	4,001	(46,502,652)
20,392,640	-	20,392,640
5,460,315	-	5,460,315
20,927,143	-	20,927,143
44,495	-	44,495
356,505	-	356,505
1,967,396	-	1,967,396
607,394	-	607,394
223,329	-	223,329
27,366	-	27,366
50,006,583	-	50,006,583
3,499,930	4,001	3,503,931
31,699,305	22,826	31,722,131
$ 35,199,235	$ 26,827	$ 35,226,062

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 16,579,711	$ 5,913,906	$ 11,683,374	$ 34,176,991
Cash with fiscal agent	31,219	-	-	31,219
Receivables:				
Property taxes	23,338,088	6,272,715	-	29,610,803
Accounts	26,372	-	5,278	31,650
Accrued interest	192,631	-	-	192,631
Shared sales taxes	-	-	1,124,910	1,124,910
Interfund loans	4,003,544	-	-	4,003,544
Intergovernmental	353,289	-	415,309	768,598
Prepayments	83,716	-	5,961	89,677
Materials and supplies inventory	77,849	-	-	77,849
Assets held for resale	142,583	-	-	142,583
Total assets	$ 44,829,002	$ 12,186,621	$ 13,234,832	$ 70,250,455
Liabilities:				
Accounts payable	$ 313,807	$ -	$ 197,912	$ 511,719
Accrued wages and benefits	4,222,382	-	306,069	4,528,451
Compensated absences payable	439,712	-	1,179	440,891
Interfund loans payable	-	-	4,003,544	4,003,544
Intergovernmental payable	319,692	-	4,039	323,731
Pension and postemployment benefits payable	743,296	-	66,546	809,842
Total liabilities	6,038,889	-	4,579,289	10,618,178
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	21,154,067	5,623,375	-	26,777,442
Delinquent property tax revenue not available	186,221	55,710	-	241,931
Accrued interest not available	90,293	-	-	90,293
Intergovernmental revenue not available	136,716	-	410,109	546,825
Shared sales taxes	-	-	591,059	591,059
Total deferred inflows of resources	21,567,297	5,679,085	1,001,168	28,247,550
Fund balances:				
Nonspendable:				
Materials and supplies inventory	77,849	-	-	77,849
Prepaids	83,716	-	5,961	89,677
Restricted:				
Debt service	-	6,507,536	-	6,507,536
Capital improvements	-	-	8,499,126	8,499,126
Classroom facilities maintenance	-	-	2,228,045	2,228,045
Food service operations	-	-	832,391	832,391
Non-public schools	-	-	7,360	7,360
Special education	-	-	50,215	50,215
Other purposes	-	-	145,314	145,314
Extracurricular activities	-	-	114,088	114,088
Committed:				
Student instruction	156,190	-	-	156,190
Student and staff support	78,735	-	-	78,735
Assigned:				
Student instruction	87,417	-	-	87,417
Student and staff support	219,439	-	-	219,439
Extracurricular activities	1,173	-	-	1,173
Public school support	68,200	-	-	68,200
Uniform school supplies	19,009			19,009
Adult education	39,408	-	-	39,408
Other purposes	144,030	-	-	144,030
Unassigned (deficit)	16,247,650	-	(4,228,125)	12,019,525
Total fund balances (deficit)	17,222,816	6,507,536	7,654,375	31,384,727
Total liabilities, deferred inflows and fund balances	$ 44,829,002	$ 12,186,621	$ 13,234,832	$ 70,250,455

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

Total governmental fund balances		$ 31,384,727
Amounts reported for governmental activities on 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.		131,476,170
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 241,931	
Sales taxes receivable	591,059	
Accrued interest receivable	90,293	
Intergovernmental receivable	546,825	
Total		1,470,108
Unamortized premiums on bonds issued are not recognized in the funds.		(2,563,001)
Unamortized amounts on refundings are not recognized in the funds.		371,460
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/ outflows are not reported in governmental funds:		
Deferred outflows of resources - pension	15,095,795	
Deferred inflows of resources - pension	(3,141,148)	
Net pension liability	(53,138,294)	
Total		(41,183,647)
The net OPEB asset/liability is not due and payable in the current period; therefore, the asset/liability and related deferred inflows/ outflows are not reported in governmental funds:		
Deferred outflows of resources - OPEB	870,443	
Deferred inflows of resources - OPEB	(5,230,991)	
Net OPEB asset	3,089,677	
Net OPEB liability	(5,343,350)	
Total		(6,614,221)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(151,142)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(66,460,999)	
Capital lease obligation - COP	(7,300,000)	
Capital lease obligation - Copiers	(266,953)	
Compensated absences	(4,963,267)	
Total		(78,991,219)
Net position of governmental activities		$ 35,199,235

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	$ 20,378,634	$ 5,456,140	$ -	$ 25,834,774
Tuition	925,372	-	259,459	1,184,831
Transportation fees	40,528	-	-	40,528
Earnings on investments	536,838	-	24,776	561,614
Charges for services	1,195	-	791,864	793,059
Extracurricular	296,987	-	637,791	934,778
Classroom materials and fees	258,016	-	-	258,016
Rental income	91,698	-	-	91,698
Contributions and donations	8,678	-	16,045	24,723
Contract services	103,961	-	44,495	148,456
Other local revenues	21,775	153	40,905	62,833
Intergovernmental - intermediate	-	-	422,083	422,083
Intergovernmental - state	22,130,805	771,695	296,931	23,199,431
Intergovernmental - federal	291,356	-	2,167,983	2,459,339
Shared sales taxes	-	-	1,973,222	1,973,222
Decrease in fair value of investments	223,329	-	-	223,329
Total revenues	45,309,172	6,227,988	6,675,554	58,212,714
Expenditures:				
Current:				
Instruction:				
Regular	21,971,505	-	806,489	22,777,994
Special	5,096,987	-	1,155,429	6,252,416
Vocational	1,867,130	-	23,895	1,891,025
Other	1,246,386	-	-	1,246,386
Support services:				
Pupil	4,087,512	-	269,485	4,356,997
Instructional staff	349,735	-	11,013	360,748
Board of education	215,134	-	-	215,134
Administration	3,899,753	-	170,738	4,070,491
Fiscal	842,648	93,207	4,964	940,819
Operations and maintenance	4,602,268	-	419,296	5,021,564
Pupil transportation	1,968,236	-	550	1,968,786
Central	409,756	-	328,249	738,005
Operation of non-instructional services:				
Other non-instructional services	-	-	490,488	490,488
Food service operations	-	-	1,379,957	1,379,957
Extracurricular activities	878,340	-	701,786	1,580,126
Facilities acquisition and construction	23,691	-	108,701	132,392
Capital outlay	310,847	-	-	310,847
Debt service:				
Principal retirement	43,894	3,598,051	960,000	4,601,945
Interest and fiscal charges	15,362	2,168,946	163,408	2,347,716
Refunding bond issuance costs	-	254,946	-	254,946
Accretion on capital appreciation bonds	-	866,949	-	866,949
Total expenditures	47,829,184	6,982,099	6,994,448	61,805,731
Excess expenditures over revenues	(2,520,012)	(754,111)	(318,894)	(3,593,017)
Other financing sources (uses):				
Premium on refunding bonds	-	1,106,328	-	1,106,328
Sale of refunding bonds	-	21,310,000	-	21,310,000
Sale of assets	6,012	-	-	6,012
Transfers in	-	-	36,730	36,730
Transfers (out)	(36,730)	-	-	(36,730)
Capital lease transaction	310,847	-	-	310,847
Payment to refunding bond escrow agent	-	(22,161,382)	-	(22,161,382)
Total other financing sources (uses)	280,129	254,946	36,730	571,805
Net change in fund balances	(2,239,883)	(499,165)	(282,164)	(3,021,212)
Fund balances at beginning of year	19,462,699	7,006,701	7,936,539	34,405,939
Fund balances at end of year	$ 17,222,816	$ 6,507,536	$ 7,654,375	$ 31,384,727

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

Net change in fund balances - total governmental funds		$ (3,021,212)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 1,057,412	
Current year depreciation	(4,946,762)	
Total		(3,889,350)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(13,956)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	18,181	
Sales taxes	(5,826)	
Accrued interest	70,556	
Intergovernmental	150,816	
Total		233,727
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	3,598,051	
Accreted interest	866,949	
Capital lease - COP	960,000	
Capital lease - Copiers	43,894	
Total		5,468,894
The issuance of bonds and capital leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(21,620,847)
Payment to refunding bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position.		22,161,382
Premiums on bonds are amortized over the life of the issuance in the statement of activities.		(1,106,328)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	60,355	
Accreted interest on capital appreciation bonds	(424,392)	
Amortization of bond premiums	431,382	
Amortization of refunding gain	4,730	
Amortization of refunding loss	(34,959)	
Total		37,116
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		4,218,146
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(5,578,774)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		159,859
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB asset/liability are reported as OPEB expense in the statement of activities.		6,372,322
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		78,951
Change in net position of governmental activities		$ 3,499,930

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
From local sources:				
Property taxes	$ 22,288,986	$ 22,795,154	$ 22,795,154	$ -
Tuition	973,785	995,899	995,899	-
Transportation fees	37,101	37,944	37,944	-
Earnings on investments	462,119	472,613	472,613	-
Charges for services	1,060	1,084	1,084	-
Extracurricular	135,728	138,810	138,810	-
Classroom materials and fees	194,156	198,565	198,565	-
Rental income	76,972	78,720	78,720	-
Contributions and donations	5,317	5,438	5,438	-
Contract services	67,738	69,276	69,276	-
Other local revenues	21,290	21,775	21,775	-
Intergovernmental - state	21,607,516	22,098,208	22,098,208	-
Intergovernmental - federal	284,868	291,337	291,337	-
Total revenues	46,156,636	47,204,823	47,204,823	-
Expenditures:				
Current:				
Instruction:				
Regular	20,675,876	21,959,524	21,959,524	-
Special	4,821,098	5,120,413	5,120,413	-
Vocational	1,784,065	1,894,827	1,894,827	-
Other	1,173,690	1,246,558	1,246,558	-
Support services:				
Pupil	3,836,692	4,074,890	4,074,890	-
Instructional staff	342,273	363,523	363,523	-
Board of education	239,222	254,074	254,074	-
Administration	3,569,759	3,791,385	3,791,385	-
Fiscal	821,874	872,900	872,900	-
Operations and maintenance	4,460,582	4,737,514	4,737,514	-
Pupil transportation	1,855,215	1,970,395	1,970,395	-
Central	376,669	400,054	400,054	-
Extracurricular activities	823,546	874,675	874,675	-
Facilities acquisition and construction	22,306	23,691	23,691	-
Total expenditures	44,802,867	47,584,423	47,584,423	-
Excess of revenues over (under) expenditures	1,353,769	(379,600)	(379,600)	-
Other financing sources (uses):				
Refund of prior year's expenditures	139,602	142,772	142,772	-
Transfers (out)	(40,245)	(42,744)	(42,744)	-
Advances in	4,126,745	4,220,461	4,220,461	-
Advances (out)	(3,788,347)	(4,023,544)	(4,023,544)	-
Sale of capital assets	5,879	6,012	6,012	-
Total other financing sources (uses)	443,634	302,957	302,957	-
Net change in fund balance	1,797,403	(76,643)	(76,643)	-
Fund balance at beginning of year	14,487,201	14,487,201	14,487,201	-
Prior year encumbrances appropriated	997,228	997,228	997,228	-
Fund balance at end of year	$ 17,281,832	$ 15,407,786	$ 15,407,786	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Total Business-Type Activities - Enterprise Fund
Assets:	
Current assets:	
Equity in pooled cash	
and cash equivalents	$ 27,127
Total assets.	27,127
Liabilities:	
Accounts payable.	300
Total liabilities	300
Net position:	
Unrestricted.	26,827
Total net position.	$ 26,827

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Total Business-Type Activities - Enterprise Fund
Operating revenues:	
Charges for service	$ 40,131
Total operating revenues	40,131
Operating expenses:	
Purchased services.	34,130
Materials and supplies	2,000
Total operating expenses.	36,130
Operating income	4,001
Net position at beginning of year.	22,826
Net position at end of year	$ 26,827

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Total Business-Type Activities - Enterprise Fund
Cash flows from operating activities:	
Cash received from charges for services.	$ 40,131
Cash payments for contractual services	(35,079)
Cash payments for materials and supplies	(2,000)
Net cash provided by operating activities.	3,052
Net increase in cash and cash investments	3,052
Cash and cash equivalents at beginning of year . . .	24,075
Cash and cash equivalents at end of year	$ 27,127
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 4,001
Changes in assets and liabilities:	
Decrease in accounts payable	(702)
Decrease in intergovernmental payable.	(247)
Net cash provided by operating activities.	$ 3,052

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Agency
Assets:	
Equity in pooled cash and investments. . . .	$ 195,065
Total assets.	$ 195,065
Liabilities:	
Accounts payable.	$ 5,584
Undistributed monies.	189,481
Total liabilities	$ 195,065

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Wadsworth City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under a locally-elected five-member board of education and provides educational services as mandated by state and/or federal agencies. This Board controls the District's eight instructional/support facilities staffed by 303 non-certified employees and 306 certified full-time teaching personnel who provide services to 4,549 students and other community members.

The District provides more than instruction to its students. These additional services include student guidance, extracurricular activities, educational media, and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education through the budgetary process. These District operations will be included as part of the reporting entity.

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government) and include all of the funds of the District over which the Board of Education exercises operating control.

The District is involved in two jointly governed organizations, a related organization and two public entity risk pools which are described in Note 16, Note 17 and Note 18, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities and for the business-type activity of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limitations. 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 - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following are the District's major governmental funds:

General fund -The general fund is used to account for and report all financial resources not accounted for and reported 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.

Debt service fund - The debt service fund is used to account for resources that are restricted for payment of debt service principal and interest.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

Proprietary fund - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The following is the District's proprietary fund:

Enterprise fund **-** An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services. The District's enterprise fund is:

Recreation fund - This fund accounts for fees for the upkeep of the recreational center and educational opportunities offered to District residents.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary fund is an agency fund. The District's agency funds accounts for student activities and the Four Cities Educational Compact as shown in Note 16.

C. Measurement Focus

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows 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 a reconciliation 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, deferred outflows, liabilities and deferred inflows 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 total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's enterprise fund are program fees. Operating expenses for the enterprise fund include the cost of sales, personnel and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows, and in the presentation of expenses versus expenditures.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 5) 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 fiscal 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 fiscal year-end: property taxes available as an advance, payments in lieu of taxes, interest, tuition, grants, student fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will 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. See Notes 11 and 12 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements 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 and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 11 and 12 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants and Contributions" program revenue account.

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

E. Cash and Investments

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

During fiscal year 2019 the District had investments in federal agency securities, the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit, commercial paper and investments in U.S. Treasury money market mutual funds. See Note 4 for a full listing of the District's investments. All investments are reported at fair value which is based on quoted market prices except for nonparticipating investments contracts, such as nonnegotiable certificates of deposit, which are reported at cost.

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

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolutions, identified the funds to receive an allocation of interest. Interest revenue credited to the General Fund during fiscal year 2019 amounted to $536,838, which includes $269,200 from other District funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months of less at the time they are purchased by the District are presented on the financial statements as "equity in pooled cash and investments." Investments with an original maturity of more than three months that are not purchased from the pool are reported as "investments".

An analysis of the District's investment account at fiscal year end is provided in Note 4.

F. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The District capital asset policy is to tag all items over $5,000 and other items controlled by management. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Land improvements	5 - 50 years
Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	10 - 15 years

G. Compensated Absences

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2019, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements and in the proprietary fund.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

H. Accrued Liabilities and Long-Term Obligations

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

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

I. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

K. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds are eliminated for reporting of governmental activities on the government-wide financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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. Transfers between governmental funds are eliminated for reporting on the government-wide statement of activities. Interfund services provided and used are not eliminated for reporting on the government-wide statement of activities.

L. Unamortized Bond Premium and Discount/Accounting Gain or Loss

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred outflow of resources. On the governmental fund financial statements bond premiums are recognized in the current period.

A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 13.

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During the current fiscal year, the District reported neither transaction.

N. Assets Held for Resale

As part of the Career Tech Carpentry class, the constructed a home. The District's intent is for the home to be sold. Transactions are conducted through the District's general fund.

O. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Budgetary Data

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

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

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

Encumbrances - As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the fund financial statements, encumbrances outstanding at year end are reported as restricted, committed or assigned fund balance for subsequent-year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated.

Q. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expense/expended when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported materials and supplies inventory is equally offset by 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

S. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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.

T. Fair Market Value

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; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
IDEA Part-B	$ 215,077
Vocational education	84,041
Title I - disadvantaged children	90,812
Improving teacher quality	36,052
Miscellaneous federal grants	1,200
Building	3,797,296

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

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

6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash with Fiscal Agent

At June 30, 2019, the District had $31,219 in cash held by Medina County Schools' Educational Service Center, which is included on the balance sheet as "Cash with Fiscal Agent". The money held by the fiscal agent cannot be identified as an investment or deposit since it is held in a pool made up of numerous participants.

B. Cash on Hand

At fiscal year end, the District had $5,071 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Deposits with Financial Institutions

At June 30, 2019, the carrying amount of all District deposits was $9,916,426 and the bank balance of all District deposits was $10,257,391. Of the bank balance, $532,033 was covered by the FDIC and $9,725,358 was covered by the Ohio Pooled Collateral System.

Custodial credit risk 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. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

D. Investments

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

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than months
Fair Value:						
Negotiable CD's	$ 9,190,670	$ 991,715	$ 801,587	$ 2,438,975	$ 4,215,800	$ 742,593
FHLMC	3,981,850	633,997	-	2,123,566	1,224,287	-
FFCB	497,180	-	497,180	-	-	-
FHLB	2,481,030	-	-	-	2,481,030	-
FNMA	1,054,297	498,715	-	555,582	-	-
U.S. Treasury money market	516,753	516,753	-	-	-	-
Commercial paper	1,479,803	-	1,479,803	-	-	-
Amortized Cost:						
STAR Ohio	5,276,103	5,276,103	-	-	-	-
Total	$ 24,477,686	$ 7,917,283	$ 2,778,570	$ 5,118,123	$ 7,921,117	$ 742,593

The weighted average maturity of investments is 0.99 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLMC, FFCB, FHLB, FNMA), commercial paper and negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Credit Risk: STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard rating service. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. The District's U.S. Treasury money market mutual funds were rated AAAm by Standard & Poor's. The federal agency securities have been assigned a rating of AA+ by Standard & Poor's and a rating of Aaa by Moody's. The negotiable CDs are covered by FDIC. The District's investment policy does not specifically address credit risk beyond the adherence to Chapter 135 of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2019:

Measurement/ Investment type	Fair Value	% to Total
Fair Value:		
Negotiable CD's	$ 9,190,670	37.54
FHLMC	3,981,850	16.27
FFCB	497,180	2.03
FHLB	2,481,030	10.14
FNMA	1,054,297	4.31
U.S. Treasury money market	516,753	2.11
Commercial paper	1,479,803	6.05
Amortized Cost:		
STAR Ohio	5,276,103	21.55
Total	$ 24,477,686	100.00

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

E. Reconciliation of Cash and Investments to the Statement of Net Position

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

Cash and investments per note	
Carrying amount of deposits	$ 9,916,426
Investments	24,477,686
Cash on hand	5,071
Cash with fiscal agent	31,219
Total	$ 34,430,402
Cash and investments per statement of net position	
Governmental activities	$ 34,208,210
Agency funds	195,065
Business-type activities	27,127
Total	$ 34,430,402

NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

NOTE 5 - PROPERTY TAXES – (Continued)

The District receives property taxes from Medina 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 2019 operations. The amount available as an advance at June 30, 2019 was $1,997,800 in the general fund and $593,630 in the debt service fund. This amount is recorded as revenue. The amount available for advance at June 30, 2018 was $4,414,320 in the general fund and $1,343,820 in the debt service fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

	2018 Second Half Collections		2019 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 662,709,560	93.16	$ 673,887,850	90.72
Public utility personal	48,642,660	6.84	68,955,240	9.28
Total	$ 711,352,220	100.00	$ 742,843,090	100.00
Tax rate per $1,000 of assessed valuation	$77.90		$77.90	

NOTE 6 - SHARED SALES TAX REVENUE

During 2007, the voters of Medina County passed an additional one-half percentage tax to be used for capital improvements at all school districts within the County. Collection began in October 2007. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The County then allocates this tax to the school districts within the County based on the student enrollment number. During fiscal year 2019, the District recorded shared sales tax revenue of $1,973,222 in the capital grants fund (a nonmajor governmental fund).

NOTE 7 - RECEIVABLES

Receivables at June 30, 2019 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, shared sales taxes and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the receivables on the statement of net position follows:

Governmental activities:	
Taxes	$ 29,610,803
Accounts	31,650
Accrued interest	192,631
Shared sales taxes	1,124,910
Intergovernmental	768,598
Total	$ 31,728,592

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - CAPITAL ASSETS

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

Governmental activities:	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	$ 1,836,724	$ -	$ -	$ 1,836,724
Total capital assets, not being depreciated	1,836,724	-	-	1,836,724
Capital assets, being depreciated:				
Land improvements	3,422,500	87,197	(8,327)	3,501,370
Buildings and improvements	161,876,038	25,090	-	161,901,128
Furniture and equipment	6,028,513	639,781	-	6,668,294
Vehicles	3,339,477	305,344	(180,160)	3,464,661
Total capital assets, being depreciated	174,666,528	1,057,412	(188,487)	175,535,453
Less: accumulated depreciation:				
Land improvements	(1,320,857)	(170,370)	3,872	(1,487,355)
Buildings and improvements	(34,280,638)	(4,178,633)	-	(38,459,271)
Furniture and equipment	(3,252,293)	(421,875)	-	(3,674,168)
Vehicles	(2,269,988)	(175,884)	170,659	(2,275,213)
Total accumulated depreciation	(41,123,776)	(4,946,762)	174,531	(45,896,007)
Governmental activities capital assets, net	$ 135,379,476	$ (3,889,350)	$ (13,956)	$ 131,476,170

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	$	2,338,260
Special		550,631
Vocational		158,524
Other		337
Support services:		
Pupil		425,905
Instructional staff		21,153
Board of Education		1,566
Administration		401,410
Fiscal		46,794
Operations and maintenance		306,163
Pupil transportation		149,338
Central		54,330
Operation of non-instructional services:		
Other non-instructional services		27,805
Food service operations		135,382
Extracurricular activities		329,164
Total depreciation expense	$	4,946,762

NOTE 9 - RISK MANAGEMENT

A. Liability Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. The District has a comprehensive property and casualty policy with a deductible of $10,000 per incident and a policy limit of $296,156,706. The District's vehicle liability insurance policy limit is $1,000,000 with a $2,000 collision deductible. All administrators and employees are covered under a District liability policy and an umbrella policy. The combined limits of these coverages are $10,000,000 per occurrence and $10,000,000 in aggregate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction of coverage from the prior fiscal year

B. Fidelity Bonds

The Board President and Superintendent have a $20,000 position bond. The Treasurer is covered under a surety bond in the amount of $20,000. All other school employees who are responsible for handling funds are covered by a $20,000 crime coverage bond.

NOTE 9 - RISK MANAGEMENT - (Continued)

C. Workers' Compensation

For fiscal year 2019, the District participated in the Ohio Bureau of Workers' Compensation (OBWC) state fund. The workers' compensation rate for the District is based on claims incurred in the oldest four of the last five years prior to the calendar year. The District pays its workers' compensation premium to the State based on the OBWC rate for the District multiplied by the payroll for the calendar year. The firm of Paramount Preferred Solutions Inc. provides administrative, cost control and actuarial services to the District.

D. Employee Health Benefits

In July 2010, the District joined the Summit Regional Health Care Consortium (SRHCC) Health Benefits Program, a public entity risk pool, to provide employee hospitalization, dental, prescription drug and life (See Note 18 for detail). Premium rates are set or determined by the Board of Directors of the SRHCC. To the extent and in the manner permitted by any applicable agreements, policies, rules, regulations and laws, each member of the SRHCC may require contributions from its employees toward the cost of any benefit program being offered by the District and such contributions shall be included in the payments from the District to the fiscal agent of the SRHCC. The District pays a monthly premium to the SRHCC. Because the District is a member of the SRHCC and the SRHCC holds the reserves for Incurred But Not Reported (IBNR) claims, not the individual districts, IBNR information is not available on a district-by-district basis.

NOTE 10 - OTHER EMPLOYEE BENEFITS

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working eleven or twelve months per year are entitled to an annual vacation, with pay, based on length of service in the District. Accumulated unused vacation time is paid to employees upon termination of employment. Teachers and administrators working fewer than ten months per year do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 284 days for classified employees and 304 days for certified employees. For certified employees, payment is made at the time of termination for 40% of a certified employee's accumulated sick leave up to 200 days, a benefit of up to 80 days. For classified employees, payment is made at the time of termination for 40% of a classified employee's accumulated sick leave up to 200 days, a benefit of up to 80 days. Certified employees receive $100 per year until they reach the 80 day cap if retiring after 15 years, for each year with the District. Classified employees receive 1 additional day of sick pay until they reach the 80 day cap if retiring after 15 years, for each year with the District. In addition, certified employees retiring in their first year of eligibility with the State Teachers Retirement System are eligible for an enhanced severance in lieu of the standard severance mentioned above. The enhanced severance is for 60% of a certified employee's accumulated sick leave up to 200 days, a benefit of up to 120 days.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit: or 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; or 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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was $955,970 for fiscal year 2019. Of this amount, $116,583 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The District's contractually required contribution to STRS was $3,262,176 for fiscal year 2019. Of this amount, $550,857 is reported as pension and postemployment benefits payable.

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

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

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.18700660%	0.18821888%	
Proportion of the net pension liability current measurement date	0.18964190%	0.19227589%	
Change in proportionate share	0.00263530%	0.00405701%	
Proportionate share of the net pension liability	$ 10,861,143	$ 42,277,151	$ 53,138,294
Pension expense	$ 964,190	$ 4,614,584	$ 5,578,774

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 595,666	$ 975,888	$ 1,571,554
Changes of assumptions	245,269	7,492,309	7,737,578
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	217,025	1,351,492	1,568,517
Contributions subsequent to the measurement date	955,970	3,262,176	4,218,146
Total deferred outflows of resources	$ 2,013,930	$ 13,081,865	$ 15,095,795

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 276,095	$ 276,095
Net difference between projected and actual earnings on pension plan investments	300,927	2,563,642	2,864,569
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	484	-	484
Total deferred inflows of resources	$ 301,411	$ 2,839,737	$ 3,141,148

$4,218,146 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	$ 928,851	$ 4,179,322	$ 5,108,173
2021	276,419	2,739,256	3,015,675
2022	(356,431)	465,804	109,373
2023	(92,290)	(404,430)	(496,720)
Total	$ 756,549	$ 6,979,952	$ 7,736,501

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.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the 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.

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 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 a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. 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%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, 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%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 15,298,739	$ 10,861,143	$ 7,140,516

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:

	July 1, 2018
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% 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.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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:

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

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

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	$ 61,740,214	$ 42,277,151	$ 25,804,309

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

The net OPEB liability/asset represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/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.
The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was $124,453.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $159,859 for fiscal year 2019. Of this amount, $128,771 is reported as pension and postemployment benefits payable.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

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

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

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset 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 and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.18988930%	0.18821888%	
Proportion of the net OPEB liability/asset current measurement date	0.19260380%	0.19227589%	
Change in proportionate share	0.00271450%	0.00405701%	
Proportionate share of the net OPEB liability	$ 5,343,350	$ -	$ 5,343,350
Proportionate share of the net OPEB asset	$ -	$ (3,089,677)	$ (3,089,677)
OPEB expense	$ 295,255	$ (6,667,577)	$ (6,372,322)

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 87,223	$ 360,880	$ 448,103
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	69,099	193,382	262,481
Contributions subsequent to the measurement date	159,859	-	159,859
Total deferred outflows of resources	$ 316,181	$ 554,262	$ 870,443

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 180,015	$ 180,015
Net difference between projected and actual earnings on pension plan investments	8,016	352,970	360,986
Changes of assumptions	480,059	4,209,931	4,689,990
Total deferred inflows of resources	$ 488,075	$ 4,742,916	$ 5,230,991

$159,859 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	$ (163,896)	$ (750,692)	$ (914,588)
2021	(127,897)	(750,692)	(878,589)
2022	(13,902)	(750,692)	(764,594)
2023	(10,491)	(670,530)	(681,021)
2024	(11,045)	(642,411)	(653,456)
Thereafter	(4,522)	(623,637)	(628,159)
Total	$ (331,753)	$ (4,188,654)	$ (4,520,407)

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
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%

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. 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% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% 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, 2026. 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, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. 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.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	$ 6,483,735	$ 5,343,350	$ 4,440,378

	1% Decrease (6.25 % decreasing to 3.75 %)	Current Trend Rate (7.25 % decreasing to 4.75 %)	1% Increase (8.25 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	$ 4,311,103	$ 5,343,350	$ 6,710,230

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, compared with July 1, 2017, are presented below:

	July 1, 2018		July 1, 2017
Inflation	2.50%		2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation
Payroll increases	3.00%		3.00%
Cost-of-living adjustments (COLA)	0.00%		0.00%, effective July 1, 2017
Discounted rate of return	7.45%		N/A
Blended discount rate of return	N/A		4.13%
Health care cost trends			6 to 11% initial, 4.50% ultimate
	Initial	Ultimate	
Medical			
Pre-Medicare	6.00%	4.00%	
Medicare	5.00%	4.00%	
Prescription Drug			
Pre-Medicare	8.00%	4.00%	
Medicare	-5.23%	4.00%	

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% 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.

Assumption Changes Since the Prior Measurement Date - 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.

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% 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.

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

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

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

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate **-** The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A discount rate used to measure the total OPEB liability was 4.13% 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% was used to measure the total OPEB asset as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	$ 2,648,143	$ 3,089,677	$ 3,460,766

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 3,439,818	$ 3,089,677	$ 2,734,082

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NOTE 13 - LONG-TERM OBLIGATIONS

During fiscal year 2019, the following changes occurred in governmental activities long-term obligations.

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due in One Year
Governmental Activities:					
General Obligation Bonds:					
Series BQ Bonds - 2009					
Capital Appreciation bonds - 25.929%, 12/16 - 12/18	$ 28,171	$ -	$ (28,171)	$ -	$ -
Accretion on Capital Appreciation bonds	219,695	32,134	(251,829)	-	-
Library Improvement Refunding Bonds - 2016					
Serial Bonds - 3.00-3.25%, 12/16 - 12/22	1,800,000	-	(340,000)	1,460,000	355,000
Premium	102,287	-	(21,534)	80,753	-
School Improvement Refunding Bonds - 2017A					
Serial Bonds - 1.75-4.00%, 9/17 - 12/26	3,160,000	-	(300,000)	2,860,000	600,000
Term Bonds - 3.00%, 12/27 - 12/37	5,270,000	-	-	5,270,000	-
Capital Appreciation bonds - 7.00%, 12/21 - 12/24	561,127	-	-	561,127	-
Accretion on Capital Appreciation bonds	8,963	59,928	-	68,891	-
Premium	329,663	-	(16,906)	312,757	-
School Improvement Refunding Bonds - 2017B					
Serial Bonds - 3.00-4.00%, 9/17 - 12/21	3,570,000	-	(855,000)	2,715,000	885,000
Premium	224,309	-	(56,077)	168,232	-
Taxable Build America Bonds - 2009					
Serial Bonds - 1.75-5.01%, 9/09 - 12/19	1,270,000	-	(620,000)	650,000	650,000
Term Bonds - 5.41-7.00%, 12/21 - 12/37	21,540,000	-	(21,540,000)	-	-
Premium	399,763	-	(399,763)	-	-
Taxable Build America Refunding Bonds - 2018					
Serial Bonds - 2.0-4.00%, 12/18 - 12/33	-	14,535,000	(270,000)	14,265,000	15,000
Term Bonds - 4.00%, 12/35 - 12/37	-	6,775,000	-	6,775,000	-
Premium	-	1,106,328	(45,597)	1,060,731	-
School Improvement Bonds - 2010A					
Capital Appreciation bonds - 22.072%, 12/16 - 12/20	351,345	-	(134,880)	216,465	109,395
Accretion on Capital Appreciation bonds	1,397,306	332,330	(615,120)	1,114,516	564,531
Premium	540,356	-	(216,142)	324,214	-
Tax Exempt Build America Refunding Bonds - 2014					
Serial Bonds - 3.0-5.0%, 12/14 - 12/37	25,830,000	-	(5,000)	25,825,000	5,000
Premium	465,523	-	(23,975)	441,548	-
School Improvement Bonds - 2016					
Serial Bonds - 2-3.0%, 6/16 - 12/22	5,725,000	-	(1,045,000)	4,680,000	1,095,000
Premium	225,917	-	(51,151)	174,766	-
Total General Obligation Bonds	73,019,425	22,840,720	(26,836,145)	69,024,000	4,278,926

-Continued

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due in One Year
Governmental Activities:					
Capital Lease - Certificate of Participation	8,260,000	-	(960,000)	7,300,000	980,000
Capital Lease - Copiers	-	310,847	(43,894)	266,953	59,102
Net Pension Liability	55,885,029	-	(2,746,735)	53,138,294	-
Net OPEB Liability	12,439,736	247,220	(7,343,606)	5,343,350	-
Compensated Absences					
Severance	4,950,513	323,859	(32,034)	5,242,338	440,891
Vacation	169,060	161,820	(169,060)	161,820	161,820
Total compensated absences	5,119,573	485,679	(201,094)	5,404,158	602,711
Total governmental activities long-term liabilities	$ 154,723,763	$ 23,884,466	$ (38,131,474)	$ 140,476,755	$ 5,920,739

Net Pension Liability

See Note 11 for details. The District pays obligations related to employee compensation from the fund benefiting from their service.

Net OPEB Liability

See Note 12 for details. The District pays obligations related to employee compensation from the fund benefiting from their service.

Capital Leases

See Note 14 for detail on the District's capital leases

Compensated absences

Compensated absences will be paid from the fund from which the employee is paid which, for the District, is primarily the general fund.

Series 2017A General Obligation Refunding Bonds

On September 5, 2017, the District issued General Obligation Refunding Bonds (Series 2017A refunding bonds). These bonds refunded $1,000,000 of the Series 2007 issue current interest bonds and $8,175,000 of the Series 2009 issue current interest bonds. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the debt service fund.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The original issue was comprised of both current interest bonds, par value $8,610,000, and capital appreciation bonds, par value $561,127. The interest rates on the current interest bonds range from 1.75% - 4.0%. The capital appreciation bonds mature on December 1, 2021, December 1, 2023 and December 1, 2024 (stated interest rate 7.00) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $100,000, $380,000 and $385,000. Payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2037.

At the date of the refunding, $9,363,281 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of June 30, 2019, $9,175,000 of these bonds is considered defeased.

These refunding bonds were issued with a premium of $343,751, which is reported as an increase to bonds payable. The amounts are being amortized as interest expenses over the life of the bonds using the straight-line method. The amortization for June 30, 2019 was $16,906. Bond issuance costs associated with the issuance of these bonds totaled $151,597. The refunding resulted in the reacquisition price exceeded the net carrying amount of the old debt by $7,618. This difference reported in the accompanying financial statements as a difference to bonds payable is being amortized as interest expense over the life of the bonds using the straight-line method. The amortization of this difference for fiscal year 2019 was $4,730. This advance refunding was undertaken to reduce the combined total debt service payments by $2,138,378 and resulted in an economic gain of $1,622,510.

Series 2017B General Obligation Refunding Bonds

On September 5, 2017, the District issued General Obligation Refunding Bonds (Series 2017B refunding bonds). These bonds refunded $4,605,000 of the Series 2007 issue current interest bonds. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the debt service fund.

The original issue was comprised of current interest bonds, par value $4,470,000. The interest rates on the current interest bonds range from 3.0% - 4.0%. Payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2021.

At the date of the refunding, $4,668,447 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of June 30, 2019, $2,875,000 of these bonds is considered defeased.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

These refunding bonds were issued with a premium of $271,040, which is reported as an increase to bonds payable. The amounts are being amortized as interest expenses over the life of the bonds using the straight-line method. The amortization for June 30, 2019 was $56,077. Bond issuance costs associated with the issuance of these bonds totaled $72,593. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of $7,618. This difference reported in the accompanying financial statements as a difference to bonds payable is being amortized as interest expense over the life of the bonds using the straight-line method. The amortization of this difference for fiscal year 2019 was $1,576. This advance refunding was undertaken to reduce the combined total debt service payments by $219,329 and resulted in an economic gain of $212,044.

Series 2016 Library Improvement Refunding Bonds

On July 20, 2016, the District issued $2,435,000 of Series 2016 Library Improvement Refunding bonds. The proceeds of the bonds were used to refund $2,460,000 of the District's outstanding Series 2001 Library Improvement Refunding General Obligation Bonds. The bonds were issued for a 7 year period with final maturity at December 1, 2022. The bond issue consists of serial bonds. These bonds will be retired from the debt service fund.

At the date of the refunding, $2,487,582 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of June 30, 2019, $1,510,000 of these bonds is considered defeased.

These refunding bonds were issued with a premium of $143,561, which is reported as an increase to bonds payable. The amounts are being amortized as interest expenses over the life of the bonds using the straight-line method. The amortization for June 30, 2019 was $21,534. Bond issuance costs associated with the issuance of these bonds totaled $172,870. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of $27,582. This difference reported in the accompanying financial statements as a difference to bonds payable is being amortized as interest expense over the life of the bonds using the straight-line method. The amortization of this difference for fiscal year 2019 was $4,355. This refunding was undertaken to reduce total debt service payments by $216,903 and resulted in an economic gain of $203,948.

See Note 17 for more information on the Library and its relationship to the District.

Series 2016 School Improvement Refunding Bonds

On April 4, 2016, the District issued $7,735,000 of Series 2016 School Improvement Refunding bonds. The proceeds of the bonds were used to refund $7,770,000 of the District's outstanding Series 2006 School Improvement Refunding General Obligation Bonds. The bonds were issued for a 7 year period with final maturity at December 1, 2022. The bond issue consists of serial bonds. These bonds will be retired from the debt service fund.

At the date of the refunding, $7,925,985 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of June 30, 2019, $3,715,000 of these bonds is considered defeased.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

These refunding bonds were issued with a premium of $341,007, which is reported as an increase to bonds payable. The amounts are being amortized as interest expenses over the life of the bonds using the straight-line method. The amortization for June 30, 2019 was $51,151. Bond issuance costs associated with the issuance of these bonds totaled $150,022. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of $62,016. This difference reported in the accompanying financial statements as a difference to bonds payable is being amortized as interest expense over the life of the bonds using the straight-line method. The amortization of this difference for fiscal year 2019 was $9,302. This refunding was undertaken to reduce total debt service payments by $647,117 and resulted in an economic gain of $621,515.

Series 2014 Tax Exempt Build America Refunding Bonds

On July 2, 2014, the District issued $25,930,000 of Series 2014 Tax Exempt Build America Refunding bonds. The proceeds of the bonds were used to refund $25,950,000 of the District's outstanding Series 2010B Build America bonds. The bonds were issued for a 24 year period with final maturity at December 1, 2037. The bond issue consists of serial bonds. These bonds will be retired from the debt service fund.

At the date of the refunding, $26,198,041 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of June 30, 2019, $25,950,000 of these bonds is considered defeased.

These refunding bonds were issued with a premium of $561,424, which is reported as an increase to bonds payable. The amounts are being amortized as interest expenses over the life of the bonds using the straight-line method. The amortization for June 30, 2019 was $23,975. Bond issuance costs associated with the issuance of these bonds totaled $293,383. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of $248,041. This difference reported in the accompanying financial statements as a difference to bonds payable; is being amortized as interest expense over the life of the bonds using the straight line method. The amortization of this difference for fiscal year 2019 was $10,592. This refunding was undertaken to reduce total debt service payments by $572,071 and resulted in an economic gain of $328,693.

Series 2010A School Improvement General Obligation Bonds

On September 15, 2010, the District issued $3,099,951 of Series 2010A school improvement bonds to finance the local share of the District's Ohio School's Facility Commission's building project. This issue is comprised of both current interest serial bonds, par value $2,420,000, and capital appreciation bonds, par value $679,951. These bonds are not subject to early redemption. The final stated maturity on the Series 2010A school improvement bonds is December 1, 2020. These bonds will be retired from the debt service fund.

The general obligation bonds were issued with a premium of $2,224,463. The amortization for June 30, 2019 was $216,142. Bond issuance costs associated with the issuance of these bonds totaled $384,596.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The capital appreciation bonds mature December 1, 2016, 2017, 2018, 2019, and 2020. These bonds were sold at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as an increase in long-term liability. The maturity amount of the outstanding capital appreciation bonds at June 30, 2019 is $216,465.

Series 2009 Build America Bonds (BABs)

On September 9, 2009, the District issued $27,000,000 in BABs with an average interest rate of 6.345% and a maturity of 28 years. This issue is comprised of both current interest serial bonds, par value $5,460,000, and term bonds, par value $21,540,000. These bonds are subject to early redemption. The final stated maturity on the 2009 BABs is December 1, 2037. These bonds will be retired from the debt service fund. The District received a direct payment subsidy from the United States Treasury during December and June of the current fiscal year. The December subsidy was equal to 35 percent of the corresponding interest payments due on the BABs and the June subsidy was equal to 7.2 percent. The District records this subsidy from the federal government in the debt service fund.

During 2019, the District issued Build America Refunding Bonds (Series 2018 refunding bonds) to refund the outstanding serial bonds in the amount of $21,540,000. At June 30, 2019, the District had $650,000 in remaining term bonds that will mature December 31, 2020 from the debt service fund.

Series 2018 Build America Refunding Bonds (BABs)

On September 11, 2018, the District issued $21,310,000 in BABs with an average interest rate of 4.00% and a maturity of 18 years. The proceeds of the bonds were used to refund $21,540,000 of the District's outstanding Series 2009 BABs. This issue is comprised of both current interest serial bonds, par value $14,535,000, and term bonds, par value $6,775,000. The final stated maturity on the 2018 BABs is December 1, 2037 and they will be retired from the debt service fund.

At the date of the refunding, $22,161,382 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. As of June 30, 2019, $21,540,000 of these bonds is considered defeased.

These refunding bonds were issued with a premium of $1,106,328, which is reported as an increase to bonds payable. The amounts are being amortized as interest expenses over the life of the bonds using the straight-line method. The amortization for June 30, 2019 was $45,597. Bond issuance costs associated with the issuance of these bonds totaled $254,946. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of $221,619. This difference reported in the accompanying financial statements as a difference to bonds payable; is being amortized as interest expense over the life of the bonds using the straight line method. The amortization of this difference for fiscal year 2019 was $9,134. This refunding was undertaken to reduce total debt service payments by $2,597,163 and resulted in an economic gain of $1,970,858.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Series 2009 BQ Bonds

On June 29, 2009, the District issued $9,599,995 Series 2009A general obligation bonds. The proceeds of the bonds were used to construct, remodel and improve District buildings and facilities. The bonds were issued for a 29 year period with final maturity at December 1, 2037. The bond issue consists of serial and capital appreciation bonds. These bonds are not subject to early redemption. These bonds will be retired from the debt service fund.

The remaining capital appreciation bonds mature December 1, 2018. These bonds were sold at a substantial discount at the time of issuance. At maturity all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the accretion is reflected as an increase in long-term liability.

During 2018, the District issued General Obligation Refunding Bonds (Series 2017 refunding bonds) to refund the remaining serial bonds in the amount of $8,175,000. During 2019, the remaining capital appreciation bonds were retired from the debt service fund.

Future Debt Service Requirements

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

Fiscal Year	General Obligation Bonds			Capital Appreciation Bonds		
Ending June 30	Principal	Interest	Total	Principal	Interest	Total
2020	$ 3,605,000	$ 2,283,852	$ 5,888,852	$ 109,395	$ 640,605	$ 750,000
2021	3,735,000	2,167,494	5,902,494	107,070	797,930	905,000
2022	4,705,000	2,034,319	6,739,319	79,782	20,218	100,000
2023	3,770,000	1,917,857	5,687,857	-	-	-
2024	1,935,000	1,800,594	3,735,594	247,377	132,623	380,000
2025 - 2029	13,115,000	7,701,495	20,816,495	233,968	151,032	385,000
2030 - 2034	17,020,000	4,888,140	21,908,140	-	-	-
2035 - 2038	16,615,000	1,323,428	17,938,428	-	-	-
Total	$ 64,500,000	$ 24,117,179	$ 88,617,179	$ 777,592	$ 1,742,408	$ 2,520,000

NOTE 14 - CAPITALIZED LEASE

During the current fiscal year, the District entered into a capitalized lease for copier equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statement in the general fund. Capital assets consisting of furniture and equipment have been capitalized in the amount of $310,847. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2019 was $62,169, leaving a current book value of $248,678. A corresponding liability was recorded in the government-wide statement of net position.

NOTE 14 - CAPITALIZED LEASE - (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2019:

Fiscal Year Ending June 30,	Amount
2020	$ 71,107
2021	71,107
2022	71,107
2023	71,107
2024	11,851
Total minimum lease payments	296,279
Less: amount representing interest	(29,326)
Total	$ 266,953

During fiscal year 2010, the District entered into a lease-purchase agreement for the construction, furnishing and equipping two new elementary school buildings. The District is leasing the project site from Ohio School Building Leasing Corporation. Ohio School Building Leasing Corporation assigned Huntington National Bank as trustee, transferring rights, title and interest in the project to the trustee. The District is acting as an agent for the lessor and is renovating the facilities from the proceeds provided by the lessor. As part of the agreement, Huntington National Bank deposited $15,000,000 with a fiscal agent for the renovation project. Huntington National Bank has sold Certificates of Participation in the building lease. The District will make annual lease payments to Huntington National Bank. The interest rate is 2.10%. The lease is renewable annually and expires in 2026. The intention of the District is to renew the lease annually.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2019:

Year Ended June 30	Amount
2020	$ 1,123,010
2021	1,122,220
2022	1,121,010
2023	1,119,380
2024	1,122,277
2025 - 2026	2,241,358
Total minimum lease payment	7,849,255
Less: amount representing interest	(549,255)
Present value of minimum lease payments	$ 7,300,000

NOTE 15 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable consisted of the following at June 30, 2019, as reported on the fund statement:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental fund	$ 4,003,544

The purpose of the other interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2019 are reported on the statement of net position.

B. Interfund transfers for the year ended June 30, 2019, consisted of the following, as reported in the fund financial statements:

Transfers to nonmajor governmental funds from:	
General fund	$ 36,730

Transfers are used to (1) 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 (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

Midland Council of Governments

The Midland Council of Governments is a jointly governed organization among twenty-one boards of education. The Council of Governments was formed to provide efficient and cost effective computer and data processing services to member boards. Financial support for the Council of Governments is provided by member fees levied according to the number of students within each member's respective district. The Executive Committee determines and sets the fees for all services.

Representation on the Midland Council of Governments consists of one member appointed by each member board of education. The representative shall be the superintendent, or superintendent's designee. The Council of Governments is governed by the Executive Committee who is elected for two year terms except the position of fiscal agent superintendent which is a permanent appointment. The Executive Committee consists of seven members. The members are two superintendents, two treasurers, two members-at-large and the fiscal agent superintendent. During the year ended June 30, 2019, the District paid approximately $33,517 to Midland Council of Governments for basic service charges.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Four Cities Educational Compact

The Four Cities Educational Compact is a jointly governed organization among four boards of education. The compact was formed to provide a full range of career technical education opportunities for the students. Students from any of the four districts may participate in programs at all four districts. Operating costs are apportioned based on student placement. Wadsworth City School District is the fiscal agent for the Compact and has accounted for the financial activity of the Compact as an agency fund. The District also has received a federal grant on behalf of the Compact, which has been included on the Federal Awards Receipts and Expenditures Schedule. The Administrative Board of the Compact is comprised of the superintendent from each district. Each superintendent serves a one year term as chairman on a rotating basis.

NOTE 17 - RELATED ORGANIZATIONS

The Ella M. Everhard Public Library (the "Library') is a related organization to the District. The school board members are responsible for appointing all the trustees of the Library; however, the school board cannot influence the Library's operation, nor does the Library represent a potential financial benefit or burden to the District. The District serves in a ministerial capacity as the tax authority for the Library. Once the Library determines to present a levy to the voters, including the determination to the rate and duration, the District must place the levy on the ballot. The Library may not issue debt and determines its own budget. The Library did not receive any funding from the District during fiscal year 2019. In 2000 the school board did place a levy on the ballot for the library. The purpose of this levy was to repay library renovation and expansion bonds. The total amount of bonds issued was $5,599,995. The electors of the District approved the levy. See Note 13 for additional disclosures regarding the bond issue.

NOTE 18 - PUBLIC ENTITY RISK POOL

Summit Regional Health Care Consortium

In July 2010, the District joined together with Barberton City School District, Copley-Fairlawn City School District, Norton City School District, Revere Local School District, and Cuyahoga Falls City School District to establish a regional council of governments, organized under Chapter 167 of the Ohio Revised Code, known as the Summit Regional Health Care Consortium (SRHCC) for the purpose of promoting cooperative agreements and activities among its members in purchasing supplies and services and dealing with problems of mutual concern. The members of the SRHCC have undertaken a Health Benefits Program on a cooperative basis for the provision of certain medical, hospitalization, dental, prescription drug, vision, life, and disability income benefits for their employees and the eligible dependents of those employees, and any other health care benefits which the members may determine. As part of this agreement, each member is required to share in the program costs by making monthly payments to cover the program costs. The Treasurer of the fiscal agent (Copley-Fairlawn City School District) serves as the Treasurer of the SHRCC and is responsible for coordinating and administering the Health Benefits Program.

NOTE 18 - PUBLIC ENTITY RISK POOL - (Continued)

The Health Benefits Program is governed by the Board of Directors of the SHRCC (Board), which consists of one designee by each member school district (with at least one Superintendent designee), and the representative of the fiscal agent or designee. The fiscal agent Treasurer and program consultant shall serve as non-voting members. The SRHCC representatives and the fiscal agent treasurer's representative shall serve a two-year term of office. The officers consist of a Chairperson and Vice-Chairperson who are elected for one year terms by the Board. The fiscal agent Treasurer shall be a permanent member of the Board and shall serve as the Recording Secretary.

In the event of withdrawal, members are entitled to recover its contributions to the SRHCC, if any, along with the proportionate share of interest earned on these contributions which are not encumbered for payment of its share of program costs. Claims submitted by covered persons of a withdrawing member after the recovery of funds will be exclusively the liability of the withdrawing member. Financial information for the SRHCC can be obtained from John Wheadon, Treasurer of the Copley-Fairlawn City School District at 3797 Ridgewood Road, Copley, Ohio 44321-1665.

Ohio Bureau of Workers' Compensation

The District participates in the Ohio Bureau of Workers' Compensation (OBWC) state fund. The workers' compensation rate for the District is based on claims incurred in the oldest four of the last five years prior to the calendar year. The District pays its workers' compensation premium to the State based on the OBWC rate for the District multiplied by the payroll for the calendar year. The firm of Paramount Preferred Solutions Inc., Inc. provides administrative, cost control and actuarial services to the District.

NOTE 19 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is not currently a party to any legal proceedings which would have a material impact on the financial statements.

NOTE 19 - CONTINGENCIES - (Continued)

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2019 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District but would not have a material impact on the financial statements.

NOTE 20 - BUDGETARY BASIS OF ACCOUNTING

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary 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 the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);

(e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

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

NOTE 20 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	General fund
Budget basis	$ (76,643)
Net adjustment for revenue accruals	(2,151,509)
Net adjustment for expenditure accruals	(925,758)
Net adjustment for other sources/uses	(22,828)
Funds budgeted elsewhere	274
Adjustment for encumbrances	936,581
GAAP basis	$ (2,239,883)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund, the uniform school supplies fund, the rotary fund, the adult education fund and the insurance fund.

NOTE 21 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	Capital Improvements
Set-aside balance June 30, 2018	$ -
Current year set-aside requirement	808,267
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	(1,147,268)
Excess qualified expenditures from prior years	-
Current year offsets	-
Waiver granted by ODE	-
Prior year offset from bond proceeds	-
Total	$ (339,001)
Balance carried forward to fiscal year 2020	$ -
Set-aside balance June 30, 2019	$ -

NOTE 22 - OTHER COMMITMENTS

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 District's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	$ 598,468
Other governmental	153,061
Total	$ 751,529

NOTE 23 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Wadsworth entered into a tax abatement agreement with Clampco, Celebrate Vitamins, Akron Mils, Remington and ECS Tuning for the abatement of property taxes to bring jobs and economic development into the City. The agreement affects the property tax receipts collected and distributed to the District. Under the agreement, the District will forgo future property taxes in the amount of $4,181, $7,072, $44,113, $15,244, $30,108 respectively annually based on the effective millage rate in place at the time of the agreement.

REQUIRED SUPPLEMENTARY INFORMATION

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SIX FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2019	2018	2017	2016
District's proportion of the net pension liability	0.18964190%	0.18700660%	0.18312400%	0.18338230%
District's proportionate share of the net pension liability	$ 10,861,143	$ 11,173,231	$ 13,402,987	$ 10,463,972
District's covered payroll	$ 6,361,889	$ 6,227,543	$ 5,793,629	$ 5,520,766
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.72%	179.42%	231.34%	189.54%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2015		2014
	0.18367600%		0.18367600%
$	9,295,738	$	10,922,622
$	5,337,258	$	5,914,379
	174.17%		184.68%
	71.70%		65.52%

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2019	**2018**	**2017**	**2016**
District's proportion of the net pension liabilit	0.19227589%	0.18821888%	0.18694122%	0.18443753%
District's proportionate share of the net pension liability	$ 42,277,151	$ 44,711,798	$ 62,574,861	$ 50,973,139
District's covered payroll	$ 22,190,729	$ 20,759,836	$ 20,069,436	$ 19,564,650
District's proportionate share of the net pension liability as a percentage of its covered payroll	190.52%	215.38%	311.79%	260.54%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015		2014	
	0.18018794%		0.18018794%
$	43,827,943	$	52,207,559
$	18,410,231	$	20,615,746
	238.06%		253.24%
	74.70%		69.30%

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2019	2018	2017	2016
Contractually required contribution	$ 955,970	$ 858,855	$ 871,856	$ 811,108
Contributions in relation to the contractually required contribution	(955,970)	(858,855)	(871,856)	(811,108)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,081,259	$ 6,361,889	$ 6,227,543	$ 5,793,629
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 727,637	$ 739,744	$ 818,550	$ 827,942	$ 840,790	$ 834,956
(727,637)	(739,744)	(818,550)	(827,942)	(840,790)	(834,956)
$ -	$ -	$ -	$ -	$ -	$ -
$ 5,520,766	$ 5,337,258	$ 5,914,379	$ 6,155,703	$ 6,688,862	$ 6,166,588
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2019	2018	2017	2016
Contractually required contribution	$ 3,262,176	$ 3,106,702	$ 2,906,377	$ 2,809,721
Contributions in relation to the contractually required contribution	(3,262,176)	(3,106,702)	(2,906,377)	(2,809,721)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 23,301,257	$ 22,190,729	$ 20,759,836	$ 20,069,436
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 2,739,051	$ 2,393,330	$ 2,680,047	$ 2,730,881	$ 2,849,941	$ 2,812,311
(2,739,051)	(2,393,330)	(2,680,047)	(2,730,881)	(2,849,941)	(2,812,311)
$ -	$ -	$ -	$ -	$ -	$ -
$ 19,564,650	$ 18,410,231	$ 20,615,746	$ 21,006,777	$ 21,922,623	$ 21,633,162
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST THREE FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2019	**2018**	**2017**
District's proportion of the net OPEB liability	0.19260380%	0.18988930%	0.18555077%
District's proportionate share of the net OPEB liability	$ 5,343,350	$ 5,096,130	$ 5,288,883
District's covered payroll	$ 6,361,889	$ 6,227,543	$ 5,793,629
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	83.99%	81.83%	91.29%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2019	2018	2017
District's proportion of the net OPEB liability/asset	0.19227589%	0.18821888%	0.18694122%
District's proportionate share of the net OPEB liability/(asset)	$ (3,089,677)	$ 7,343,606	$ 9,997,665
District's covered payroll	$ 22,190,729	$ 20,759,836	$ 20,069,436
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	13.92%	35.37%	49.82%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2019	2018	2017	2016
Contractually required contribution	$ 159,859	$ 136,804	$ 104,053	$ 93,781
Contributions in relation to the contractually required contribution	(159,859)	(136,804)	(104,053)	(93,781)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,081,259	$ 6,361,889	$ 6,227,543	$ 5,793,629
Contributions as a percentage of covered payroll	2.26%	2.15%	1.67%	1.62%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014	2013	2012	2011	2010
$ 138,672	$ 99,540	$ 84,632	$ 135,533	$ 159,954	$ 28,270
(138,672)	(99,540)	(84,632)	(135,533)	(159,954)	(28,270)
$ -	$ -	$ -	$ -	$ -	$ -
$ 5,520,766	$ 5,337,258	$ 5,914,379	$ 6,155,703	$ 6,688,862	$ 6,166,588
2.51%	1.87%	1.43%	2.20%	2.39%	0.46%

WADSWORTH CITY SCHOOL DISTRICT
MEDINA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2019	**2018**	**2017**	**2016**
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 23,301,257	$ 22,190,729	$ 20,759,836	$ 20,069,436
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015		2014		2013		2012		2011		2010	
$	-	$	189,076	$	191,432	$	195,063	$	203,567	$	199,861
	-		(189,076)		(191,432)		(195,063)		(203,567)		(199,861)
$	-	$	-	$	-	$	-	$	-	$	-
$	19,564,650	$	18,410,231	$	20,615,746	$	21,006,777	$	21,922,623	$	21,633,162
	0.00%		1.00%		1.00%		1.00%		1.00%		1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) 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, (f) 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, (g) 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 (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) 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 (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) 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, (g) mortality among disabled members was updated to the following: 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, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) 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) and (b) decrease in trend rates from 6.00%-11.00 initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.