



OHIO AUDITOR OF STATE  
**KEITH FABER**





**GREENVIEW LOCAL SCHOOL DISTRICT  
GREENE COUNTY  
JUNE 30, 2019**

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GREENE COUNTY  
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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Greeneview Local School District  
Greene County  
4800 Cottonville Road  
Jamestown, Ohio 45335

To the Board of Education:

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

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

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

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

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

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

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

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

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Efficient • Effective • Transparent

**Opinion**

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

**Emphasis of Matter**

As discussed in Note 23 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 30, 2020

Greeneview Local School District  
Greene County  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)

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

**Financial Highlights**

Key financial highlights for 2019 are as follows:

In total, the net position of governmental activities increased \$1,945,836, which represents a 17.7 percent increase from 2018 balances and is largely the result of changes in the net pension liability, the net other postemployment benefits liability (asset) and related deferred outflows and inflows.

General revenues accounted for \$14,563,680 in revenue or 86 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, interest and contributions accounted for \$2,437,772 or 14 percent of total revenues of \$17,001,452.

Total assets of governmental activities increased by \$591,292 as cash and cash equivalents decreased by \$621,415, receivables increased by \$142,221, capital assets increased by \$294,290 and net OPEB assets increased by \$776,196.

The School District had \$15,055,616 in expenses; only \$2,437,772 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and entitlements) were \$14,563,680.

The general fund had \$14,648,684 in revenues and \$14,960,658 in expenditures. The general fund's balance decreased \$299,329 from 2018.

**Using this Generally Accepted Accounting Principles Report (GAAP)**

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 School 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 School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non major funds presented in total in one column. In the case of Greeneview Local School District, the general fund and the permanent improvement capital projects fund are the most significant funds.

Greeneview Local School District  
Greene County  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
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**Reporting the School 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 School District to provide programs and activities, the view of the School 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 assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

**Reporting the School District's Most Significant Funds**

*Fund Financial Statements*

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the permanent improvement capital projects fund.

*Governmental Funds*

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



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Greene County  
Management's Discussion and Analysis  
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**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2019 compared to 2018:

Table 1  
Net Position

	2019	2018
<b>Assets:</b>		
Current and Other Assets	\$17,055,667	\$16,758,665
Capital Assets	28,833,427	28,539,137
Total Assets	45,889,094	45,297,802
<b>Deferred Outflows of Resources:</b>		
Pension	3,653,301	4,356,500
Other Postemployment Benefits	209,622	104,329
Total Deferred Outflows of Resources	3,862,923	4,460,829
<b>Liabilities:</b>		
Long Term Liabilities	27,417,561	30,402,100
Other Liabilities	1,944,183	2,137,550
Total Liabilities	29,361,744	32,539,650
<b>Deferred Inflows of Resources:</b>		
Property Taxes Not Levied to Finance Current		
Year Operations	4,905,304	4,993,956
Pension	1,078,243	802,016
Other Postemployment Benefits	1,437,394	399,513
Total Deferred Inflows of Resources	7,420,941	6,195,485
<b>Net Position:</b>		
Net Investment in Capital Assets	18,364,031	17,775,672
Restricted	2,281,073	2,199,984
Unrestricted (Deficit)	(7,675,772)	(8,952,160)
Total Net Position	\$12,969,332	\$11,023,496

Greeneview Local School District  
Greene County  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
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The largest impact on the School District's financial statement in 2019 had absolutely no impact on the District's financial condition; GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)" require the School District to recognize a net pension and OPEB liability/(asset) of \$15,232,286. For reasons discussed below, this liability/(asset) serves only to distort the true financial position of the School District. Users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension/OPEB and the net pension/OPEB liability/(asset) to the reported net position and subtracting deferred outflows related to pension/OPEB along with the OPEB asset.

Governmental Accounting Standards Board (GASB) standards are national and apply to all governmental financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension and OPEB costs, GASB 27 and 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. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information in these statements.

Under the standards required by GASB 68 and GASB 75, the pension and OPEB liability equals the District's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service, less 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. GASB noted that the unfunded portion of the pension and OPEB benefit 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 this liability. 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. 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 pension and other postemployment benefit system. In Ohio, there is no legal means to enforce the unfunded liability of the pension and OPEB system 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 pension and OPEB system is responsible for the administration of the plan.

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 pension and other postemployment benefit liability. As explained above, changes in pension and OPEB, contribution rates, and return on investments affect the balance of the pension and OPEB liability/(asset), but are outside the control of the local government. In the event that contributions,

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Greene County  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
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investment returns, and other changes are insufficient to keep up with required pension and OPEB payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the pension and OPEB liability is satisfied, this liability is 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 and OPEB expense for their proportionate share of each plan's change in net pension liability and other postemployment benefit liability/(asset) not accounted for as deferred inflows/outflows.

Total assets of governmental activities increased by \$591,292, as cash and cash equivalents decreased by \$621,415, receivables increased by \$142,221, capital assets increased by \$294,290 and OPEB asset increased by \$776,196. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District increased by \$1,276,388.

Table 2 shows the changes in net position for fiscal years 2019 and 2018. A comparative analysis of district-wide data is being presented, as follows:

Table 2  
Changes in Net Position

	2019	2018
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$1,695,434	\$1,586,133
Operating Grants, Interest and Contributions	742,338	773,490
Total Program Revenues	2,437,772	2,359,623
General Revenues:		
Property Taxes	5,473,410	5,340,046
Income Tax	2,220,357	2,016,454
Grants and Entitlements	6,509,182	6,413,439
Grants from School Facilities Commission	70,799	71,849
Gifts and Donations	30,381	53,331
Investment Earnings	203,215	117,609
Other	56,336	795,876
Total General Revenues	14,563,680	14,808,604
Total Revenues	\$17,001,452	\$17,168,227

(continued)

Greeneview Local School District  
Greene County  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)  
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Table 2  
Changes in Net Position (continued)

	2019	2018
<b>Program Expenses:</b>		
Instruction	\$8,205,095	\$5,307,858
Support Services:		
Pupils and Instructional Staff	1,211,496	875,655
Board of Education, Administration and Fiscal	1,881,615	1,025,845
Operation and Maintenance of Plant	1,003,305	1,349,160
Pupil Transportation	1,157,093	963,746
Central	7,346	23,911
Operation of Non-Instructional Services	393,449	406,981
Extracurricular Activities	474,382	451,173
Interest and Fiscal Charges	721,835	739,804
Total Expenses	15,055,616	11,144,133
Increase in Net Position	\$1,945,836	\$6,024,094

**Governmental Activities**

The unique nature of taxes in Ohio creates the need to routinely seek voter approval for the School District operations. Property taxes and income taxes made up 52 percent of general revenues for governmental activities for the School District for fiscal year 2019.

Instruction comprises 54 percent of district expenses. Support services expenses make up 35 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. A comparative analysis of district-wide data is being presented, as follows:

Greeneview Local School District  
Greene County  
Management's Discussion and Analysis  
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Table 3  
Cost of Services

	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Instruction	\$8,205,095	\$6,413,623	\$5,307,858	\$3,659,646
Support Services:				
Pupils and Instructional Staff	1,211,496	1,211,496	875,655	875,655
Board of Education, Administration, and Fiscal	1,881,615	1,771,235	1,025,845	931,739
Operation and Maintenance of Plant	1,003,305	1,003,305	1,349,160	1,349,160
Pupil Transportation	1,157,093	1,157,093	963,746	963,746
Central	7,346	7,346	23,911	23,911
Operation of Non-Instructional Services	393,449	5,548	406,981	29,042
Extracurricular Activities	474,382	326,363	451,173	211,807
Interest and Fiscal Charges	721,835	721,835	739,804	739,804
Total Expenses	<u>\$15,055,616</u>	<u>\$12,617,844</u>	<u>\$11,144,133</u>	<u>\$8,784,510</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to pupils.

Board of education, administration, fiscal and business include expenses associated with administrative and financial supervision of the district.

Operation and maintenance of plant activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Operation of non-instructional services includes the preparation, delivery, and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities.

Extracurricular activities includes expense related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement. Interest and fiscal charges involves the transactions associated with the payment of interest and other related charges to debt of the School District.

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Greene County  
Management's Discussion and Analysis  
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The dependence upon tax revenues is apparent. Over 78 percent of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is over 83 percent. The community, as a whole, is the primary support for the School District.

**The School District's Funds**

These funds are accounted for using the modified accrual basis of accounting. The general fund had total revenues of \$14,648,684 and total expenditures of \$14,960,658. The net change in the fund balance for the general fund was a decrease of \$299,329.

**General Fund Budgeting Highlights**

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

During the course of the fiscal year 2019, the School District amended its general fund budget several times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue and other financing sources estimate was \$14,308,065. The original budgeted estimate was \$14,308,065.

During fiscal year 2019, the School District budgeted and received \$4,536,887 and \$4,376,976, respectively in property and other taxes while it budgeted and received \$6,339,607 and \$6,375,353, respectively, in intergovernmental revenues.

**Capital Assets**

At the end of the fiscal year 2019, the School District had \$28,833,427 invested in capital assets.

Table 4 shows fiscal year 2019 balances compared to 2018.

Table 4  
Capital Assets (Net of Depreciation) at June 30,

	2019	2018
Land	\$810,856	\$772,053
Land Improvements	913,244	1,008,003
Buildings and Improvements	25,389,481	25,440,178
Furniture, Fixtures and Equipment	520,512	537,169
Vehicles	1,069,078	669,078
Educational Media	130,256	112,656
Totals	\$28,833,427	\$28,539,137

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Greene County  
Management's Discussion and Analysis  
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Overall capital assets increased \$294,290 from fiscal year 2018 to fiscal year 2019. This increase is due to the depreciation expense being less than capital asset additions.

For more information on capital assets, see Note 9 of the Basic Financial Statements.

**Debt Administration**

Table 5 shows the School District's outstanding debt at the end of fiscal year 2019 as compared to fiscal year 2018.

Table 5  
Outstanding Debt at June 30,

	2019	2018
Energy Conservation Bonds	\$318,000	\$355,000
General Obligation Refunding Bonds	3,675,000	3,705,000
Capital Appreciation Refunding Bonds	120,000	250,000
COPS – Capital Lease	5,860,000	6,030,000
Totals	\$9,973,000	\$10,340,000

At June 30, 2019, the School District's overall legal debt limitation was \$11,931,216 and the unvoted debt margin was \$234,618.

For more information on the School District's debt, see Note 14 of the Basic Financial Statements.

**Current Financial Issues and Concerns**

The current state of the overall economy is of major concern to the School District. As the economy begins a slow and steady recovery, the School District revenue stream is not keeping up with the increasing expenditures. The School District must search for new funding while at the same time find ways to cut expenses without jeopardizing the overall quality of the education program. Unfunded mandates are an on-going concern to the School District as well as the uncertainties for a state funding model for school districts. Other areas of major concern include the Health Care.

School District personnel continue to make strides in the area of curriculum improvement and remediation. This strategy from the Continuous Improvement Plan is an attempt to increase student performance and enhance curriculum instruction. Both goals will promote student learning.

In conclusion, the Greeneview Local School District has committed itself to financial excellence for many years. Therefore, it will have to address its building and staffing needs to enable it to be viable for years to come. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Greeneview Local School District  
Greene County  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
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**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Jacob McGrath, Treasurer at Greeneview Local School District, 4800 Cottonville Road, Jamestown, Ohio 45335 or email at [jacob.mcgrath@greeneview.org](mailto:jacob.mcgrath@greeneview.org).



GREENEVIEW LOCAL SCHOOL DISTRICT  
 GREENE COUNTY  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019

	GOVERNMENTAL ACTIVITIES
Assets:	
Cash and Cash Equivalents	\$9,828,705
Accrued Interest Receivable	4,926
Accounts Receivable	51,601
Intergovernmental Receivable	150,406
Income Tax Receivable	892,528
Property Taxes Receivable	5,351,305
Nondepreciable Capital Assets	810,856
Depreciable Capital Assets, Net	28,022,571
Net OPEB Asset	776,196
Total Assets	45,889,094
Deferred Outflows of Resources:	
Pension	3,653,301
Other Postemployment Benefits (OPEB)	209,622
Total Deferred Outflows of Resources	3,862,923
Liabilities:	
Accounts Payable	38,859
Accrued Wages and Benefits Payable	1,238,446
Intergovernmental Payable	351,897
Accrued Interest Payable	229,541
Accrued Vacation Leave Payable	52,926
Matured Compensated Absences Payable	32,514
Long Term Liabilities:	
Due Within One Year	468,239
Due In More Than One Year	10,940,840
Net Pension Liability	14,239,760
Other Postemployment Benefits	1,768,722
Total Liabilities	29,361,744
Deferred Inflows of Resources:	
Property Taxes	4,905,304
Pension	1,078,243
Other Postemployment Benefits	1,437,394
Total Deferred Inflows of Resources	7,420,941
Net Position:	
Net Investment in Capital Assets	18,364,031
Restricted for:	
Debt Service	120,100
Capital Projects	1,669,125
Other Purposes	491,848
Unrestricted (Deficit)	(7,675,772)
Total Net Position	\$12,969,332

See Accompanying Notes to the Basic Financial Statements

GREENEVUE LOCAL SCHOOL DISTRICT  
 GREENE COUNTY  
 STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants, Interest and Contributions	Total Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$6,354,442	\$1,070,020	\$74,546	(\$5,209,876)
Special	1,836,641	281,575	362,542	(1,192,524)
Vocational	369	0	0	(369)
Other	13,643	2,789	0	(10,854)
Support Services:				
Pupils	757,881	0	0	(757,881)
Instructional Staff	453,615	0	0	(453,615)
Board of Education	50,930	0	0	(50,930)
Administration	1,434,466	0	110,380	(1,324,086)
Fiscal	396,219	0	0	(396,219)
Operation and Maintenance of Plant	1,003,305	0	0	(1,003,305)
Pupil Transportation	1,157,093	0	0	(1,157,093)
Central	7,346	0	0	(7,346)
Non-Instructional Services	393,449	201,186	186,715	(5,548)
Extracurricular Activities	474,382	139,864	8,155	(326,363)
Interest and Fiscal Charges	721,835	0	0	(721,835)
Total Governmental Activities	<u>\$15,055,616</u>	<u>\$1,695,434</u>	<u>\$742,338</u>	<u>(12,617,844)</u>

**General Revenues:**

Property Taxes Levied for:

General Purposes	4,352,378
Debt Service	520,759
Capital Outlay	520,758
Capital Maintenance	79,515
Income Taxes Levied for General Purposes	2,220,357
Grants and Entitlements not Restricted to Specific Programs	6,509,182
Grants Restricted to Permanent Improvement Projects	70,799
Gifts and Donations	30,381
Investment Earnings	203,215
Miscellaneous	56,336
Total General Revenues	<u>14,563,680</u>

Change in Net Position 1,945,836

Net Position Beginning of Year 11,023,496

Net Position End of Year \$12,969,332

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT  
 GREENE COUNTY  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2019

	GENERAL	PERMANENT IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:				
Cash and Cash Equivalents	\$7,269,421	\$1,625,129	\$857,917	\$9,752,467
Receivables:				
Property Taxes	4,322,547	517,440	511,318	5,351,305
Income Taxes	892,528			892,528
Accrued Interest	4,926			4,926
Accounts	48,831		2,770	51,601
Intergovernmental	65,984		84,422	150,406
Interfund	81,791			81,791
Restricted Assets:				
Cash and Cash Equivalents	76,238			76,238
<b>Total Assets</b>	<b>\$12,762,266</b>	<b>\$2,142,569</b>	<b>\$1,456,427</b>	<b>\$16,361,262</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$24,900		\$13,959	\$38,859
Accrued Wages and Benefits Payable	1,142,452		95,994	1,238,446
Interfund Payable			81,791	81,791
Intergovernmental Payable	339,445		12,452	351,897
Matured Compensated Absences Payable	32,315		199	32,514
<b>Total Liabilities</b>	<b>1,539,112</b>	<b>0</b>	<b>204,395</b>	<b>1,743,507</b>
Deferred Inflows of Resources:				
Property Taxes	3,961,982	474,722	468,600	4,905,304
Unavailable Revenue	248,175	8,117	36,152	292,444
<b>Total Deferred Inflows of Resources</b>	<b>4,210,157</b>	<b>482,839</b>	<b>504,752</b>	<b>5,197,748</b>
Fund Balances:				
Restricted		1,659,730	813,864	2,473,594
Assigned	1,030,328			1,030,328
Unassigned (Deficit)	5,982,669		(66,584)	5,916,085
<b>Total Fund Balances</b>	<b>7,012,997</b>	<b>1,659,730</b>	<b>747,280</b>	<b>9,420,007</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$12,762,266</b>	<b>\$2,142,569</b>	<b>\$1,456,427</b>	<b>\$16,361,262</b>

See Accompanying Notes to the Basic Financial Statements

GREENVIEW LOCAL SCHOOL DISTRICT  
GREENE COUNTY  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2019

Total Governmental Fund Balances		\$9,420,007
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	810,856	
Land Improvements	2,403,572	
Building and Improvements	36,946,509	
Furniture, Fixtures and Equipment	2,934,143	
Vehicles	2,431,280	
Educational Media	907,532	
Accumulated Depreciation	<u>(17,600,465)</u>	
Total Capital Assets		28,833,427
Other long-term assets are not available to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.		
Property Taxes Receivable	83,783	
Accounts Receivable	49,891	
Intergovernmental Receivable	25,265	
Income Taxes Receivable	<u>133,505</u>	
Total Long-Term Assets		292,444
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Accrued Interest Payable	(229,541)	
Accrued Vacation Leave Payable	(52,926)	
Compensated Absences	(771,506)	
Capital Leases and Bonds Payable	<u>(10,637,573)</u>	
Total Liabilities		<u>(11,691,546)</u>
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 - Pension	3,653,301	
Deferred Inflows - Pension	(1,078,243)	
Net Pension Liability	<u>(14,239,760)</u>	
		(11,664,702)
The net other postemployment benefits 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 - Other Postemployment Benefits	209,622	
Deferred Inflows - Other Postemployment Benefits	(1,437,394)	
Net Other Post-Employment Benefits Liability	(1,768,722)	
Net Other Post-Employment Benefits Assets	<u>776,196</u>	
		<u>(2,220,298)</u>
Net Position of Governmental Activities		<u>\$12,969,332</u>

See Accompanying Notes to the Basic Financial Statements

GREENVIEW LOCAL SCHOOL DISTRICT  
 GREENE COUNTY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	GENERAL	PERMANENT IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:				
Property and Other Taxes	\$4,372,527	\$523,180	\$602,696	\$5,498,403
Income Tax	2,211,682			2,211,682
Tuition and Fees	1,328,739			1,328,739
Interest	192,135	3,428	7,652	203,215
Intergovernmental	6,438,383	70,799	835,392	7,344,574
Extracurricular Activities	28,939		110,925	139,864
Charges for Services	10,136		198,416	208,552
Gifts and Donations	22,452		8,155	30,607
Rent	37,509			37,509
Miscellaneous	6,182			6,182
Total Revenues	<u>14,648,684</u>	<u>597,407</u>	<u>1,763,236</u>	<u>17,009,327</u>
Expenditures:				
Current:				
Instruction:				
Regular	6,672,774		71,764	6,744,538
Special	1,745,101		348,880	2,093,981
Other	13,643			13,643
Support Services:				
Pupils	835,735			835,735
Instructional Staff	451,759		566	452,325
Board of Education	50,930			50,930
Administration	1,493,592		103,584	1,597,176
Fiscal	374,871	4,724	4,725	384,320
Operation and Maintenance of Plant	1,389,899	126,854	82,694	1,599,447
Pupil Transportation	1,547,344			1,547,344
Central	7,346			7,346
Non-Instructional Services	4,000		390,521	394,521
Extracurricular Activities	325,304		135,715	461,019
Debt Service:				
Principal Retirement	37,000	170,000	160,000	367,000
Interest and Fiscal Charges	11,360	220,250	412,317	643,927
Total Expenditures	<u>14,960,658</u>	<u>521,828</u>	<u>1,710,766</u>	<u>17,193,252</u>
Excess of Revenues Over (Under) Expenditures	<u>(311,974)</u>	<u>75,579</u>	<u>52,470</u>	<u>(183,925)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	9,000			9,000
Insurance Recoveries	3,645			3,645
Total Other Financing Sources (Uses)	<u>12,645</u>	<u>0</u>	<u>0</u>	<u>12,645</u>
Net Change in Fund Balances	(299,329)	75,579	52,470	(171,280)
Fund Balances at Beginning of Year (Restated (See Note 21))	<u>7,312,326</u>	<u>1,584,151</u>	<u>694,810</u>	<u>9,591,287</u>
Fund Balances at End of Year	<u>\$7,012,997</u>	<u>\$1,659,730</u>	<u>\$747,280</u>	<u>\$9,420,007</u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT  
 GREENE COUNTY  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Total Governmental Funds		(\$171,280)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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. In the current period, these amounts are:</p>		
Capital Outlay	1,525,047	
Current Year Depreciation	<u>(1,230,757)</u>	294,290
<p>Some revenues that will not be collected for several months after the School District's fiscal year ends are not considered "available" revenues and are deferred in the governmental funds. Unavailable revenues changed by this amount this year.</p>		
Property Taxes	(24,993)	
Income Taxes	8,675	
Accounts	18,279	
Intergovernmental	<u>(22,481)</u>	(20,520)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of bond principal payments.</p>		
		367,000
<p>In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>		
		(4,977)
<p>Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.</p>		
		1,131,196
<p>Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.</p>		
		(1,207,700)
<p>Except for amounts reported as deferred inflows/outflows, changes in the net other post-employment benefits liability/asset are reported as other postemployment benefits expenses in the statement of activities.</p>		
		1,620,466
<p>Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:</p>		
Accrued Vacation Leave Payable	(398)	
Compensated Absences Payable	10,590	
Interest Accreted on Capital Appreciation Bonds	<u>(72,831)</u>	
		<u>(62,639)</u>
Change in Net Position of Governmental Activities		<u>\$1,945,836</u>
See Accompanying Notes to the Basic Financial Statements		

GREENEVIEW LOCAL SCHOOL DISTRICT  
 GREENE COUNTY  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
<b>Revenues:</b>				
Property and Other Taxes	\$4,536,887	\$4,536,887	\$4,376,976	(\$159,911)
Income Tax	2,020,169	2,020,169	2,138,804	118,635
Tuition and Fees	1,239,952	1,239,952	1,337,911	97,959
Interest	104,476	104,476	180,604	76,128
Intergovernmental	6,339,607	6,339,607	6,375,353	35,746
Customer Sales and Services	0	0	10,136	10,136
Gifts and Donations	8,670	8,670	4,250	(4,420)
Rent	9,375	9,375	37,509	28,134
Miscellaneous	18,929	18,929	4,689	(14,240)
<b>Total Revenues</b>	<u>14,278,065</u>	<u>14,278,065</u>	<u>14,466,232</u>	<u>188,167</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	6,785,941	7,003,453	6,796,220	207,233
Special	1,673,347	1,803,347	1,751,524	51,823
Other	13,351	13,351	13,643	(292)
<b>Support Services:</b>				
Pupils	816,920	863,920	865,061	(1,141)
Instructional Staff	391,899	404,387	470,705	(66,318)
Board of Education	51,739	51,739	53,201	(1,462)
Administration	1,447,700	1,557,700	1,507,026	50,674
Fiscal	382,616	382,616	380,957	1,659
Operation and Maintenance of Plant	1,493,444	1,598,444	1,648,502	(50,058)
Pupil Transportation	1,213,460	1,616,460	1,609,068	7,392
Central	24,503	24,503	7,303	17,200
Non-Instructional Services	1,490	1,490	4,250	(2,760)
Extracurricular Activities	321,543	321,543	319,549	1,994
Capital Outlay	2,000	2,000		2,000
<b>Debt Service:</b>				
Principal Retirement	38,110	38,110	37,000	1,110
Interest and Fiscal Charges	12,920	12,920	11,360	1,560
<b>Total Expenditures</b>	<u>14,670,983</u>	<u>15,695,983</u>	<u>15,475,369</u>	<u>220,614</u>
<b>Excess of Revenues Under Expenditures</b>	(392,918)	(1,417,918)	(1,009,137)	408,781
<b>Other Financing Sources (Uses):</b>				
Advances - In			11,502	11,502
Refund of Prior Year Expenditures	30,000	30,000	29,733	(267)
Insurance Recoveries			3,645	3,645
Proceeds from Sale of Capital Assets			9,000	9,000
Advances - Out			(90,973)	(90,973)
Transfers - Out	(79,515)	(79,515)	(79,515)	0
<b>Total Other Financing Sources (Uses)</b>	<u>(49,515)</u>	<u>(49,515)</u>	<u>(116,608)</u>	<u>(67,093)</u>
<b>Net Increase (Decrease) in Fund Balances</b>	(442,433)	(1,467,433)	(1,125,745)	341,688
Fund Balances at Beginning of Year	7,515,904	7,515,904	7,515,904	
Prior Year Encumbrances Appropriated	397,069	397,069	397,069	
<b>Fund Balances at End of Year</b>	<u>\$7,470,540</u>	<u>\$6,445,540</u>	<u>\$6,787,228</u>	<u>\$341,688</u>

See Accompanying Notes to the Basic Financial Statements

GREENEVIEW LOCAL SCHOOL DISTRICT  
 GREENE COUNTY  
 STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2019

	PRIVATE PURPOSE TRUST	
	SCHOLARSHIP	AGENCY
Assets:		
Cash and Cash Equivalents	\$578,558	\$89,753
	\$578,558	\$89,753
Liabilities:		
Accounts Payable		7,135
Deposits Held and Due to Students		82,618
Total Liabilities	0	\$89,753
Net Position:		
Held in Trust for Scholarships	\$578,558	

See Accompanying Notes to the Basic Financial Statements



GREENEVIEW LOCAL SCHOOL DISTRICT  
 GREENE COUNTY  
 STATEMENT OF CHANGES IN FUND NET POSITION  
 PRIVATE PURPOSE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	PRIVATE PURPOSE TRUST
	SCHOLARSHIP
Additions:	
Interest	\$9,251
Gifts and Donations	29,740
Miscellaneous	500
Total Additions	39,491
Deletions:	
Scholarships Awarded	26,950
	12,541
Change in Net Position	12,541
Net Position Beginning of Year	566,017
Net Position End of Year	\$578,558

See Accompanying Notes to the Basic Financial Statements

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Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Greeneview Local School District (the "School District") is a body politic and corporate for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and/or federal agencies. It is staffed by 77 non-certified employees, 97 certified full time teaching personnel, including ten administrators, who provide services to 1,321 students and other community members. The School District currently operates four instructional/support facilities.

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

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

The School District is associated with three jointly governed organizations, one insurance purchasing pool and one public entity shared risk pool. These organizations are discussed in Notes 16 and 17 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

- Miami Valley Educational Computer Association (MVECA)
- Southwestern Ohio Educational Purchasing Council (SWEPC)
- Greene County Career Center

Insurance Purchasing Pool:

- Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program

Public Entity Shared Risk Pool:

- Southwestern Ohio Educational Purchasing Council's Benefit Plan Trust

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

*Government-wide Financial Statements:*

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements usually distinguish between those activities that are governmental and those that are business-type. The School District, however, has no activities which are reported as business-type. The government-wide statements also exclude fiduciary funds.

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

*Fund Financial Statements:*

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

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. Fund Accounting**

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

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

*Permanent Improvement Capital Projects Fund* – The permanent improvement capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

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

*Fiduciary Fund Types:*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The School District's only trust fund is a private purpose trust which accounts for various college scholarship programs for students. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The student managed activities agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer and faculty advisor. The tournament agency fund accounts for proceeds and expenditures for OHSAA sponsored tournaments.

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**C. Measurement Focus**

*Government-wide Financial Statements:*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities accounts for increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

*Fund Financial Statements*

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

The private purpose trust fund is reported using the economic resources measurement focus.

**D. Basis of Accounting**

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

*Revenues - Exchange and Non-exchange Transactions:*

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

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: income tax, tuition, student fees, interest, grants, charges for services, gifts and donations and rent.

*Deferred Outflows/Inflows of Resources:*

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the School District, deferred outflows of resources include a deferred amount of pension and other postemployment benefits (OPEB) contributions. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, income taxes, intergovernmental revenue and fees. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow 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 School District, unavailable revenue includes delinquent property taxes and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported in the government-wide statement of net position (See Notes 11 and 12).

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

*Expenses/Expenditures:*

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. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

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

**E. Budgetary Data**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary 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 for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

**F. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "cash and cash equivalents." During fiscal year 2019, the School District's investments included money market funds, Federal Home Loan Mortgage Notes, Federal National Mortgage Association Notes, a U.S. Treasury Note, a U.S. Treasury Bill, and negotiable Certificates of Deposit.



Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2019 amounted to \$192,135, which includes \$49,909 assigned from other funds. Interest revenue was posted to the permanent improvement fund, the lunchroom fund, the classroom facilities project maintenance fund and to the private purpose trust fund in the amounts of \$3,428, \$74, \$7,578, and \$9,251, respectively.

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

**G. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set aside for budget stabilization.

**H. Capital Assets and Depreciation**

The School District's only capital assets are general capital assets. General capital assets 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 fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for 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:

Greeneview Local School District  
 Greene County  
 Notes to the Basic Financial Statements  
 For the Fiscal Year Ended June 30, 2019  
 (Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	20-50 years
Furniture, Fixtures, and Equipment	5-20 years
Vehicles	8 years
Educational Media	6-15 years

**I. Accrued Liabilities and Long-Term Obligations**

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

In general, 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 governmental 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 in the current fiscal year. The capital lease and the general obligation bond that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**J. Pensions/Other Postemployment Benefits (OPEB)**

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

**K. Compensated Absences**

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

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

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

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which the employees will be paid.

**L. Interfund Transactions**

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one 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 to the funds that initially paid for them are not presented on the financial statements.

**M. Fund Balance**

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

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Enabling legislation authorizes the School District to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State Statute.

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

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

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Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**N. Net Position**

Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Of the restricted net position, none has resulted from enabling legislation.

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

**O. Estimates**

The preparation of the 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 3 - FUND DEFICITS**

At June 30, 2019, the lunchroom, IDEA, Part B, Title I, Title IIA, and Title II D special revenue funds had deficit fund balances of \$34,097, \$5,229, \$8,122, \$9,031, and \$10,105, respectively. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances 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 Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (continued)

3. 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 a restricted, committed or assigned fund balance for that portion of outstanding encumbrances not already recognized as an accounts payable (GAAP basis).
4. Advances - in and advances - out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statements.
6. One fund is included in the general fund (GAAP basis), but has a separate, legally adopted budget (budget basis).
7. The transfers are operating transactions (budget basis) that are reclassified to other expenses on the operating statement (GAAP basis).

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$299,329)
Net Adjustment for Revenue Accruals	(105,789)
Net Adjustment for Expenditure Accruals	(127,735)
Advances	(79,471)
Transfers	(79,515)
Adjustment for Encumbrances	(427,137)
Funds Budgeted Elsewhere	<u>(6,769)</u>
Budget Basis	<u>(\$1,125,745)</u>

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

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. Investments may only be made through specified dealers and institutions.

**A. Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, \$3,467,179 of the School District's bank balance of \$3,717,179 was exposed to custodial credit. All statutory requirements for the deposit of money had been followed.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured; or participation in the Ohio Pooled Collateral System (OPCS), which is a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

The School District also had \$4,500,000 in non-negotiable certificates of deposit outstanding at June 30, 2019. These certificates of deposit are a part of cash and cash equivalents on the basic financial statements. These certificates of deposit were fully insured by the FDIC.

**B. Investments**

At June 30, 2019, the School District had the following investments. All investments are in an internal investment pool.



Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

Investment Type (Cost)	Investment Maturities (in years)				Percent of Total Investments
	Fair Value	Less Than One Year	1-2	Greater Than 2	
Money Market Funds	\$5,510	\$5,510	\$0	\$0	0.21%
Federal Home Loan Mortgage Note	130,576	0	0	130,576	4.95%
Federal National Mortgage Association Notes	204,250	104,920	99,330	0	7.74%
U.S. Treasury Note	298,606	298,606	0	0	11.32%
U.S. Treasury Bill	361,305	361,305	0	0	13.69%
Negotiable Certificates of Deposit	<u>1,638,763</u>	<u>129,962</u>	<u>250,398</u>	<u>1,258,403</u>	<u>62.09%</u>
Total Investments	<u>\$2,639,010</u>	<u>\$900,303</u>	<u>\$349,728</u>	<u>\$1,388,979</u>	<u>100.00%</u>

The School District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The School District's investments in federal agency securities (FHLMC, FNMA) and negotiable CD's 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).

*Interest Rate Risk:* The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

*Credit Risk:* The School District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. U.S. government money market mutual funds were rated AAAM by Standard & Poor's. The negotiable CD's were not rated but are fully insured by the FDIC. The School District's investment policy limits investments to those authorized by State statute.

*Concentration of Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School 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 School District's investment policy does not address investment custodial risk beyond the requirement 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.

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

**NOTE 6 - PROPERTY TAXES**

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

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

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

The School District receives property taxes from Greene, Fayette, and Clinton Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which 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 inflow of resources. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

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

	<u>2018 Second - Half Collections</u>		<u>2019 First - Half Collections</u>	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$219,621,840	94%	\$219,592,560	94%
Tangible Public Utility Property	13,832,750	6%	15,025,040	6%
Total Assessed Value	<u>\$233,454,590</u>	<u>100%</u>	<u>\$234,617,600</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$32.75		\$32.75	

Greeneview Local School District  
 Greene County  
 Notes to the Basic Financial Statements  
 For the Fiscal Year Ended June 30, 2019  
 (Continued)

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**NOTE 7 - INCOME TAX**

The School District levies a voted tax of one-half of one percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Effective January 1, 2002, the residents voted an additional one-half of one percent income tax for a five-year period. In November, 2015, voters approved the renewal of this additional .5% income tax. This was effective January, 2017 and will be in effect through December, 2021. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund. Income tax revenue credited to the general fund for fiscal year 2019 was \$2,211,682.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2019, consisted of property and income taxes, accrued interest, accounts (rent, billings for user charged services, and student fees), intergovernmental grants and interfund.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Greene County Educational Service Center	\$65,984
IDEA, Part B	43,861
Title I	30,456
Title II D	10,105
Total Intergovernmental Receivables	\$150,406

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

**NOTE 9 - CAPITAL ASSETS**

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

	<u>Assets 6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Assets 6/30/2019</u>
Capital Assets, not Being Depreciated				
Land	\$772,053	\$38,803	\$0	\$810,856
Total Capital Assets, not Being Depreciated	<u>772,053</u>	<u>38,803</u>	<u>0</u>	<u>810,856</u>
Capital Assets, Being Depreciated:				
Land Improvements	2,403,572	0	0	2,403,572
Buildings and Improvements	36,103,563	842,946	0	36,946,509
Furniture, Fixtures and Equipment	2,893,710	40,433	0	2,934,143
Vehicles	1,875,683	555,597	0	2,431,280
Educational Media	860,264	47,268	0	907,532
Total Capital Assets, Being Depreciated	<u>44,136,792</u>	<u>1,486,244</u>	<u>0</u>	<u>45,623,036</u>
Less Accumulated Depreciation:				
Land Improvements	(1,395,569)	(94,759)	0	(1,490,328)
Buildings and Improvements	(10,663,385)	(893,643)	0	(11,557,028)
Furniture, Fixtures and Equipment	(2,356,541)	(57,090)	0	(2,413,631)
Vehicles	(1,206,605)	(155,597)	0	(1,362,202)
Educational Media	(747,608)	(29,668)	0	(777,276)
Total Accumulated Depreciation	<u>(16,369,708)</u>	<u>(1,230,757)</u>	<u>0</u>	<u>(17,600,465)</u>
Capital Assets, Being Depreciated, Net	<u>27,767,084</u>	<u>255,487</u>	<u>0</u>	<u>28,022,571</u>
Governmental Activities Capital Assets, Net	<u>\$28,539,137</u>	<u>\$294,290</u>	<u>\$0</u>	<u>\$28,833,427</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,001,718
Vocational	369
Support Services:	
Instructional Staff	27,871
Administration	735
Operation and Maintenance of Plant	32,766
Pupil Transportation	151,816
Non-Instructional Services	5,914
Extracurricular Activities	9,568
Total Depreciation Expense	<u>\$1,230,757</u>

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
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(Continued)

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**NOTE 10 - RISK MANAGEMENT**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2019, the School District contracted with Great American Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate. Property is also protected by the Selective Insurance Company and holds a \$5,000 deductible.

The School District's vehicles are covered under a business policy with Great American Insurance Company which carries a \$1,000,000 limit on any accident.

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

For fiscal year 2019, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund."

This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Integrated Comp Incorporated provides administrative, cost control and actuarial services to the GRP.

**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

**A. 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.

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

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

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School 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 *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

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

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

Age and service requirements for retirement are as follows:

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

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

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

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

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.50 percent. There was .50 percent allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$286,185 for fiscal year 2019. Of this amount, \$162,231 is reported as an intergovernmental payable.

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

**C. Plan Description - State Teachers Retirement System (STRS)**

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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



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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$796,959 for fiscal year 2019. Of this amount, \$130,584 is reported as an intergovernmental payable.

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

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

<i>Pension Liability</i>	SERS	STRS	Total
Proportionate share of the Net Pension Liability	\$3,618,791	\$10,620,969	\$14,239,760
Proportion of the Net Pension Liability	0.0631862%	0.04830402%	
Pension Expense	\$260,061	\$947,639	\$1,207,700

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

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$198,468	\$245,165	\$443,633
Changes in Assumptions	81,720	1,882,236	1,963,956
Changes in proportion and differences between School District contributions and proportionate share of contributions	20,872	141,696	162,568
School district contributions subsequent to the measurement date	<u>286,185</u>	<u>796,959</u>	<u>1,083,144</u>
Total Deferred Outflows of Resources	<u><u>\$587,245</u></u>	<u><u>\$3,066,056</u></u>	<u><u>\$3,653,301</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$69,362	\$69,362
Net difference between projected and actual earnings on pension plan investments	100,265	644,044	744,309
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>52,225</u>	<u>212,347</u>	<u>264,572</u>
Total Deferred Inflows of Resources	<u><u>\$152,490</u></u>	<u><u>\$925,753</u></u>	<u><u>\$1,078,243</u></u>

\$1,083,144 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Deferred Outflows/Inflows**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$241,141	\$834,599	\$1,075,740
2021	56,939	563,278	620,217
2022	(118,759)	47,831	(70,928)
2023	<u>(30,751)</u>	<u>(102,364)</u>	<u>(133,115)</u>
	<u><u>\$148,570</u></u>	<u><u>\$1,343,344</u></u>	<u><u>\$1,491,914</u></u>

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

**E. Actuarial Assumptions - SERS**

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

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

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

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

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
COLA or Ad Hoc COLA	2.50%, three year suspension for 2018-2020
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions Experience Study Date	Five year period ended June 30, 2015

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

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members and beneficiaries was based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

The most recent experience study was completed 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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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

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

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

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

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$5,097,340	\$3,618,791	\$2,379,126

***Changes in Benefit Terms*** The COLA was changed from a fixed three percent to a COLA that is indexed to CPI-W not greater than 2.5 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

**F. 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
Discount Rate of Return	7.45%	--
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0% effective July 1, 2017	0% effective July 1, 2017

For the July 1, 2018 and July 1, 2017, actuarial valuations, 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, 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.

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.

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (continued)

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

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

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

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

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net pension liability	\$15,510,528	\$10,620,969	\$6,482,622

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**A. Net Other Postemployment Benefits (OPEB) Liability**

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

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

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

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

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

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

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

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS** (continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the School District's surcharge obligation was \$37,453.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$48,052 for fiscal year 2019. Of this amount, \$43,462 is reported as an intergovernmental payable.

**C. Plan Description - State Teachers Retirement System (STRS)**

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan.

Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.



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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS** (continued)

**D. Net OPEB Liability (Asset)**

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 School District's proportion of the net OPEB liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the Other Postemployment Benefit Liability	\$1,768,722	\$0	\$1,768,722
Proportionate share of the Other Postemployment Benefit Asset	\$0	\$776,196	\$776,196
Postemployment Benefit Liability (Asset)	0.0637545%	0.04830402%	
OPEB Expense (Income)	\$80,992	(\$1,701,458)	(\$1,620,466)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$28,872	\$90,661	\$119,533
Changes in proportionate share and difference between School District contributions	5,551	36,486	42,037
School district contributions subsequent to the measurement date	<u>48,052</u>	<u>0</u>	<u>48,052</u>
Total Deferred Outflows of Resources	<u>\$82,475</u>	<u>\$127,147</u>	<u>\$209,622</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$45,224	\$45,224
Changes in Assumptions	158,906	1,057,628	1,216,534
Net difference between projected and actual earnings OPEB plan investments	2,653	88,674	91,327
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>52,481</u>	<u>31,828</u>	<u>84,309</u>
Total Deferred Inflows of Resources	<u>\$214,040</u>	<u>\$1,223,354</u>	<u>\$1,437,394</u>

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS** (continued)

\$48,052 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	(\$71,219)	(\$197,381)	(\$268,600)
2021	(57,855)	(197,381)	(255,236)
2022	(15,544)	(197,381)	(212,925)
2023	(14,415)	(177,243)	(191,658)
2024	(14,599)	(170,179)	(184,778)
2025	(5,985)	(156,642)	(162,627)
	<u>(\$179,617)</u>	<u>(\$1,096,207)</u>	<u>(\$1,275,824)</u>

**E. 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:

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS** (continued)

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
Investment Rate of Return	7.50%, net of investment expenses, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62%
Prior Measurement Date	2.92%
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	5.375-4.75%
Pre-Medicare	7.25-4.75%

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

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

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

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

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS** (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
U.S. Stocks	22.50%	4.75%
Non-U.S. Stocks	22.50%	7.00%
Fixed Income	19.00%	1.50%
Private Equity	10.00%	8.00%
Real Assets	15.00%	5.00%
Multi Asset Strategy	10.00%	3.00%

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

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

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS** (continued)

	<u>1% Decrease (2.70%)</u>	<u>Current Discount Rate (3.70%)</u>	<u>1% Increase (4.70%)</u>
School District's proportionate Share of the net OPEB liability	\$2,146,205	\$1,768,722	\$1,469,826
	<u>1% Decrease (6.25% decreasing to 3.75%)</u>	<u>Current Trend Rate (7.25% decreasing to 4.75%)</u>	<u>1% Increase (8.25% decreasing (5.75%)</u>
School District's proportionate share of the net OPEB liability	\$1,427,034	\$1,768,722	\$2,221,178

**F. Actuarial Assumptions - STRS**

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary Increases	12.50% at age 20 to 2.50% at age 65
Payroll Increases	3.00%
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Health Care Cost Trends	
Medical	
Medicare	5.00-4.00%
Pre-Medicare	6.00-4.00%
Prescription Drug	
Medicare	-5.23-4%
Pre-Medicare	8.00-4.00%

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS** (continued)

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

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

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

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

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

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**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS** (continued)

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	(\$665,273)	(\$776,196)	(\$869,422)
School District's proportionate share of the net OPEB asset	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
	(\$864,159)	(\$776,196)	(\$686,863)

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**NOTE 13 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is not paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 263 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 65.75 days.

**B. Health Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the UNUM Life Insurance Company. The School District has elected to provide employee medical/surgical benefits through United Health Care of Ohio. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. Dental insurance is provided by the School District to most employees through the Southwestern Ohio Educational Purchasing Council's Benefit Plan Trust. See Note 17.



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**NOTE 14 - LONG-TERM OBLIGATIONS**

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

	Balance 6/30/2018	Increases	Decreases	Balance 6/30/2019	Due within One Year
<b>Governmental Activities</b>					
General Obligation Bonds:					
2014 Energy Conservation Bonds 3.2%	\$355,000	\$0	(\$37,000)	\$318,000	\$37,000
2007 Capital Appreciation 4.35-4.38%	250,000	0	(130,000)	120,000	120,000
2017 Refunding Bonds:					
Serial Bonds 1.96%	3,705,000	0	(30,000)	3,675,000	50,000
	4,310,000	0	(197,000)	4,113,000	207,000
Accretion on Capital Appreciation Bonds	591,742	72,831	0	664,573	0
Total General Obligation Bonds	4,901,742	72,831	(197,000)	4,777,573	207,000
Net Pension Liability:					
STRS	11,231,499		(610,530)	10,620,969	0
SERS	3,863,131		(244,340)	3,618,791	0
Total Net Pension Liability	15,094,630	0	(854,870)	14,239,760	0
Net Other Postemployment Benefits:					
STRS	1,844,697	0	(1,844,697)	0	0
SERS	1,748,935	19,787	0	1,768,722	0
Total Net Other Postemployment Benefits	3,593,632	19,787	(1,844,697)	1,768,722	0
Capital Leases:					
COPS Capital Lease	6,030,000	0	(170,000)	5,860,000	175,000
Compensated Absences	782,096	0	(10,590)	771,506	86,239
Total Long-Term Obligations	\$30,402,100	\$92,618	(\$3,077,157)	\$27,417,561	\$468,239

*2007 Refunding General Obligation Bonds and Capital Appreciation Bonds*

On August 22, 2007, the School District issued \$5,295,000 in school improvement refunding general obligation bonds and capital appreciation bonds, with semi-annual payments due on June 1 and December 1 of each year, and interest payable that began December 1, 2007. The \$5,045,000 in serial term bonds will mature on December 1, 2026. These bonds were partially refunded in fiscal year 2018. The capital appreciation bonds were issued at \$250,000 and with a final maturity of \$120,000 on December 1, 2019. For fiscal year 2019, the capital appreciation bonds were accreted \$72,831.

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**NOTE 14 - LONG-TERM OBLIGATIONS** (continued)

*2014 House Bill 264 General Obligation Bonds*

On June 30, 2014, the School District issued \$495,180 in energy conservation general obligation bonds with semi-annual payments due on February 1 and August 1 of each year with payments beginning on February 1, 2015. The bonds will mature on February 1, 2029.

*2017 Refunding General Obligation Bonds*

On August 24, 2017, the School District issued \$3,705,000 in school improvement refunding general obligation bonds with semi-annual payments due on June 1 and December 1 of each year, and interest payable that began December 1, 2018. The \$3,705,000 in serial term bonds will mature on December 1, 2026. The refunding bonds were issued for the purpose of current refunding \$3,705,000 of the 2007 refunded school improvement bonds. These bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements.

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	207,000	431,716	638,716
2021	517,000	75,338	592,338
2022	524,000	64,648	588,648
2023	535,000	53,809	588,809
2024	545,000	42,853	587,853
2025-2029	1,785,000	63,057	1,848,057
Total	<u>\$4,113,000</u>	<u>\$731,421</u>	<u>\$4,844,421</u>

All general obligation debt is supported by the full faith and credit of the School District. The School Improvement Bonds will be paid from the bond retirement fund. Energy Conservation Bonds are paid out of the general fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

At June 30, 2019, the School District's overall legal debt limitation was \$11,931,216 and the unvoted debt margin was \$234,618.

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**NOTE 15 – LEASES**

*Capital Leases*

In fiscal year 2015, the School District issued \$6,630,000 in Certificates of Participation (COPS). The COPS were issued to finance construction and improvements at the high school building and elementary building, including equipment, furnishings, landscaping and improving the sites and acquiring land and interests necessary. The COPS have a maturity date of December 1, 2041. These are paid from the permanent improvement fund.

The School District leases buildings under a noncancelable lease. The School District made \$390,250 in principal and interest payments on the lease during the 2019 fiscal year. Future lease payments are as follows:

Fiscal Year Ending June 30,	Total
2020	\$391,800
2021	388,300
2022	389,525
2023	389,725
2024	389,100
2025-2029	1,938,225
2030-2034	1,932,500
2035-2039	1,921,500
2040-2042	1,151,100
Total	8,891,775
Less: Amount Representing Interest	(3,031,775)
Present Value of Net Minimum Lease Payments	\$5,860,000

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

*Miami Valley Educational Computer Association (MVECA)* - The School District is a participant in MVECA, which is a computer consortium. MVECA is an association of public school districts within the geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of two representatives from each of the participating members. The School District paid MVECA \$87,521 for services provided during the year. Financial information can be obtained from MVECA located at 330 Enon Road, Yellow Springs, Ohio 45387.

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**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS** (continued)

*Southwestern Ohio Educational Purchasing Council* - The Southwestern Ohio Educational Purchasing Council (SWEPC) is a purchasing cooperative made up of over 126 public school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SWEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SWEPC is held in trust for the member districts. Any district withdrawing from the SWEPC shall forfeit its claim to any and all SWEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations.

Payments to SWEPC are made from the general fund. During fiscal year 2019, the School District paid \$2,027,194 (which includes insurance premiums) to SWEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Dr., Suite 208, Vandalia, OH 45377.

*Greene County Career Center* - The Greene County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts' elected Boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Greene County Career Center, Eva Anderson who serves as Treasurer, at 2960 W. Enon Rd., Xenia, OH 45385. The School District paid the Greene County Career Center \$1,314 during the 2019 fiscal year.

**NOTE 17 - INSURANCE PURCHASING POOL/PUBLIC ENTITY SHARED RISK POOL**

**A. Insurance Purchasing Pool**

*Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Program* - The School District participates in the Southwestern Ohio Educational Purchasing Council's Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an 11 member Board of directors. The Executive Director of the GRP, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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**NOTE 17 - INSURANCE PURCHASING POOL/PUBLIC ENTITY SHARED RISK POOL**

(continued)

**B. Public Entity Shared Risk Pool**

*Southwestern Ohio Educational Purchasing Council's Benefit Plan Trust* – The Southwestern Ohio Educational Purchasing Council Benefit Plan Trust (Trust) is a public entity shared risk pool consisting of 55 school districts. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental and vision insurance benefits to the employees of the participants. The Trust is governed by the Southwestern Ohio Educational Purchasing Cooperative and its participating members. Each participant decides which plans offered by the Trust will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Trust and payment of the monthly premiums. Financial information may be obtained from the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**NOTE 18 – FUND BALANCE**

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

	General	Permanent Improvement	Other Governmental Funds	Total Governmental
<b>Restricted for:</b>				
Debt Retirement	\$0	\$0	\$470,632	\$470,632
Permanent Improvements	0	1,659,730	0	1,659,730
Building Projects	0	0	1,278	1,278
Ohio School Facilities Maintenance	0	0	327,932	327,932
Extracurricular Activities	0	0	11,322	11,322
Data Communication	0	0	2,700	2,700
Total Restricted	<u>0</u>	<u>1,659,730</u>	<u>813,864</u>	<u>2,473,594</u>
<b>Assigned for:</b>				
Public School Support	128,812	0	0	128,812
Educational Activities	901,516	0	0	901,516
Total Assigned	<u>1,030,328</u>	<u>0</u>	<u>0</u>	<u>1,030,328</u>
<b>Unassigned</b>	<u>5,982,669</u>	<u>0</u>	<u>(66,584)</u>	<u>5,916,085</u>
Total Fund Balance	<u><u>\$7,012,997</u></u>	<u><u>\$1,659,730</u></u>	<u><u>\$747,280</u></u>	<u><u>\$9,420,007</u></u>

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**NOTE 19 - SET-ASIDE CALCULATIONS**

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

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

	Capital Improvements
Set-Aside Balance as of June 30, 2018	\$0
Current Year Set-Aside Requirement	238,312
Carryover from Prior Year	0
Qualifying Disbursements	(524,332)
Current Year Offsets	(514,869)
Set-Aside Balance as of June 30, 2019	(\$800,889)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0

The School District had qualifying disbursements during the fiscal year that reduced the capital acquisitions amounts below zero. For the capital improvements reserve, qualifying expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

**NOTE 20 - INTERFUND ASSETS/LIABILITIES, TRANSFERS**

	Interfund Receivable	Interfund Payable
Major Fund:		
General Fund	\$81,791	\$0
Nonmajor Funds:		
Food Service	0	40,000
Athletics	0	30,000
IDEA, Part B	0	1,307
Title I	0	110
Title IVA	0	10,374
Total All Funds	\$81,791	\$81,791

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 (Continued)

**NOTE 20 - INTERFUND ASSETS/LIABILITIES, TRANSFERS** (continued)

General fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Restricted monies are used to reimburse the general fund for advancing monies to other funds due to timing differences in the receiving of monies. When the monies are finally received, the other fund reimburses the general fund for the initial advance.

**NOTE 21 – RESTATEMENT OF FUND BALANCE**

During fiscal year 2019, it was discovered that an advance made out of the general fund to the Title IIA fund should not have been made because expenditures were made out of Title IIA that should not have been. Because of this, a restatement was done at July 1, 2018 to decrease the interfund payable in Title IIA and increasing it in the General Fund. This restatement had no effect on net position at July 1, 2018. This restatement had the following effect on fund balances as reported at July 1, 2019:

	General Fund	All Other Governmental Funds
Fund Balance as previously reported	\$7,321,508	\$685,628
Correction of Interfund Payable	(9,182)	9,182
Restated Fund Balance at July 1, 2019	\$7,312,326	\$694,810

**NOTE 22 – CONTINGENCIES**

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

**NOTE 23 – SUBSEQUENT EVENTS**

The School District on November 21, 2019, authorized the sale of their 4800 Cottonville Road office building, for the purchase price of not less than \$600,000 plus \$135,000 to the School District for relocation and construction of replacement administrative offices.

Greeneview Local School District  
Greene County  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019  
(Continued)

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**NOTE 23 – SUBSEQUENT EVENTS** (continued)

The United States and the State of Ohio declared a state of emergency in March, 2020, due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the School District. The School District's investment portfolio and the investments of the pension and other employee benefit plan in which the School District participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



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

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	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.0631862%	0.0646573%	0.0640715%
School District's Proportionate Share of the Net Pension Liability	\$3,618,791	\$3,863,131	\$4,689,443
School District's Covered-Employee Payroll	\$2,069,185	\$1,913,207	\$1,888,593
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	174.89%	201.92%	248.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%

(1) Information prior to 2013 is not available.

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

2015	2014	2013
0.0645987%	0.064380%	0.064380%
\$3,686,064	\$3,258,235	\$3,828,472
\$1,781,563	\$1,668,838	\$1,681,770
206.90%	195.24%	227.65%
69.16%	71.70%	65.52%

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

---

	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension Liability	0.04830402%	0.04728014%	0.04811330%
School District's Proportionate Share of the Net Pension Liability	\$10,620,969	\$11,231,499	\$16,104,972
School District's Covered-Employee Payroll	\$5,567,779	\$5,247,095	\$5,223,419
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	190.76%	214.05%	308.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.30%	75.30%	66.80%

(1) Information prior to 2013 is not available.

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

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2015	2014	2013
0.48400690%	0.04890630%	0.04890630%
\$13,376,535	\$11,895,705	\$14,170,086
\$5,243,786	\$4,969,077	\$4,974,477
255.09%	239.39%	284.86%
72.10%	74.70%	69.30%

Greeneview Local School District  
Greene County  
Required Supplementary Information  
Schedule of School District Contributions  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$286,185	\$279,340	\$267,849	\$264,403
Contributions in Relation to the Contractually Required Contribution	<u>(286,185)</u>	<u>(279,340)</u>	<u>(267,849)</u>	<u>(264,403)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$2,119,889	\$2,069,185	\$1,913,207	\$1,888,593
Contributions as a Percentage of Covered- Employee Payroll	13.50%	13.50%	14.00%	14.00%

Greeneview Local School District  
Greene County  
Required Supplementary Information  
Schedule of School District Contributions  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years

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2015	2014	2013	2012	2011	2010
\$234,810	\$231,301	\$232,757	\$222,689	\$186,750	\$247,516
<u>(234,810)</u>	<u>(231,301)</u>	<u>(232,757)</u>	<u>(222,689)</u>	<u>(186,750)</u>	<u>(247,516)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,781,563	\$1,668,838	\$1,681,770	\$1,655,680	\$1,485,680	\$1,828,035
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

Greeneview Local School District  
Greene County  
Required Supplementary Information  
Schedule of School District Contributions  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$796,959	\$779,489	\$734,593	\$731,279
Contributions in Relation to the Contractually Required Contribution	<u>(796,959)</u>	<u>(779,489)</u>	<u>(734,593)</u>	<u>(731,279)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$5,692,564	\$5,567,779	\$5,247,095	\$5,223,419
Contributions as a Percentage of Covered- Employee Payroll	14.00%	14.00%	14.00%	14.00%



Greeneview Local School District  
Greene County  
Required Supplementary Information  
Schedule of School District Contributions  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$734,130	\$645,980	\$646,682	\$644,289	\$667,155	\$662,765
<u>(734,130)</u>	<u>(645,980)</u>	<u>(646,682)</u>	<u>(644,289)</u>	<u>(667,155)</u>	<u>(662,765)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,243,786	\$4,969,077	\$4,974,477	\$4,956,069	\$5,131,962	\$5,098,192
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

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	2018	2017	2016
School District's Proportion of the Net OPEB Liability	0.06375450%	0.0651679%	0.0637545%
School District's Proportionate Share of the OPEB Liability	\$1,768,722	\$1,748,935	\$1,857,526
School District's Covered-Employee Payroll	\$2,069,185	\$1,913,207	\$1,888,593
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	85.48%	91.41%	98.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%

(1) Information prior to 2016 is not available.

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

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	2018	2017	2016
School District's Proportion of the Net OPEB Liability	0.04830402%	0.47280140%	0.04830402%
School District's Proportionate Share of the OPEB Liability (Asset)	(\$776,196)	\$1,844,697	\$2,528,555
School District's Covered-Employee Payroll	\$5,567,779	\$5,247,095	\$5,223,419
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	-13.94%	35.16%	48.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	176.00%	47.10%	37.30%

(1) Information prior to 2016 is not available.

Greeneview Local School District  
Greene County  
Required Supplementary Information  
Schedule of School District OPEB Contributions  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$48,052	\$15,230	\$49,696	\$46,258
Contributions in Relation to the Contractually Required Contribution	<u>(48,052)</u>	<u>(15,230)</u>	<u>(49,696)</u>	<u>(46,258)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$2,119,889	\$2,069,185	\$1,913,207	\$1,888,593
Contributions as a Percentage of Covered- Employee Payroll	2.27%	0.74%	2.60%	2.45%

Greeneview Local School District  
Greene County  
Required Supplementary Information  
Schedule of School District OPEB Contributions  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years

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2015	2014	2013	2012	2011	2010
\$44,661	\$45,957	\$45,505	\$47,483	\$46,330	\$33,687
<u>(44,661)</u>	<u>(45,957)</u>	<u>(45,505)</u>	<u>(47,483)</u>	<u>(46,330)</u>	<u>(33,687)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,781,563	\$1,668,838	\$1,681,770	\$1,655,680	\$1,485,680	\$1,828,035
2.51%	2.75%	2.71%	2.87%	3.12%	1.84%

Greeneview Local School District  
Greene County  
Required Supplementary Information  
Schedule of School District OPEB Contributions  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$5,692,564	\$5,567,779	\$5,247,095	\$5,223,419
Contributions as a Percentage of Covered- Employee Payroll	0.00%	0.00%	0.00%	0.00%

Greeneview Local School District  
Greene County  
Required Supplementary Information  
Schedule of School District OPEB Contributions  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$0	\$49,691	\$49,745	\$49,561	\$51,320	\$50,982
<u>0</u>	<u>(49,691)</u>	<u>(49,745)</u>	<u>(49,561)</u>	<u>(51,320)</u>	<u>(50,982)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,243,786	\$4,969,077	\$4,974,477	\$4,956,069	\$5,131,962	\$5,098,192
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Greeneview Local School District  
Greene County  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2019

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**NET PENSION LIABILITY**

**School Employees Retirement System**

***Changes of Benefit and Funding Terms***

In fiscal year 2018, post-retirement increases in benefits included the following changes:

1. Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3% of their base benefit on the anniversary of their initial date of retirement.
2. Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0%, nor greater than 2.5%. COLAs are suspended for calendar years 2018, 2019, and 2020.
3. Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

***Changes in Actuarial Assumptions from 2017***

The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA delay for benefit recipients in calendar years 2018, 2019, and 2020.

**NET OPEB LIABILITY**

**School Employees Retirement System**

***Changes of Benefit and Funding Terms***

In fiscal year 2018, SERS' funding policy allowed a 2.0% health care contribution rate to be allocated to the Health Care fund. The 2.0% is a combination of 0.5% employer contributions and 1.5% surcharge.

***Changes in Actuarial Assumptions from 2017***

Medical trend rates have been adjusted to reflect premium decreases.

**State Teachers Retirement System**

***Changes in Assumptions*** - For fiscal year 2018, the discount rate was increased from 4.13 percent to 7.45 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*.

***Trend rates*** - For fiscal year 2018, the trend rates are 5.23% -9.62% initial; 4.00% ultimate. For fiscal year 2017 the trend rates were 6% -11% initial; 4.50% ultimate.



# OHIO AUDITOR OF STATE KEITH FABER



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WestRegion@ohioauditor.gov

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

Greeneview Local School District  
Greene County  
4800 Cottonville Road  
Jamestown, Ohio 45335

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greeneview Local School District, Greene County, (the District) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 30, 2020, wherein we noted that the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

### ***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

April 30, 2020

**GREENVIEW LOCAL SCHOOL DISTRICT  
GREENE COUNTY**

**SCHEDULE OF FINDINGS  
JUNE 30, 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2019-001**

**MATERIAL WEAKNESS – FINANCIAL STATEMENT MISSTATEMENTS**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The District prepared its annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Due to lack of appropriate controls over the financial statement compilation process, the District's fiscal year 2019 financial statements contained the following errors which were determined to be material and required audit adjustments to properly present the accompanying financial statements:

The District relied on amounts from the pension systems to calculate the net pension/ OPEB liability along with deferred inflows and outflows of resources. While State Teachers Retirement System of Ohio (STRS) does provide complete schedules for pension and OPEB, the School Employees Retirement System of Ohio (SERS) only provides schedule for the current year and it is the District's responsibility to aggregate results and report them in full. Additionally, each year there are additional deferred inflows/outflows resulting from change in District's proportionate share. The District is responsible for calculating the change in proportionate share and amortizing it. The District did not calculate the current years change in proportionate share or carried forward and amortized prior years change in proportionate share. Additionally, the amounts reported on the notes to the financial statements for deferred inflows and outflows did not agree to the statement of net position. Following adjustments were made to correctly report the amounts on statement of net position and statement of activities:

1. Deferred Outflows - Pension excluding school district contributions subsequent to measurement date was overstated by \$1,158,967;
2. Deferred Inflows - Pension was overstated by \$630,064;
3. Deferred Outflows - Pension school district contributions subsequent to measurement date was understated by \$15,046;
4. Pension expense was understated by \$513,857
5. Deferred Outflows - OPEB excluding school district contributions subsequent to measurement date was overstated by \$28,706;
6. Deferred Outflows - Pension School district contributions subsequent to measurement date was understated by \$48,052;
7. Deferred Inflows - OPEB was understated by \$142,976;
8. Net OPEB Liability was understated by \$776,000 as the District netted OPEB Asset against the liability;
9. Net OPEB Asset was understated by \$776,196;
10. OPEB Expense was understated by \$123,434.

**FINDING NUMBER 2019-001  
(Continued)**

There were additional errors ranging from \$13,122 to \$496,396 that did not require adjustments to the accompanying financial statements because they were determined to be immaterial to the respective opinion unit. These errors have been reported to those charged with governance.

The District should establish and implement policies and procedures to verify that financial statements are complete and accurate. Failure to do so could result in the users of financial statements relying on materially incorrect information to base their opinion about the District's finances.

**Official's Response:** We did not receive a response from Officials to this finding.



# GREENEVIEW LOCAL SCHOOLS

4800 Cottonville Road  
Jamestown, Ohio 45335

**Mr. Isaac Seevers**  
Superintendent

**Mr. Jacob McGrath**  
Treasurer

**Greeneview High**  
Neal Kasner  
Principal  
937-675-9711  
Fax 937-675-680

Michael Tighe  
Asst. Principal  
937-675-9711

**Greeneview Middle**  
Wendy Callewaert  
Principal  
937-675-9391  
Fax 937-675-6866

Todd Nolen  
Asst. Principal

937-675-9391

**Greeneview Elementary**  
William Hayes  
Principal  
937-675-6867

Fax 937-675-2438

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS June 30, 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material Weakness – Accuracy of Financial Reporting.  Financial Statement errors related to net pension liability accounts.	Not Corrected	Repeated as Finding Number 2019-001

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# OHIO AUDITOR OF STATE KEITH FABER



**GREENVIEW LOCAL SCHOOL DISTRICT**

**GREENE COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 2, 2020**