



**LAKE LOCAL SCHOOL DISTRICT
WOOD COUNTY
JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

Lake Local School District
Wood County
28090 Lemoyne Road
Millbury, Ohio 43447-9747

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Local School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

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

Emphasis of Matters

As discussed in Note 3 to the financial statements, during 2021, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

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

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Information

We applied no procedures to management's discussion and analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2022, 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

July 1, 2022

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Lake Local School District
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

The discussion and analysis of the Lake Local School District's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2021, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

Overall:

- For governmental activities in 2021, net position increased \$793,909 from 2020.
- For 2021, general receipts accounted for \$18,588,622 in receipts or 83 percent of all governmental receipts. Program specific receipts in the form of charges for services and sales, grants, contributions and interest accounted for \$3,763,958 or 17 percent of total governmental receipts of \$22,352,580.
- For 2021, the District had \$21,558,671 in disbursements related to governmental activities; only \$3,763,958 of these disbursements were offset by program specific charges for services, grants, contributions or interest. General receipts (primarily property taxes and state funding) of \$18,588,622 were adequate to provide for these programs.
- For 2021, the general fund had \$18,844,028 in cash receipts and \$18,247,411 in cash disbursements. The General Fund's fund balance increased to \$5,363,607 from \$4,766,990.

Using the Cash Basis Financial Statements

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's cash basis of accounting.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting an aggregate view of the District finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the basic financial statements.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities reflect how the District did financially during fiscal year 2021, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the District at fiscal year-end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

Lake Local School District
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

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

In the Statement of Net Position and the Statement of Activities, all of the District's activities are presented as governmental activities. All of the District's programs and services are reported here including, instruction, support services, non-instructional services, food services and extracurricular activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 15. Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund and the Bond Retirement Fund.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting. The governmental fund statements provide a detailed view of the District's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance programs.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District's fiduciary funds are private purpose trusts and custodial funds.

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

Lake Local School District
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

The District as a Whole

Table 1 provides a summary of the District's net position for fiscal year 2021 compared to fiscal year 2020 on the cash basis:

	Table 1		
	Governmental Activities		
	2021	2020	Change
Assets			
Cash and investments	\$ 7,617,860	\$ 6,765,131	\$ 852,729
Total Assets	<u>7,617,860</u>	<u>6,765,131</u>	<u>852,729</u>
Net Position			
Restricted			
Other purposes	2,407,981	2,107,130	300,851
Unrestricted	5,209,879	4,658,001	551,878
Total Net Position	<u>\$ 7,617,860</u>	<u>\$ 6,765,131</u>	<u>\$ 852,729</u>

Lake Local School District
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Table 2 shows the net changes in net position for fiscal year 2021 and 2020:

	Table 2		
	Governmental Activities		Change
	<u>2021</u>	<u>2020 - Restated</u>	
Receipts			
Program receipts:			
Charges for services and sales	2,089,466	2,374,024	(284,558)
Operating grants, contributions and interest	1,618,565	1,270,322	348,243
Capital grants and contributions	55,927	83,560	(27,633)
General receipts:			
Property taxes	10,017,434	9,886,678	130,756
Payments in lieu of taxes	909,000	909,000	-
Grants and entitlements	7,385,619	6,985,317	400,302
Earnings on Investments	25,829	110,018	(84,189)
Sale of capital assets	-	10,400	(10,400)
Miscellaneous	202,684	134,990	67,694
Refund of Prior Year Expenditures	48,056	-	48,056
Total receipts	<u>22,352,580</u>	<u>21,764,309</u>	<u>588,271</u>
Disbursements			
Instruction:			
Regular	9,559,954	9,055,729	(504,225)
Special	3,133,162	2,820,768	(312,394)
Vocational	101,034	96,730	(4,304)
Other	59	54,731	54,672
Support services:			
Pupil	705,709	896,063	190,354
Instructional staff	697,008	629,904	(67,104)
Board of education	68,955	90,377	21,422
Administration	1,283,829	1,200,034	(83,795)
Fiscal	604,788	502,843	(101,945)
Business	4,657	-	(4,657)
Operation and maintenance of plant	1,772,814	2,038,361	265,547
Pupil transportation	1,082,355	894,551	(187,804)
Central	209,998	159,506	(50,492)
Operation of non-instructional	667	36,742	36,075
Food service operations	473,060	548,090	75,030
Extracurricular activities	684,843	700,299	15,456
Debt service:			
Principal retirement	1,068,167	1,044,954	(23,213)
Interest and fiscal charges	107,612	129,925	22,313
Total disbursements	<u>21,558,671</u>	<u>20,899,607</u>	<u>(659,064)</u>
Increase in Net Position	793,909	864,702	(70,793)
Net Position Beginning of Year (Restated)	<u>6,823,951</u>	<u>5,959,249</u>	<u>864,702</u>
Net Position End of Year	<u>7,617,860</u>	<u>6,823,951</u>	<u>793,909</u>

Lake Local School District
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Governmental Activities

For fiscal year 2021, net position of the District's governmental activities increased by \$793,909. Governmental disbursements of \$21,558,671 were offset by program receipts of \$3,763,958 and general receipts of \$18,588,622.

The primary sources of revenue for governmental activities are derived from property taxes and state support. For fiscal year 2021, these two revenue sources represent 45 percent and 33 percent, respectively, of total governmental receipts.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2021 and 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlement.

Table 3

	2021		2020 - Restated	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental Activities				
Instruction:				
Regular	\$ 9,559,954	\$ 7,861,461	\$ 9,055,729	\$ 7,364,726
Special	3,133,162	2,138,399	2,820,768	2,042,401
Vocational	101,034	101,034	96,730	96,730
Other	59	59	54,731	54,731
Support services:				
Pupil	705,709	705,709	896,063	896,063
Instructional staff	697,008	697,008	629,904	629,904
Board of education	68,955	68,955	90,377	90,377
Administration	1,283,829	1,278,429	1,200,034	1,194,634
Fiscal	604,788	604,788	502,843	502,843
Business	4,657	4,657		
Operation and maintenance of plant	1,772,814	1,772,814	2,038,361	2,038,361
Pupil transportation	1,082,355	1,041,906	894,551	886,513
Central	209,998	209,998	159,506	159,506
Operation of non-instructional	667	667	36,742	36,742
Food service operations	473,060	(114,080)	548,090	(128,463)
Extracurricular activities	684,843	303,057	700,299	250,555
Capital outlay	-	(55,927)	-	(83,560)
Debt service:				
Principal retirement	1,068,167	1,068,167	1,044,954	1,044,954
Interest and fiscal charges	107,612	107,612	129,925	129,925
Total Disbursements	\$ 21,558,671	\$ 17,794,713	\$ 20,899,607	\$ 17,206,942

For fiscal year 2021, only 17 percent of general government activities were supported through program receipts. For all governmental activities, general receipts and prior year cash balance support the majority of disbursements as shown in the above table. The community, as a whole, and the state funding are by far the primary supports for the District.

Lake Local School District
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

The District's Funds

Information about the District's major funds starts on page 15. These funds are accounted for using the cash basis of accounting. For fiscal year 2021, governmental funds had total cash receipts and other financing sources of \$22,486,220 and cash disbursements and other financing uses of \$21,692,311. The net change in fund balance at year end was most significant in the General Fund, where the fund's balance increased by \$596,617.

General Fund Budgeting Highlights

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

During the course of fiscal year 2021, the District amended its General Fund receipt budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

In fiscal year 2021, the General Fund final budget basis receipts were \$18,699,206, the final amended estimate was \$18,275,197. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$18,139,426, \$559,780 under receipts.

Capital Assets and Debt Administration

Capital Assets

The District capital assets and infrastructure are not reflected in the accompanying financial statements.

Debt

At June 30, 2021, the District had \$3,455,000 in general obligation refunding bonds outstanding and \$52,818 in loans outstanding. These issues were used for improvements to the District's buildings.

Current Financial Related Activities

The Lake Local School District is strong financially. As the preceding information shows, the District heavily depends on its property taxpayers and state support. However, financially the future is not without challenges.

Currently, the District has nine levies in place. In 2000, a bond was passed by voters for the building of a new middle school, generating about \$1,150,000 per year.

The District has 7 operating levies in place that all have been voted on as a continuing from the tax payers. All 7 of the levies are used to maintain general operating expenditures incurred by the District and the amount that they raise annually totals approximately \$10,060,000.

The district currently has one permanent improvement levy that was voted on in 2011 and is continuing. It generates around \$330,000 per year. This is used for capital expenditures.

In November of 2021, an additional bond was passed by voters for the construction of a new elementary school which will generate around \$620,000 annually until 2024 when the middle school is paid off and it will then collect around 6 mills.

Lake Local School District
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Monica Leppelmeier, Treasurer, at 28090 Lemoyne Road, Millbury, Ohio 43447-9747.

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Lake Local School District
Wood County
Statement of Net Position - Cash Basis
June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 7,617,860
<i>Total Assets</i>	7,617,860
Net Position	
Restricted for:	
Capital Projects	298,525
Debt Service	781,204
Set Asides	22,919
Bus Purchases	56,831
Other Purposes	1,248,502
Unrestricted	5,209,879
<i>Total Net Position</i>	\$ 7,617,860

See accompanying notes to the basic financial statements

Lake Local School District
Wood County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
June 30, 2021

	General	Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 5,283,857	\$ 781,204	\$ 1,473,049	\$ 7,538,110
Restricted Assets:				
Equity in Pooled Cash and Investments	79,750	-	-	79,750
Total Assets	<u>5,363,607</u>	<u>781,204</u>	<u>1,473,049</u>	<u>7,617,860</u>
Fund Balances				
Restricted	79,750	781,204	1,547,027	2,407,981
Unassigned	5,283,857	-	(73,978)	5,209,879
Total Fund Balances	<u>\$ 5,363,607</u>	<u>\$ 781,204</u>	<u>\$ 1,473,049</u>	<u>\$ 7,617,860</u>

See accompanying notes to the basic financial statements

Lake Local School District
Wood County
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General	Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Cash Receipts				
Property and Other Local Taxes	\$ 8,829,161	\$ 894,643	\$ 293,630	\$ 10,017,434
Payments in Lieu of Taxes	909,000	-	-	909,000
Tuition	1,578,056	-	-	1,578,056
Earnings on Investments	25,829	-	1,011	26,840
Charges for Services - Food Service	-	-	64,343	64,343
Extracurricular Activities	152,043	-	175,379	327,422
Classroom Materials and Fees	23,424	-	-	23,424
Contributions and Donations	28,753	-	81,890	110,643
Contract Services	1,450	-	4,128	5,578
Other Local Revenue	302,684	-	-	302,684
Intergovernmental - State	6,945,572	119,501	513,661	7,578,734
Intergovernmental - Federal	-	-	1,360,366	1,360,366
<i>Total Cash Receipts</i>	<u>18,795,972</u>	<u>1,014,144</u>	<u>2,494,408</u>	<u>22,304,524</u>
Cash Disbursements				
Current:				
Instruction:				
Regular	9,409,583	-	150,371	9,559,954
Special	2,519,098	-	614,064	3,133,162
Vocational	101,034	-	-	101,034
Other	-	-	59	59
Support Services:				
Pupil	478,434	-	227,275	705,709
Instructional Staff	457,595	-	239,413	697,008
Board of Education	67,201	1,754	-	68,955
Administration	1,266,647	-	17,182	1,283,829
Fiscal	591,562	9,652	3,574	604,788
Business	4,657	-	-	4,657
Operation and Maintenance of Plant	1,679,145	-	93,669	1,772,814
Pupil Transportation	838,631	-	243,724	1,082,355
Central	209,998	-	-	209,998
Operation of Non-Instructional Services	112	-	555	667
Food Service Operations	-	-	473,060	473,060
Extracurricular Activities	490,074	-	194,769	684,843
Debt Service:				
Principal Retirement	-	965,000	103,167	1,068,167
Interest and Fiscal Charges	-	103,450	4,162	107,612
<i>Total Cash Disbursements</i>	<u>18,113,771</u>	<u>1,079,856</u>	<u>2,365,044</u>	<u>21,558,671</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	682,201	(65,712)	129,364	745,853
Other Financing Sources (Uses)				
Transfers In	-	-	133,640	133,640
Transfers Out	(133,640)	-	-	(133,640)
Reduction of prior year expenditure	48,056	-	-	48,056
<i>Total Other Financing Sources (Uses)</i>	<u>(85,584)</u>	<u>-</u>	<u>133,640</u>	<u>48,056</u>
Change in Fund Balance	596,617	(65,712)	263,004	793,909
<i>Fund Balance, Beginning of Year - Restated</i>	<u>4,766,990</u>	<u>846,916</u>	<u>1,210,045</u>	<u>6,823,951</u>
<i>Fund Balance, End of Year</i>	<u>\$ 5,363,607</u>	<u>\$ 781,204</u>	<u>\$ 1,473,049</u>	<u>\$ 7,617,860</u>

See accompanying notes to the basic financial statements

Lake Local School District
Wood County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 9,015,207	\$ 8,900,093	\$ 8,829,161	\$ (70,932)
Payments in Lieu of Taxes	928,154	925,248	909,000	(16,248)
Tuition	1,591,500	1,553,661	1,578,056	24,395
Transportation Fees	5,500	-	-	-
Earnings on Investments	200,000	24,338	25,829	1,491
Extracurricular Activities	40,000	25,003	26,535	1,532
Classroom Materials and Fees	14,000	6,537	6,938	401
Rental Income	5,000	-	-	-
Contributions and Donations	-	24,499	26,000	1,501
Contract Services	3,000	1,366	1,450	84
Other Local Revenue	100,000	218,415	302,609	84,194
Intergovernmental - State	7,635,000	6,544,537	6,945,572	401,035
<i>Total Revenues</i>	19,537,361	18,223,697	18,651,150	427,453
Disbursements				
Current:				
Instruction:				
Regular	9,798,627	9,798,627	9,305,328	493,299
Special	1,851,771	1,851,771	2,519,098	(667,327)
Vocational	100,952	100,952	101,034	(82)
Other	35,550	35,550	-	35,550
Support Services:				
Pupils	912,442	912,442	478,434	434,008
Instructional Staff	513,092	513,092	453,865	59,227
Board of Education	57,025	57,025	67,201	(10,176)
Administration	1,295,658	1,295,658	1,266,647	29,011
Fiscal	612,648	612,648	591,562	21,086
Business	-	-	4,657	(4,657)
Operation and Maintenance of Plant	2,012,964	2,012,964	1,679,145	333,819
Pupil Transportation	851,178	851,178	838,631	12,547
Central	175,233	175,233	209,998	(34,765)
Operation of Non-Instructional	30,715	30,715	112	30,603
Extracurricular Activities	462,438	462,438	490,074	(27,636)
<i>Total Disbursements</i>	18,710,293	18,710,293	18,005,786	704,507
<i>Excess of Revenues Over (Under) Disbursements</i>	827,068	(486,596)	645,364	1,131,960
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	-	-	48,056	48,056
Advances In	4,000	4,000	-	(4,000)
Transfers In	47,500	47,500	-	(47,500)
Transfers Out	(450,000)	-	(133,640)	(133,640)
<i>Total Other Financing Sources (Uses)</i>	(398,500)	51,500	(85,584)	(137,084)
<i>Change in Fund Balance</i>	428,568	(435,096)	559,780	994,876
<i>Fund Balance, Beginning of Year</i>	4,615,313	4,615,313	4,615,313	-
Prior Year Encumbrances Appropriated	60,359	60,359	60,359	-
<i>Fund Balance, End of Year</i>	\$ 5,104,240	\$ 4,240,576	\$ 5,235,452	\$ 994,876

See accompanying notes to the basic financial statements

Lake Local School District
Wood County
Statement of Fiduciary Net Position - Cash Basis
Fiduciary Funds
June 30, 2021

	Private Purpose Trust	Custodial
Assets		
Equity in pooled cash and cash equivalents	\$ 690,724	\$ 20,704
Total assets	690,724	20,704
Net Position		
Restricted for:		
Held in Trust for Scholarships	690,724	
Individuals, Organizations, and Other Governments		20,704
Total net position	\$ 690,724	\$ 20,704

See accompanying notes to the financial statements.

Lake Local School District
Wood County
Statement of Changes in Fiduciary Net Position - Cash Basis
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	Private Purpose Trust	Custodial
Additions		
Earnings on Investments	\$ 132	\$ -
<i>Total Additions</i>	132	-
Deductions		
Extracurricular Activities	-	5,033
Payments in Accordance with Trust Agreements	29,800	-
<i>Total Deductions</i>	29,800	5,033
Change in Net Position	(29,668)	(5,033)
<i>Net Position, Beginning of Year</i>	720,392	25,737
<i>Net Position, End of Year</i>	\$ 690,724	\$ 20,704

See accompanying notes to the financial statements.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 1 – Description of the District

The Lake Local School District, Wood County (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by state statute and/or federal guidelines.

The District is located in a rural community in northwest Ohio. The District is staffed by 35 classified employees, 109 certified teaching personnel, and 9 administrative employees who provide services to 1,611 students and other community members.

Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Lake Local School District, this includes general operations, food service, and student related activities of the District. The Board has direct responsibility for these services.

Jointly Governed Organizations and Public Entity Risk Pools

The District is associated with seven organizations as follows: Northwest Ohio Computer Association (NWOCA), Northern Buckeye Education Council, Penta Career Center and Ohio Schools Council, which are defined as jointly governed organizations; the Ohio Association of School Business Officials Group Rating Program, Wood County Schools Benefit Plan Association, and The Ohio School Plan, which are public entity risk pools. For more information on these entities, see Notes 17 and 18.

The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. The District has no business-type activities.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

The statement of net position presents the cash balance of the governmental activities of the District at fiscal year end. The statement of activities compares disbursements with program receipts for each of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the general receipts of the District.

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund This fund receives tax levy funds and transfers from the General fund which are for the purpose of paying debt service on the District's school improvement bonds.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The District has no pension trust funds or investment trust funds. Private Purpose Trust funds are used to account for individuals, private organizations or other governments and are not available to support the District's own programs. The District's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. The School District's custodial fund is used to account for resources held on behalf of the Ohio High School Athletic Association.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

Although required by Ohio Administrative Code Section 117-03(B) to prepare its financial report in accordance with generally accepted accounting principles (GAAP), the District elects to prepare its financial statements and notes in accordance with the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the District are described in the appropriate section in this note.

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

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the Treasurer.

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

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

Cash and Investments

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

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

During fiscal year 2021, the District invested in mutual funds, negotiable certificates of deposit, United States Treasury securities, municipal bonds, and STAR Ohio. Investments are reported at cost, fair value, or net asset value per share. Fair value is based on quoted market price or current share price. The District's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year ended June 30, 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to District funds according to State statutes, grant requirements, debt related restrictions and a resolution by the Board. Interest receipts credited to the general fund during the year ended June 30, 2021 were \$25,829, which included \$7,590 assigned from other District funds.

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 externally imposed by creditors, contributors, grantors, or by laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts set aside for bus purchases and budget stabilization.

Inventory and Prepaid Items

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

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Interfund Receivables/Payables

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

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Long-Term Obligations

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

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for food service operations, music and athletic programs, and federal and state grants.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are 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.

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 Board of Education. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted 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 Board. The Board has authorized the treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the general fund and for various educational and extracurricular activities and other miscellaneous purposes.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Interfund Transactions

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

Internal allocation of overhead expenses from one function to another or within the same function are not eliminated on the statement if activities. Payments for interfund services provided and used are not eliminated.

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

Pensions/Other Postemployment Benefits (OPEB)

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

Note 3 – Change in Accounting Principles and Restatement of Fund Balance/Net Position

For fiscal year 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, “Fiduciary Activities”, and related guidance from GASB Implementation Guide 2019-2, ‘Fiduciary Activities’.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. The District reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District’s financial statements.

The restatement due to the implementation of GASB Statement No. 84 had the following effect on fund balance as previously reported at June 30, 2020:

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 3 – Change in Accounting Principles and Restatements of Fund Balance/Net Position (continued)

	General	Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Fund cash balance previously reported GASB Statement No. 84	\$4,766,990 -	\$846,916 -	\$1,151,225 58,820	\$6,765,131 58,820
Restated Fund Cash Balance June 30, 2020	\$4,766,990	\$846,916	\$1,210,045	\$6,823,951

The restatement had the following effect on net position as previously reported.

	Governmental Activities
Net Position June 30, 2020	\$6,765,131
GASB Statement No. 84	58,820
Restated Net Position June 30, 2020	\$6,823,951

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$25,737. Also, related to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds, at June 30, 2020, agency funds reported assets and liabilities of \$84,557.

For fiscal year 2021, the District has applied GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended June 30, 2021. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed until the fiscal year ended June 30, 2022:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual presented for general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is that outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis). In addition, Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, requires in part, that certain funds on the cash basis financial statements. For the District, this includes the uniform school supplies and public school support funds.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 4 – Budgetary Basis of Accounting (continued)

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statement for the general fund:

<u>Net Change in Fund Balance</u>	
Budget Basis	\$ 559,780
Adjustment for GASB 54	36,837
Cash Basis	<u>\$ 596,617</u>

Note 5 – Deposits and Investments

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

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

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

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

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

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

1. United States Treasury 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. Bonds and other obligations of the State of Ohio or Ohio local governments, and with certain limitations including a requirement for maturity within ten years from the date of the settlement, bonds and other obligations of political subdivisions of the State of Ohio if training requirements have been met;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 5 – Deposits and Investments (continued)

7. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

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

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

Deposits

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, none of the District's bank balance of \$736,475 was exposed to custodial credit risk.

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

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

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

Investments

The District reports their investments at cost, fair value, or net asset value per share. The fair value of these investments is not materially different from cost.

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

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 5 – Deposits and Investments (continued)

Measurement/ Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Cost:					
Negotiable Certificates of Deposit	\$ 1,400,000	\$ 449,000	\$0	\$ 151,000	\$ 800,000
Fair Value:					
Ottawa Hills Ohio Local School District Muni					
Bonds	197,441	197,441	0	0	0
Tipp City Ohio GO Various Purpose BANS	301,611	0	301,611	0	0
Federal Home Loan Mortgage Bank	200,000	0	0	0	200,000
Money Market Mutual Funds	2,253	2,253	0	0	0
Net Asset Value Per Share:					
STAR Ohio	5,685,294	5,685,294	0	0	0
Total Investments	<u>\$ 7,786,599</u>	<u>\$ 6,333,988</u>	<u>\$ 301,611</u>	<u>\$ 151,000</u>	<u>\$ 1,000,000</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the School District.

The Negotiable certificates of deposits are covered by FDIC insurance. The mutual funds carry a rating of Aaa-mf by Moody's. The Ottawa Hills municipal bonds carry a rating of Aa1 by Moody's and the United States Treasury securities carry a rating of Aaa by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The Tipp City GO BANS are unrated. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio Law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. Bonds or other obligations of the State of Ohio, or the political subdivisions of this state must be rated at the time of purchase in the three highest classifications established by at least one nationally recognized standard rating service. STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

The District places no limit on the amount of interim monies it may invest in a particular security with the exception of bonds or other obligations of the State of Ohio, or the political subdivisions of the state, which are limited to 20 percent of the District's interim funds. The following table indicates the percentage of investments to the Districts total portfolio:

	<u>Cost Value</u>	<u>Percentage of Portfolio</u>
STAR Ohio	\$5,685,294	73.01%
Negotiable Certificates of Deposit	1,400,000	17.98
Municipal Bonds	499,052	6.41
Federal Home Loan Treasury Securities	200,000	2.57

Note 6 - Property Taxes

Property taxes are levied and assessed on a calendar year basis, while the District's fiscal year runs from July through June. First-half tax distributions are received by the District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year. Property taxes include amounts levied against all real and public utility property located in the District.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 6 - Property Taxes (continued)

Real property tax receipts received in calendar year 2021 represent the collection of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value.

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

Public Utility property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 become a lien on December 31, 2019, were levied after April 1, 2020 and are collected with real property taxes. Public Utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Wood and Ottawa 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 counties by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes which became a lien December 31, 2019, are levied after October 1, 2020 and are collected in 2021 with real property taxes.

The full tax rate for all District operations for the fiscal year ended June 30, 2021, was \$64.65 per \$1,000 of assessed value for 2021 and \$62.84 per \$1,000 of assessed value for 2020. The assessed values of real property and public utility property upon which the fiscal year 2021 tax receipts were collected are as follows:

	2021 First-Half		2020 Second-Half	
	Collections	Percent	Collections	Percent
Real property				
Residential and agricultural	\$ 255,890,510	89.64%	\$ 230,808,990	88.05%
Public utility	29,584,970	10.36%	31,335,350	11.95%
Total assessed value	<u>\$ 285,475,480</u>	<u>100.00%</u>	<u>\$ 262,144,340</u>	<u>100.00%</u>

Note 7 – Payment in Lieu of Taxes

In accordance with agreements related to tax increment financing districts, Wood County has entered into agreements with a number of property owners under which the County has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the County which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The agreements provide for a portion of this payment to be paid to the District. The property owners contractually promise to make these payments in lieu of taxes until the agreements expire. For 2021, the total amount of payments in lieu of taxes was \$909,000.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 8 – Tax Abatements

The School District’s property taxes were reduced as follows under enterprise zone agreements entered into by overlapping governments.

Overlapping Government	Amount of Fiscal Year 2021 Taxes Abated
Enterprise Zone Agreement Wood County	<u>\$323,606</u>

Note 9 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains comprehensive insurance coverage through The Ohio School Plan, an insurance purchasing plan (see Note 16). During fiscal year 2021, the District contracted for the following insurance coverage:

Property Damage	\$ 65,383,268
Educational Liability:	
General Aggregate	8,000,000
Each Occurrence	6,000,000
Automobile Liability	6,000,000
School Board Legal Liability	8,000,000
Employee Benefits:	
General Aggregate	8,000,000
Each Occurrence	6,000,000

There have been no significant reductions in insurance coverage from the previous fiscal year and settled claims, if any, have not exceeded coverage in any of the past three years.

Workers’ Compensation coverage is provided by the State of Ohio. The District pays the Ohio Bureau of Worker’s Compensation a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The District is a member of a cooperative group of Wood County Schools established to provide a self-insurance fund to pay medical/surgical, and prescription drug benefits of employees and their covered dependents. The medical insurance program operates under the control of a Board of Trustees representing the member school and is administered by Medical Mutual of Ohio. The plan provides a medical/surgical plan with a \$100 single and \$200 family deductible. The District also offers a Health Savings Account plan with deductible amounts of \$2,700 for single and \$5,000 for family. The plan also provides prescription drug care through the major medical portion of the plan. Dental care is provided through Medical Mutual of Ohio and vision insurance through Vision Service Plan. For further information regarding the insurance consortium, refer to Note 18.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 10 – Defined Benefit Pension Plans

Net Pension Liability

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

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

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

Governmental Accounting Board Standard (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, assumes the liability is solely the obligation of the employers, because (1) they benefit from employee services; and (2) State statute requires all funding to come from the employers. All contributions to date have come solely from the employer (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 net pension liability is not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in the State Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code 3309. SERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position that may be obtained by visiting <https://www.ohsers.org> under Employers/Audit Resources.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 10 – Defined Benefit Pension Plans (continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the year 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

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, 2021, the allocation to pension, death benefits, and Medicare B was 14 percent. None of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$262,642 for fiscal year 2021.

State Teachers Retirement System (STRS)

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

Lake Local School District
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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 10 – Defined Benefit Pension Plans (continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost of living increases are not affected by this change. 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 sixty-five or thirty-five years of service credit and at least age sixty. Eligibility changes for DBP members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age sixty or thirty years of service credit at any age.

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

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 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, 2021, the employer and employee rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,139,787 for fiscal year 2021.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 10 – Defined Benefit Pension Plans (continued)

Net Pension Liability

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.05377890%	0.06197770%	
Proportion of the Net Pension Liability Current Measurement Date	0.05370780%	0.06328599%	
Change in Proportionate Share	-0.00007110%	0.00130829%	
 Proportionate Share of the Net Pension Liability	 \$ 3,552,347	 \$ 15,312,958	 \$ 18,865,305

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, 2020, are presented below:

Wage Inflation	3%
Future Salary Increases, including inflation	3.50% to 18.20%
COLA or Ad Hoc COLA	2.5%
Investment Rate of Return	7.5% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Lake Local School District
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Notes to the Financial Statements
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Note 10 – Defined Benefit Pension Plans (continued)

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

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

The long-term return expectation for the Pension Plan Investments has been determined 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	2.00 %	1.85 %
US equity	22.50	5.75
International equity	22.50	6.50
Fixed income	19.00	2.85
Private equity	12.00	7.60
Real assets	17.00	6.60
Multi-asset strategies	5.00	6.65
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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 4,866,282	\$ 3,552,347	\$ 2,449,931

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 10 – Defined Benefit Pension Plans (continued)

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study, for the period July 1, 2011 through June 30, 2016.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates 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>100.00 %</u>	

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

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 10 – Defined Benefit Pension Plans (continued)

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. 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, 2020.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 21,802,986	\$ 15,312,958	\$ 9,813,199

Note 11 - Postemployment Benefits

Net OPEB (Asset)/Liability

OPEB is a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. OPEB is 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 (asset) represents the District’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 11 - Postemployment Benefits (continued)

healthcare to eligible benefit recipients.

The net OPEB liability (asset) is not reported on the face of the financial statements but is rather disclosed in the notes because of the use of the cash basis framework.

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, SERS did not allocate any employer contributions to post-employment 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 2021, this amount was \$23,000. Statute provides 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 2021, the District's surcharge obligation was \$31,627.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required health care contribution to SERS was \$44,633 for fiscal year 2021.

State Teachers Retirement System 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, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 11 - Postemployment Benefits (continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, 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, 2021, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset)

The net OPEB liability (Asset) was measured as of June 30, 2020, and the total OPEB liability (Asset) used to calculate the net OPEB liability (Asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (Asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the Net OPEB (Asset)/Liability Prior Measurement Date	0.05493510%	0.06197770%	
Proportion of the Net OPEB (Asset)/Liability Current Measurement Date	0.05542040%	0.06328599%	
Change in Proportionate Share	0.00048530%	0.00130829%	
Proportionate Share of the Net OPEB (Asset)/Liability	\$ 1,204,467	\$ (1,112,250)	\$ 92,217

Actuarial Assumptions - SERS

SERS' total OPEB liability was determined by their 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 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.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 11 - Postemployment Benefits (continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation, prepared as of June 30, 2020, are presented below:

Wage inflation	3 percent
Future salary increases, including inflation	3.5 percent to 18.2 percent
Investment rate of return	7.5 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate, net of plan	
Investment expense, including inflation	
Measurement Date	2.63 percent
Prior Measurement Date	3.22 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7 to 4.75 percent

Mortality rates were based on 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 and the 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 consultants are intended for use over a 10-year horizon and may not be useful in 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:

**Lake Local School District
Wood County**
*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021*

Note 11 - Postemployment Benefits (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00 %	1.85 %
US equity	22.50	5.75
International equity	22.50	6.50
Fixed income	19.00	2.85
Private equity	12.00	7.60
Real assets	17.00	6.60
Multi-asset strategies	<u>5.00</u>	6.65
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22 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 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
District's proportionate share of the net OPEB liability	\$1,474,237	\$1,204,467	\$990,000
	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
District's proportionate share of the net OPEB liability	\$948,426	\$1,204,467	\$1,546,859

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 11 - Postemployment Benefits (continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount rate of return	7.45 percent
Health Care Cost Trends:	
Medical	
Pre-Medicare	5.00 percent initial, 4.00 percent ultimate
Medicare	-6.69 percent initial, 4.00 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4.00 percent ultimate
Medicare	11.87 percent initial, 4.00 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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:

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 11 - Postemployment Benefits (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	<u>1.00</u>	2.25
Total	<u>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' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2020, 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 <u>6.45%</u>	Current Discount Rate <u>7.45%</u>	1% Increase <u>8.45%</u>
District's proportionate share of the net OPEB asset	(\$967,730)	(\$1,112,250)	(\$1,234,870)
		Current Trend Rate	
	<u>1% Decrease</u>		<u>1% Increase</u>
District's proportionate share of the net OPEB asset	(\$1,227,259)	(\$1,112,250)	(\$972,153)

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 12 – Leases

The District leases copiers from MT Business Technologies, Inc. and Perry ProTech. The District also leases four school buses from BB Community Leasing Services, Inc. The District disbursed \$30,090 to pay lease costs for the copiers and \$194,090 to pay lease costs for the buses during the year ended June 30, 2021. Following is the schedule of future lease payments, including interest:

Year Ending	Copier Lease		
June 30:	Copier Lease	#2	Bus Lease
2022	\$5,015	\$20,906	\$97,045
2023	-	22,807	-
2024	-	22,807	-
2025	-	22,807	-
2026	-	22,807	-
2027	-	1,900	-
Total	<u>\$ 5,015</u>	<u>\$114,034</u>	<u>\$ 97,045</u>

Note 13 –Debt

The District’s long-term debt activity for the year ended June 30, 2021 was as follows:

Long-term Obligations	Balance at 7/1/2020	Increase	Decrease	Balance at 6/30/2021	Due within one year
2016 Refunding:					
Serial Bonds 1.0-3.0%	\$ 4,420,000	\$ -	\$ (965,000)	\$ 3,455,000	\$ 985,000
Premium	208,435	-	(39,082)	169,353	-
State Bank and Trust Loan 3.15%	155,985	-	(103,167)	52,818	52,818
Net Pension Liability					
STRS	13,705,996	1,606,962	-	15,312,958	-
SERS	3,217,686	334,661	-	3,552,347	-
Net OPEB Liability					
SERS	1,381,502	-	(177,035)	1,204,467	-
Total Long-term Obligations	<u>\$ 23,089,604</u>	<u>\$ 1,941,623</u>	<u>\$ (1,284,284)</u>	<u>\$ 23,746,943</u>	<u>\$ 1,037,818</u>

FY 2007 School Improvement Refunding Bonds

On January 25, 2007, the District issued bonds in the amount of \$9,139,990 to partially refund bonds previously issued in 2001 for construction and renovation to the District’s middle school. The bond issue included serial, term and capital appreciation bonds in the amounts of \$7,380,000, \$1,185,000, and \$574,990 respectively. The bonds were issued at a premium of \$794,111. The bonds were issued for a nineteen year period with final maturity during fiscal year 2025. During October 2016, these bonds were refunded. As of June 30, 2021, \$4,784,420 of these bonds are outstanding.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 13 –Debt (Continued)

FY 2016 School Improvement Refunding Bonds

On October 16, 2016, the District issued serial bonds in the amount of \$7,335,000 to refund bonds previously issued in 2007 for construction and renovation to the District's middle school. The bonds were issued at a premium of \$351,736. The bonds were issued for a nine-year period with final maturity during fiscal year 2025.

State Bank and Trust Loan

On August 16, 2017, the District obtained a loan in the amount of \$400,000 to finance the Lake Middle School Air Conditioning project. The loan was obtained for a four year period, with final maturity in fiscal year 2022.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2021 are as follows:

Year Ending June 30:	2016 Refunding Bonds		State Bank and Trust Loan	
	Serial Bonds		Principal	Interest
	Principal	Interest		
2021	985,000	83,950	52,818	837
2022	1,005,000	59,025	-	-
2023	1,040,000	28,350	-	-
2024	425,000	6,375	-	-
Total	\$ 3,455,000	\$ 177,700	\$ 52,818	\$ 837

Note 14 - Fund Balances

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

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Restricted				
Capital Projects	\$ -	\$ -	\$ 298,525	\$ 298,525
Debt Service	-	781,204	-	781,204
Set Asides	22,919	-	-	22,919
Bus Purchases	56,831	-	-	56,831
Other Purposes	-	-	1,248,502	1,248,502
Total Restricted	79,750	781,204	1,547,027	2,407,981
Assigned				
Encumbrances	-	-	-	-
Total Assigned	-	-	-	-
Unassigned	5,283,857	-	(73,978)	5,209,879
Total Fund Balances	\$ 5,363,607	\$ 781,204	\$ 1,473,049	\$ 7,617,860

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 15 - Interfund Transactions

The following is a reconciliation of the District's transfers:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 133,640
Miscellaneous State Grants	9,094	-
IDEA Part B	1,179	-
Title I	14,556	-
IDEA Early Childhood	2,781	-
Title II-A	6,030	-
Severance	100,000	-
<i>Total Governmental Funds</i>	<u>\$ 133,640</u>	<u>\$ 133,640</u>

Transfers are made from the general fund to subsidize operations of other funds.

Note 16 – Set Aside Requirements

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purpose of the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purpose in future years. The following cash basis information identifies the changes in the fund balances for capital improvements and budget stabilization during fiscal year 2021.

	Capital Improvements	Budget Stabilization Reserve
Balance June 30, 2020	\$ -	\$ 22,919
Required Set-Aside	295,839	-
Qualifying Cash Disbursements	<u>(295,839)</u>	<u>-</u>
<i>Totals</i>	<u>-</u>	<u>22,919</u>
Amount Carried Forward to Fiscal Year 2022	<u>-</u>	<u>22,919</u>
Set Aside Reserve Balance June 30, 2021	<u>\$ -</u>	<u>\$ 22,919</u>

Effective April 10, 2001, Senate Bill 345 (SB345) amended Ohio Revised Code Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. SB345 places special restrictions on the use of Bureau of Workers Compensation (BWC) rebate money remaining in the budget stabilization as of April 10, 2001, which is \$22,919 for the District at June 30, 2021.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 16 – Set Aside Requirements (Continued)

The District had restricted revenue for the purchase of buses in previous years which is noted in the restricted net position in the Statement of Net Position – Governmental Activities and restricted fund balance. This restricted revenue was not used to meet the amount required to be set aside for capital improvements, bus purchases and maintenance.

Note 17 – Jointly Governed Organizations

Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA) which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams and Wood counties in northwestern Ohio. 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 educational entities.

The NWOCA Assembly consists of the superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member of educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. During fiscal year 2021, the District paid \$160,361 to NWOCA for various services. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among school districts located in Defiance, Fulton, Henry, Lucas, Williams and Wood counties. The NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member entities and bylaws adopted by the representatives of the member educational entities. The NBEC is governed by an elected Board consisting of two representatives from each of the counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. Financial information can be obtained from the Northern Buckeye Educational Council, 209 Nolan Parkway, Archbold, Ohio 43502.

Penta Career Center

The Penta Career Center (PCC) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The PCC is operated under the direction of a Board consisting of nine board members appointed from the participating school districts' or Educational Service Centers' elected boards. The Board consists of one representative from each exempted village and/or city school district: Bowling Green, Maumee, Perrysburg, and Rossford; one representative from each of these counties: Fulton, Ottawa, and Lucas; and two representatives from Wood County. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from Penta Career Center, 9301 Buck Road, Perrysburg, Ohio 43551.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 17 – Jointly Governed Organizations (Continued)

Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among school districts, educational service centers, joint vocational districts, and Developmental Disabilities Boards which was formed to purchase quality products and services at the lowest possible cost to participants. The Council is governed by a board consisting of nine superintendents from the participants. The degree of control exercised by any participant is limited to its representation on the Board. Financial information can be obtained from the Ohio Schools Council Association, 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

Note 18 – Insurance Purchasing Pools

Ohio Association of School Business Officials Group Rating Program

The District participates in the Ohio Association of School Business Officials Group Rating Program, a workers' compensation insurance group purchasing pool. Each year, the participating school districts pay an enrollment fee to cover the costs of administering the program.

Wood County Schools Benefit Plan Association

The Schools Benefit Plan Association (Association) is a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school and the Wood County Educational Service Center. The Association is organized as a Voluntary Employee Benefit Association under Internal Revenue Code Section 501(c)(9) and provides medical, dental and other benefits to the employees of the participating entities. Each participating entity's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Association.

Each entity decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Huntington Retirement Plan Services, 519 Madison Avenue, 3rd Floor, Toledo, Ohio 43604.

The Ohio School Plan

The District participates in the Ohio School Plan (the Plan), an insurance purchasing pool established under Ohio Revised Code Section 2744.081. The Plan is an unincorporated nonprofit association of its members which enable the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a Board consisting of superintendents, treasurers, and others from the member school districts. Hylant Administrative Service is the Plan's administrator and is responsible for processing claims, sales, and customer service. Financial information can be obtained from Hylant Administrative Services, LLC, 811 Madison Avenue, Toledo, Ohio 43604.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 19 – Contingent Liabilities

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

Litigation

The District is of the opinion that any current or future claims will either result in a favorable outcome or be covered by current policies, so as not to materially affect the financial position of the District.

Foundation Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2021 have been finalized and resulted in a payable to the District of \$2,737, which has since been repaid.

Note 20 – Accountability and Compliance

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

At June 30, 2021, the ESSER - CARES, Broadband Grant Title VI- IDEA- Part B, and Title IV-A special revenue funds had deficit balances, in the amount of \$32,601, \$120, \$24,939, and \$16,318, respectively.

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the school district received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

Note 22 – Subsequent Events

For fiscal year 2022, District foundation funding received from the State will be funded using a direct funding model. Under this new model, community school, STEM school, and scholarship funding will be directly funded by the State of Ohio to the respective schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the respective school. For fiscal year 2021, the District reported \$276,226 in revenues and expenditures/expenses related to these programs.

Lake Local School District
Wood County
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 22 – Subsequent Events (Continued)

This new funding system calculates unique base cost and a unique “per pupil local capacity amount” for each District. The District’s State core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

The District issued school improvement bonds on February 23, 2022 in the aggregate principal amount of \$36,000,000 for the purpose of constructing, furnishing and equipping a new elementary school, renovating, remodeling, adding to, furnishing, equipping and otherwise improving school district buildings and facilities, and clearing equipping and otherwise improving sites for those school district buildings and facilities.

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LAKE LOCAL SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
<u>Child Nutrition Cluster:</u>			
School Breakfast Program			
COVID-19 School Breakfast Program	10.553	2021	\$1,211
Non-Cash Assistance (Commodities)	10.553	2021	390
Total School Breakfast Program			<u>1,601</u>
National School Lunch Program			
COVID-19 Cash Assistance	10.555	2021	7,014
Non-Cash Assistance (Commodities)	10.555	2021	39,097
Total National School Lunch Program			<u>46,111</u>
Summer Food Program			
COVID-19 Summer Food Program	10.559	2021	75,201
Summer Food Program	10.559	2021	389,635
			<u>464,836</u>
Total Child Nutrition Cluster			<u>512,548</u>
Total U.S. Department of Agriculture			<u>512,548</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010A	2021	193,681
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	2021	3,958
Total Title I Grants to Local Educational Agencies			<u>197,639</u>
<u>Special Education Cluster:</u>			
Special Education Grants to States	84.027A	2021	327,881
Special Education Preschool Grants	84.173A	2021	31,519
Total Special Education Cluster			<u>359,400</u>
Supporting Effective Instruction State Grants	84.367A	2021	42,711
Student Support and Academic Enrichment Program	84.424A	2021	23,818
COVID-19 Education Stabilization Fund	84.425D	2021	167,046
Total U.S. Department of Education			<u>790,614</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 Coronavirus Relief Fund - Broadband Ohio Connectivity	21.019	2021	3,980
COVID-19 Coronavirus Relief Fund - Rural and Small Town School District	21.019	2021	82,242
Total Coronavirus Relief Fund			<u>86,222</u>
Total U.S. Department of Treasury			<u>86,222</u>
Total Expenditures of Federal Awards			<u><u>\$1,389,384</u></u>

The accompanying notes are an integral part of this schedule.

**LAKE LOCAL SCHOOL DISTRICT
WOOD COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lake Local School District, Wood County, Ohio (the District) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2021 to 2022 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010A	\$ 859
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	185
Student Support and Academic Enrichment Program	84.424A	1,402
Special Education Grants to States	84.027A	4,932



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

Lake Local School District
Wood County
28090 Lemoyne Road
Millbury, Ohio 43447-9747

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 cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lake Local School District, Wood County, Ohio, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 1, 2022, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures, which may 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) as a basis for designing 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 2021-002 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 financial statements. 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2021-001.

District's Response to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

July 1, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

Lake Local School District
Wood County
28090 Lemoyne Road
Millbury, Ohio 43447-9747

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Lake Local School District, Wood County, Ohio's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Lake Local School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Lake Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

July 1, 2022

**LAKE LOCAL SCHOOL DISTRICT
WOOD COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021**

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

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

FINDING NUMBER 2021-001

Noncompliance

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

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

The District prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

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

Officials' Response:

See Corrective Action Plan.

FINDING NUMBER 2021-002

Material Weakness – Financial Reporting

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.

The following errors were noted and required adjustment to the financial statements:

- Various amounts in the Management's Discussion and Analysis and the following notes to the financial statements required modification or addition in amounts ranging from \$10 to \$36,000,000:
 - Change in Accounting Principles and Restatement of Fund Balance/Net Position
 - Deposits and Investments
 - Property Taxes
 - Payment in Lieu of Taxes
 - Tax Abatements
 - Risk Management
 - Defined Benefit Pension Plans
 - Postemployment Benefits
 - Debt
 - Leases
 - Fund Balances
 - Interfund Transactions
 - Set Aside Requirements
 - Jointly Governed Organizations
 - Insurance Purchasing Pools
 - Contingent Liabilities
 - Accountability and Compliance
 - COVID-19
 - Subsequent Events
- Contrary to Governmental Accounting Standards Board Statement No. 84 requirements and Auditor of State Audit Bulletin 2013-005, the District's OHSAA Tournament Fund was incorrectly categorized as a Special Revenue fund instead of a Custodial fund. All activity in the fund was incorrectly reported as part of Other Governmental Funds on the financial statements, instead of as a separate Fiduciary Custodial Fund. Adjustments were made to the financial statements to reallocate all activity and fund balance to the Fiduciary Custodial Fund, and remove the activity from Other Governmental funds.
- Within the Fund Balances disclosure, restricted net position for capital projects and bus purchases were overstated in the amount of \$8,000 and \$22,006, respectively, while restricted net position for other purposes was understated in the amount of \$83,700. Unrestricted net position was also overstated in the amount of \$74,038, while total net position was overstated in the amount of \$20,344.
- The District established a Severance fund, which was to be funded via transfer from the General Fund. The District incorrectly received \$100,000 of a BWC refund payment into the Severance fund. The receipt in the Severance fund was reversed and was properly posted to the General Fund. A Transfer Out of the General fund and a Transfer In to the Severance fund was then recorded, in the amount of \$100,000, to properly record the activity.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Board making misinformed decisions. The accompanying financial statements have been adjusted to correct these errors. In addition to the errors noted above, we also identified additional misstatements made ranging from \$7 to \$445,000 that we have brought to the District's attention.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate the District should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Treasurer and Board, to identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

None.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03(B), for not reporting financial statements on a Generally Accepted Accounting Principles (GAAP) basis. Finding first reported in 2010.	Not corrected and reissued as Finding 2021-001 in this report.	GAAP statements not deemed cost beneficial.



CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2021

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	The cost of filing GAAP statements outweighs the cost of not filing. This is not a process that I see changing in the near future.	N/A	Monica Leppelmeier, Treasurer
2021-002	The Treasurer and Board will review District financial reports monthly to ensure that everything is appropriately accounted for and that all policies and procedures have been followed during that month. They will also ensure that receipts are posted to the correct fund and all funds are correctly categorized.	6/27/2022	Monica Leppelmeier, Treasurer

OHIO AUDITOR OF STATE KEITH FABER



LAKE LOCAL SCHOOL DISTRICT

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/19/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov