



***RIPLEY UNION LEWIS HUNTINGTON  
LOCAL SCHOOL DISTRICT***

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**BROWN COUNTY**

**SINGLE AUDIT**

**For the Fiscal Year Ended June 30, 2021**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPARreport@ohioauditor.gov  
(800) 282-0370

Board of Education  
Ripley Union Lewis Huntington Local School District  
502 S. Second St  
Ripley, OH 45167

We have reviewed the *Independent Auditor's Report* of Ripley Union Lewis Huntington Local School District, Brown County, prepared by J.L. Uhrig and Associates, Inc., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Ripley Union Lewis Huntington Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 26, 2022

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**Ripley Union Lewis Huntington Local School District**  
*Table of Contents*  
*For the Fiscal Year Ended June 30, 2021*

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**FINANCIAL SECTION**

Independent Auditor’s Report ..... 1

Management’s Discussion and Analysis. ....4

Basic Financial Statements:

    Government-wide Financial Statements

        Statement of Net Position – Cash Basis ..... 11

        Statement of Activities – Cash Basis..... 12

    Fund Financial Statements

        Statement of Assets and Fund Balances – Cash Basis - Governmental Funds..... 13

        Statement of Receipts, Disbursements, and Changes in Fund Balance  
        - Cash Basis - Governmental Funds ..... 14

        Statement of Receipts, Disbursements, and Changes in Fund Balance  
        - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund ..... 15

        Statement of Fiduciary Net Position – Cash Basis - Fiduciary Fund. .... 16

        Statement of Changes in Fiduciary Net Position – Cash Basis - Fiduciary Fund. .... 17

    Notes to the Basic Financial Statements ..... 18

**OTHER INFORMATION**

Schedule of the School District’s Proportionate Share of the  
Net Pension Liability .....50

Schedule of the School District’s Proportionate Share of the  
Net OPEB Liability .....51

Schedule of the School District Contributions..... 52

Notes to the Supplementary Information ..... 53

**SUPPLEMENTAL INFORMATION**

Schedule of Federal Awards Receipts and Expenditures.....57

Notes to the Schedule of Federal Awards Receipts and Expenditures .....58

*Ripley Union Lewis Huntington Local School District  
Table of Contents  
For the Fiscal Year Ended June 30, 2021*

---

**AUDIT REPORTS**

Independent Accountant’s Report on Internal Control over Financial Reporting and on on Compliance and Other Matters Required by Government Auditing Standards.....	59
Independent Accountant’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Required by Uniform Guidance .....	61
Schedule of Findings .....	63
Schedule of Prior Audit Findings.....	65
Corrective Action Plan.....	66

## Independent Auditor's Report

Board of Education  
Ripley Union Lewis Huntington Local School District  
502 South Second Street  
Ripley, OH 45167

### 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 Ripley Union Lewis Huntington Local School District, Brown County, Ohio (the School District), as of and for the year ended June 30, 2021, and related notes to the financial statements, which collectively comprise the School 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' *Governmental 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 School 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 School District's internal control. Accordingly, we express no 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 Ripley Union Lewis Huntington Local School District, Brown County, Ohio 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 Section 117-2-03(B) requires the School 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 Matter***

As discussed in Note 21 to the financial statements, during 2021, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the School District. We did not modify our opinion regarding this matter.

As discussed in Note 22 to the financial statements, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and related guidance from (GASB) Implementation Guide No. 2019-2. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### ***Supplemental and Other Information***

We audited to opine on the School District's financial statements that collectively comprise its basic financial statements.

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



Board of Education  
Ripley Union Lewis Huntington Local School District  
Independent Auditor's Report

*Other Information*

We applied no procedures to Management's Discussion & Analysis and Schedules for Net Pension and OPEB Liability as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2021, on our consideration of the School 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 School District's internal control over financial reporting and compliance.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

December 15, 2021

## **Ripley Union Lewis Huntington Local School District**

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021 (Unaudited)*

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As management of Ripley Union Lewis Huntington Local School District, we offer the readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the additional information that we have provided in the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's performance.

#### **Financial Highlights**

- Net position of governmental activities increased \$187,527.
- General cash receipts accounted for \$10,135,668 or 73.9 percent of all cash receipts. Program specific cash receipts in the form of charges for services, sales, grants, contributions, and interest accounted for \$3,575,495 or 26.1 percent of total governmental cash receipts.
- The School District had \$13,523,636 in cash disbursements; only \$3,575,495 of these cash disbursements were offset by program specific charges for services, sales, grants, contributions, and interest.

#### **Using the Basic 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 School District's cash basis of accounting.

#### **Report Components**

The statement of net position-cash basis and statement of activities-cash basis provide information about the activities of the School District as a whole.

Fund financial statements provide the next level of detail. Funds are created and maintained in the financial records of the School District as a way to segregate money whose use is restricted to a particular purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic 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.

#### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The School District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the School District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

#### **Reporting the School District as a Whole**

##### **Statement of Net Position and Statement of Activities**

The statement of net position and the statement of activities reflect how the District did financially during 2021, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances and investments of the governmental activities of the School District at year end. The statement of activities compares cash disbursements with program cash receipts for each governmental program. Program cash receipts include

**Ripley Union Lewis Huntington Local School District**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

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charges paid by the recipient of the program's goods or services and grants 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 School District's general receipts.

These statements report the School District's cash position and the changes in cash position. It is important to note that fiduciary funds are not included in these statements. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the School District's financial health. Over time, increases or decreases in the School District's cash position is one indicator of whether the School District's financial health is improving or deteriorating. When evaluating the School District's financial condition, you should also consider other non-financial factors as well, such as the School District's property tax base, the condition of the School District's capital assets and infrastructure, the extent of the School District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net position and the statement of activities, the School District has one type of activity; governmental.

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

**Fund Financial Statements**

Fund financial statements provide detailed information about the School District's major funds, not the School District as a whole. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the construction fund.

**Governmental Funds** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be spent in the near future to finance educational programs. Since the School District is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. However, differences will be apparent when comparing gross receipts and disbursements on the fund financial statements to the statement of activities due to transfers and advances netted on the statement of activities. See note 2 to the basic financial statements for more information.

**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 School District's fiduciary fund is a private purpose trust fund which is used to maintain financial activity of the School District's college scholarship donations. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

**Ripley Union Lewis Huntington Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

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**The School District as a Whole**

Recall that the statement of net position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for fiscal years 2021 and 2020:

Table 1  
 Net Position – Cash Basis  
 Governmental Activities

	2021	Restated 2020
Assets		
Current Assets	\$6,638,683	\$6,451,156
Total Assets	6,638,683	6,451,156
Net Position		
Restricted	1,937,299	1,901,826
Unrestricted	4,701,384	4,549,330
Total Net Position	\$6,638,683	\$6,451,156

Current assets increased due to cash receipts exceeding cash disbursements. See Table 2 for addition information regarding the School District's cash receipts and cash disbursements.

Table 2 shows the highlights of the School District's cash receipts and cash disbursements. These two main components are subtracted to yield the change in net position. Table 2 provides a comparison between fiscal years 2021 and 2020.

Cash receipts are further divided into two major components: program cash receipts and general cash receipts. Program cash receipts are defined as charges for services, sales, restricted grants, contributions, and interest. General cash receipts include taxes, unrestricted grants, such as State foundation support, unrestricted gifts and donations, investment earnings, and miscellaneous cash receipts.

**Ripley Union Lewis Huntington Local School District**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2021*

*(Unaudited)*

Table 2 demonstrates the change in net position for fiscal year 2021 as compared to 2020.

Table 2  
Change in Net Position  
Governmental Activities

	2021	Restated 2020
Cash Receipts:		
Program Cash Receipts:		
Charges for Services and Sales	\$501,488	\$603,719
Operating Grants, Contributions, and Interest	3,072,749	2,090,406
Capital Grants, Contributions, and Interest	1,258	12,970
Total Program Cash Receipts	<u>3,575,495</u>	<u>2,707,095</u>
General Cash Receipts:		
Property Taxes	2,704,817	2,558,344
Grants and Entitlements Not Restricted to Specific Programs	7,134,921	7,086,534
Interest	56,429	109,013
Insurance Recoveries	33,246	0
Gifts and Donations Not Restricted to Specific Programs	17,000	100
Proceeds from Sale of Capital Assets	0	1,600
Miscellaneous	189,255	176,144
Total General Cash Receipts	<u>10,135,668</u>	<u>9,931,735</u>
Total Cash Receipts	13,711,163	12,638,830
Program Cash Disbursements:		
Instruction:		
Regular	4,735,199	4,643,135
Special	1,701,240	1,921,566
Vocational	429,196	561,440
Student Intervention Services	11,111	19,679
Other	280,714	36,250
Support Services:		
Pupils	1,036,959	854,303
Instructional Staff	74,136	174,822
Board of Education	81,182	89,401
Administration	1,052,051	970,477
Fiscal	353,876	344,274
Operation and Maintenance of Plant	1,877,925	1,172,164
Pupil Transportation	612,474	718,419
Central	208,152	331,790
Operation of Non-Instructional Services	555,087	577,315
Extracurricular Activities	273,879	189,717
Debt Service:		
Principal	108,000	191,000
Interest and Fiscal Charges and Accreted Interest	132,455	36,418
Total Program Cash Disbursements	<u>13,523,636</u>	<u>12,832,170</u>
Change in Net Position	187,527	(193,340)
Net Position, Beginning of Year	6,451,156	N/A
Net Position, End of Year	<u>\$6,638,683</u>	<u>\$6,451,156</u>

**Ripley Union Lewis Huntington Local School District**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

**Governmental Activities**

Grants and entitlements not restricted to specific programs made up 52.0 percent of cash receipts for governmental activities and property tax receipts made up 19.7 percent of the total cash receipts for a total of 71.7 percent of the School District's cash receipts. The School District received insurance recoveries this year but did not receive a similar payment in the prior year. Operating grants and contributions increased between years due to COVID-19-related funding received, in addition to student wellness and success funds. There were no other significant changes in receipts between years.

Regular instruction comprises 35.0 percent of governmental program cash disbursements. Disbursements across many functions fluctuated between years due to changes related to the COVID-19 pandemic.

The statement of activities shows the cost of program services and the charges for services, sales, grants, and contributions offsetting those services. In Table 3, the total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Net costs are costs that must be covered by unrestricted State aid (State Foundation), or local taxes. The difference in these two columns would represent restricted grants, fees, and donations.

Table 3 provides a comparison between fiscal years 2021 and 2020.

Table 3  
Total and Net Cost of Program Services  
Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Instruction	\$7,157,460	\$5,368,611	\$7,182,070	\$5,700,008
Support Services	5,296,755	4,167,911	4,655,650	3,965,466
Non-Instructional	555,087	34,805	577,315	121,143
Extracurricular Activities	273,879	136,359	189,717	111,040
Debt Service:				
Principal	108,000	108,000	191,000	191,000
Interest and Fiscal Charges and Accreted Interest	132,455	132,455	36,418	36,418
Total Expenses	\$13,523,636	\$9,948,141	\$12,832,170	\$10,125,075

**The School District's Funds**

The School District's governmental funds are accounted for using the cash basis of accounting. All governmental funds had total cash receipts and other financing sources of \$14,181,872 and cash disbursements and other financing uses of \$13,994,345. The net change in fund balance in the general fund for the fiscal year was an increase of \$156,234 which was due to receipts exceeding disbursements. The net change in fund balance for the fiscal year in the construction fund was an increase of \$1,258.

**General Fund - Budget Highlights**

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. During the course of fiscal year 2021, the School District revised its budget as it attempted to deal with unexpected changes in receipts and disbursements.

The School District's ending unobligated cash balance was \$796,718 above the final budgeted amount in the general fund and was \$2,095,356 above the original budgeted amount.

**Ripley Union Lewis Huntington Local School District**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

For the general fund, original budgeted receipts and other financing sources were \$10,096,368 and final budgeted receipts and other financing sources were \$10,106,896. This represents an increase in estimated receipts and other financing sources of \$10,528, which was primarily due to an increase in estimated miscellaneous receipts, which was partially offset by a decrease in estimated intergovernmental receipts. There was a \$776,076 difference between the actual budget basis receipts and other financing sources and final budgeted receipts and other financing sources. This difference was primarily due to actual intergovernmental receipts in excess of final budgeted receipts.

Original budgeted disbursements and other financing uses in the general fund were \$12,096,458 and final budgeted disbursements and other financing uses were \$10,808,348. This represents a decrease in estimated disbursements and other financing uses of \$1,288,110, which was primarily due to a decrease in estimated costs for special and vocational instruction and central support services due to a reduction in spending for employees due to changes in operations for fiscal year 2021 related to the COVID-19 pandemic. The difference between actual budget basis disbursements and other financing uses and final budgeted disbursements and other financing uses was \$20,642 due mainly to spending less than anticipated for regular instruction, also due to cuts related to the COVID-19 pandemic.

**Capital Assets and Debt**

***Capital Assets***

The School District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The School District had \$0 in capital outlay disbursements during fiscal year 2021.

***Debt***

At June 30, 2021, the School District had \$1,020,000 in bonds outstanding. \$150,000 of the bonds outstanding represents the amounts due within one year. Table 4 summarizes bonds outstanding:

Table 4  
Outstanding Debt, at Fiscal Year-End  
Governmental Activities

	2021	2020
General Obligation Bonds:		
2012 Classroom Facilities Refunding Bonds 4.6%-28.19%	\$400,000	\$410,000
Energy Conservation Improvements Bonds 0.75%-2.90%	620,000	675,000
Total	<u>\$1,020,000</u>	<u>\$1,085,000</u>

The School District's overall legal debt margin was \$9,654,498 with an unvoted debt margin of \$113,113 at June 30, 2021.

For more information on debt, refer to Note 11 to the basic financial statements.

**Current Financial Issues and Concerns**

The challenge that the School District continues to face is maintaining an operational budget for the facilities at a point when enrollment is declining and State revenues are uncertain. The School District has 284,780 square feet of building space. Utilities costs have been on the decline as a result of the School District's HB264 Energy Savings Project, however, service costs are projected to continue to increase as a result of Ripley Utility increasing its rates 7% in 2020, and due to an increase in repair and maintenance on the buildings and grounds as the facilities age, especially at the high school campus which was put into operation in 1994. Luckily, some maintenance costs should decrease due to the HVAC repairs we plan to implement in FY22.

**Ripley Union Lewis Huntington Local School District**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

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State revenues are approximately 70 percent of this School District's projected general operational revenues, thus variations in the State budget and the local economy significantly impact our overall revenue for educational programs. The state funding plan is changing and will affect our school's funding model. The School District has been placed on a guaranteed funding level previously and will have phase in's in the coming years. There is additional uncertainty in the effect that this budget bill will have on property tax collections for the School District beginning in 2021 as a result of the revised formula values for CAUV property, which was reduced in 2018, and is projected to reduce taxable values again by 20 to 25 percent in 2021. Additionally, the current COVID-19 crisis resulted in the State cutting overall funding in fiscal year 2020 and 2021. Coronavirus relief funds and ESSER funding has helped to offset some costs but not all.

Ripley Union Lewis Huntington Local School District's Board of Education and administration will be required to plan carefully and prudently to provide resources to meet student needs over the next several years. The Board and administration are poised to make decisions necessary to balance the budget. We plan to meet the challenges of the future and to provide the best opportunities to our students.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Zoie Garrett, Treasurer, at Ripley Union Lewis Huntington Local School District, 502 South Second Street, Ripley, Ohio 45167.



**Ripley Union Lewis Huntington Local School District**  
*Statement of Net Position - Cash Basis*  
*As of June 30, 2021*

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	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$6,638,683
<i>Total Assets</i>	6,638,683
<b>Net Position</b>	
Restricted for Debt Service	494,323
Restricted for Capital Outlay	1,017,660
Restricted for Classroom Facilities Maintenance	49,038
Restricted for Other Purposes	376,278
Unrestricted	4,701,384
<i>Total Net Position</i>	\$6,638,683

The notes to the basic financial statements are an integral part of this statement.

**Ripley Union Lewis Huntington Local School District**  
*Statement of Activities - Cash Basis*  
*For the Fiscal Year Ended June 30, 2021*

	Cash Disbursements	Charges for Services and Sales	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
			Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest	
<b>Governmental Activities</b>					
Instruction:					
Regular	\$4,735,199	\$164,552	\$163,451	\$0	(\$4,407,196)
Special	1,701,240	44,516	1,022,532	0	(634,192)
Vocational	429,196	13,745	112,852	0	(302,599)
Student Intervention Services	11,111	2	11,007	0	(102)
Other	280,714	0	256,192	0	(24,522)
Support Services:					
Pupils	1,036,959	21,473	440,631	0	(574,855)
Instructional Staff	74,136	679	53,104	0	(20,353)
Board of Education	81,182	2,616	0	0	(78,566)
Administration	1,052,051	30,785	184,411	0	(836,855)
Fiscal	353,876	10,932	0	0	(342,944)
Operation and Maintenance of Plant	1,877,925	36,309	320,973	1,258	(1,519,385)
Pupil Transportation	612,474	19,717	539	0	(592,218)
Central	208,152	5,417	0	0	(202,735)
Operation of Non-Instructional Services	555,087	13,399	506,883	0	(34,805)
Extracurricular Activities	273,879	137,346	174	0	(136,359)
Debt Service:					
Principal	108,000	0	0	0	(108,000)
Interest and Fiscal Charges	32,455	0	0	0	(32,455)
Accreted Interest	100,000	0	0	0	(100,000)
<i>Total Governmental Activities</i>	<u>\$13,523,636</u>	<u>\$501,488</u>	<u>\$3,072,749</u>	<u>\$1,258</u>	<u>(9,948,141)</u>

**General Cash Receipts**

Property Taxes Levied for:	
General Purposes	2,271,146
Capital Outlay	265,992
Debt Service	125,866
Classroom Facilities Maintenance	41,813
Grants and Entitlements,	
Not Restricted for Specific Programs	7,134,921
Gifts and Donations,	
Not Restricted for Specific Programs	17,000
Interest	56,429
Insurance Recoveries	33,246
Miscellaneous	189,255
<i>Total General Cash Receipts</i>	<u>10,135,668</u>
<i>Change in Net Position</i>	187,527
<i>Net Position Beginning of Year (Restated)</i>	<u>6,451,156</u>
<i>Net Position End of Year</i>	<u><u>\$6,638,683</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Ripley Union Lewis Huntington Local School District**  
*Statement of Assets and Fund Balances - Cash Basis*  
*Governmental Funds*  
*As of June 30, 2021*

	General	Construction	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$4,708,495	\$810,012	\$1,120,176	\$6,638,683
<i>Total Assets</i>	<u>\$4,708,495</u>	<u>\$810,012</u>	<u>\$1,120,176</u>	<u>\$6,638,683</u>
<b>Fund Balances</b>				
Nonspendable	\$2,931	\$0	\$0	\$2,931
Restricted	0	810,012	1,124,356	1,934,368
Committed	4,116	0	0	4,116
Assigned	99,249	0	0	99,249
Unassigned (Deficit)	4,602,199	0	(4,180)	4,598,019
<i>Total Fund Balances</i>	<u>\$4,708,495</u>	<u>\$810,012</u>	<u>\$1,120,176</u>	<u>\$6,638,683</u>

The notes to the basic financial statements are an integral part of this statement.

**Ripley Union Lewis Huntington Local School District**  
*Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis*  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2021

	General	Construction	Non-Major Governmental Funds	Total Governmental Funds
<b>Cash Receipts</b>				
Property Taxes	\$2,271,146	\$0	\$433,671	\$2,704,817
Intergovernmental	7,914,714	0	2,292,043	10,206,757
Interest	56,429	1,258	123	57,810
Tuition and Fees	339,314	0	0	339,314
Rent	300	0	0	300
Extracurricular Activities	24,508	0	122,119	146,627
Gifts and Donations	17,790	0	0	17,790
Customer Sales and Services	172	0	15,075	15,247
Miscellaneous	183,236	0	6,019	189,255
<i>Total Cash Receipts</i>	<u>10,807,609</u>	<u>1,258</u>	<u>2,869,050</u>	<u>13,677,917</u>
<b>Cash Disbursements</b>				
Current:				
Instruction:				
Regular	4,518,457	0	216,742	4,735,199
Special	1,381,280	0	319,960	1,701,240
Vocational	426,499	0	2,697	429,196
Student Intervention Services	75	0	11,036	11,111
Other	0	0	280,714	280,714
Support Services:				
Pupils	650,963	0	385,996	1,036,959
Instructional Staff	21,071	0	53,065	74,136
Board of Education	81,182	0	0	81,182
Administration	859,923	0	192,128	1,052,051
Fiscal	339,211	0	14,665	353,876
Operation and Maintenance of Plant	1,126,612	0	751,313	1,877,925
Pupil Transportation	611,802	0	672	612,474
Central	168,097	0	40,055	208,152
Operation of Non-Instructional Services	0	0	555,087	555,087
Extracurricular Activities	149,215	0	124,664	273,879
Debt Service:				
Principal	43,000	0	65,000	108,000
Interest	7,071	0	25,384	32,455
Accreted Interest	0	0	100,000	100,000
<i>Total Cash Disbursements</i>	<u>10,384,458</u>	<u>0</u>	<u>3,139,178</u>	<u>13,523,636</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	423,151	1,258	(270,128)	154,281
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	138,490	138,490
Advances In	85,273	0	246,946	332,219
Insurance Recoveries	33,246	0	0	33,246
Transfers Out	(138,490)	0	0	(138,490)
Advances Out	(246,946)	0	(85,273)	(332,219)
<i>Total Other Financing Sources (Uses)</i>	<u>(266,917)</u>	<u>0</u>	<u>300,163</u>	<u>33,246</u>
<i>Net Change in Fund Balances</i>	156,234	1,258	30,035	187,527
<i>Fund Balance Beginning of Year (Restated)</i>	<u>4,552,261</u>	<u>808,754</u>	<u>1,090,141</u>	<u>6,451,156</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,708,495</u></u>	<u><u>\$810,012</u></u>	<u><u>\$1,120,176</u></u>	<u><u>\$6,638,683</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Ripley Union Lewis Huntington Local School District**  
*Statement of Receipts, Disbursements and Change  
in Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Fiscal Year Ended June 30, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Total Receipts and Other Financing Sources	\$10,096,368	\$10,106,896	\$10,882,972	\$776,076
Total Disbursements and Other Financing Uses	12,096,458	10,808,348	10,787,706	20,642
<i>Net Change in Fund Balance</i>	(2,000,090)	(701,452)	95,266	796,718
<i>Fund Balance Beginning of Year</i>	4,258,575	4,258,575	4,258,575	0
<i>Prior Year Encumbrances Appropriated</i>	212,113	212,113	212,113	0
<i>Fund Balance End of Year</i>	<u>\$2,470,598</u>	<u>\$3,769,236</u>	<u>\$4,565,954</u>	<u>\$796,718</u>

The notes to the basic financial statements are an integral part of this statement.

**Ripley Union Lewis Huntington Local School District**  
*Statement of Fiduciary Net Position - Cash Basis*  
*Fiduciary Fund*  
*As of June 30, 2021*

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	Private Purpose Trust Fund
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$36,188</u>
<i>Total Assets</i>	36,188
<b>Net Position</b>	
Restricted for Scholarships	<u>36,188</u>
<i>Total Net Position</i>	<u><u>\$36,188</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Ripley Union Lewis Huntington Local School District**  
*Statement of Changes in Fiduciary Net Position - Cash Basis*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2021*

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	<u>Private Purpose Trust Fund</u>
<b>Additions</b>	
Gifts and Contributions	\$3,145
Interest	98
<i>Total Additions</i>	<u>3,243</u>
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	<u>5,250</u>
<i>Total Deductions</i>	<u>5,250</u>
<i>Change in Net Position</i>	(2,007)
<i>Net Position Beginning of Year</i>	<u>38,195</u>
<i>Net Position End of Year</i>	<u><u>\$36,188</u></u>

The notes to the basic financial statements are an integral part of this statement.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Note 1 – Description of the School District and Reporting Entity**

In 1817, the first school was built in Ripley, Ohio while the Village was still a part of Clermont County. In 1915, Union Township merged with the Village school, and a new building was erected. In 1932, a new high school was built on the site of the former Ripley fairgrounds. Following a State order, and the failure of Tate Township to renew the Higginsport High School charter, the Lewis Township district merged with Ripley-Union in 1956.

With the new growth, 1958 through 1961 saw the addition of classrooms at the high school and improvements to both elementary buildings. However, the School District was small. In 1961, only 800 students were enrolled in the School District.

Due to a successful territorial transfer in 1989 from the Ohio Valley/Adams County Board of Education to the Ripley Union Lewis Local School District, Aberdeen in Huntington Township became a part of the School District. With the addition of 325 students, the Aberdeen Elementary School was reopened and the new Ripley Union Lewis Huntington Local School District (the “School District”) began to grow.

In 1990, the School District passed a 6.5 mill levy to build a state of the art junior/senior high school. This new building opened in January of 1994 and housed grades 7-12. The \$8 million facility included a 2,000 seat gymnasium, computer connectivity, and many new programs.

In 1994, the old high school received a \$2 million remodeling grant to become a new progressive K-6 complex. The old Ripley and Aberdeen elementary buildings were closed. The old high school building was renovated to become the new elementary building, which opened in 1995. The Early Childhood Resource Center was added to the renovated Elementary building in 1997.

On October 5, 1999, the School District submitted an application to the Ohio School Facilities Commission based on a ten-year eligibility list. The approved \$22,245,074 school classroom facilities grant included new elementary and middle school buildings, and significant upgrades of the heating, ventilating, and air conditioning systems in the existing high school building.

As a requirement of the grant, the voters in the School District passed a 1.45 mill levy on November 6, 2001 to fund the seven percent local construction match and continued maintenance (0.5 mill). On August 29, 2002, the School District issued \$1,557,000 in School Improvement Bonds which would be in effect for twenty-three years.

The two new buildings opened in January of 2005. Grades Pre-K through 4 are housed at the new Ripley Elementary School. Grades 5 through 8 are housed at the new Aberdeen Middle School. Grades 9 through 12 are housed at the remodeled Ripley High School. Finish work and the demolition of the old school building (former Elementary building) were completed in the summer of 2005. All of the basic remodeling work on the high school was complete by June 30, 2006.

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

The School District serves an area of 99 square miles. It is located in Brown County, including all of the Villages of Ripley, Aberdeen, and Higginsport, and portions of surrounding townships. The Board of Education controls the School District’s three instructional support facilities staffed by 37 non-certificated, 67 teaching personnel, and 8 administrative employees providing education to 788 students.



**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Reporting Entity**

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The following activities are included within the reporting entity:

*Parochial School* - Within the School District's boundaries, St. Michael's (operated through the Cincinnati Catholic Diocese) operates as a private school. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This financial activity is reflected in a special revenue fund and as part of governmental activities for financial reporting purposes.

The School District participates in four organizations, two of which are defined as jointly governed organizations, one as a public entity shared risk and insurance purchasing pool, and one as an insurance purchasing pool. These organizations are the Metropolitan Educational Technology Association (META), the Unified Purchasing Cooperative of the Ohio River Valley (UPC), the Brown County Schools Benefits Consortium, and the Ohio BWC Group Retrospective Rating Program. These organizations are presented in notes 13, 14 and 15 to the basic financial statements.

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

**Basis of Accounting**

Although required by Ohio Administrative Code Section 117-2-03(B) to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP), the School District chooses to prepare its financial statements in accordance with the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). These statements include adequate disclosure of material matters, in accordance with the basis of accounting described above.

As a result of the use of the 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 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. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Fund Accounting**

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts. The School District classifies each fund as either governmental or fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Cash disbursements are assigned to the fund from which they are paid.

The following are the School District's major governmental funds:

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

*Construction Fund* – The construction fund is a capital projects fund used to account for all intergovernmental monies, debt proceeds, and interest received and expended in connection with the contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of new classroom facilities. The major source of revenue for this fund was grant monies received from the Ohio School Facilities Commission in prior years.

The other non-major governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose and debt service.

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. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds are custodial in nature (assets equal net position) and do not involve measurement of results of operations. The School District has one fiduciary fund: a private purpose trust fund, used to account for college scholarship donations.

**Basis of Presentation**

The School District uses the provisions of GASB 34 for financial reporting on a cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and GASB 38, for certain financial statement note disclosures. The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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The statement of net position-cash basis presents the cash basis financial condition of governmental activities of the School District at year-end. The statement of activities-cash basis presents a comparison between direct cash disbursements and program cash receipts for each program or function of the School District's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts which are not classified as program cash receipts are presented as general cash receipts of the School District. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self-financing or draws from the general cash receipts of the School District.

**Fund Financial Statements**

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

**Cash Receipts – Exchange and Non-Exchange Transactions**

Cash receipts resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the cash basis when the exchange takes place. On a cash basis, receipts are recorded in the year in which the resources are received.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On a cash basis, receipts from property taxes are recognized in the year in which the taxes are received. Receipts from grants, entitlements, and donations are recognized in the year in which the monies have been received.

**Cash Disbursements**

On the cash basis of accounting, disbursements are recognized at the time payments are made.

**Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on disbursements plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the fund, function, and object level and has the authority to allocate appropriations at the function and object level without a resolution by the Board.

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

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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

**Cash and Cash Equivalents**

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

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During fiscal year 2021, the School District’s investments were limited to negotiable certificates of deposit, money market funds, and funds invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). Certificates of deposit are recorded at cost.

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

For fiscal year 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 \$250 million. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts credited to the general fund, construction fund, and other non-major governmental funds during fiscal year 2021 amounted to \$56,429, \$1,258, and \$123, respectively. The private purpose trust fund also received \$98 in interest receipts during the fiscal year.

**Capital Assets and Depreciation**

Capital assets acquired or constructed for the School District are recorded as disbursements at the time of acquisition. However, under the cash basis of accounting, capital assets and the related depreciation are not reported separately on the financial statements.

**Compensated Absences**

Vacation and sick leave benefits are not accrued under the cash basis of accounting as previously described. All leave will either be absorbed by time off from work or, within certain limitations, be paid to employees.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Employer Contributions to Cost-Sharing Pension Plans**

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**Long-Term Obligations**

In general, bonds and capital leases are not accrued but rather are recorded as cash disbursements in the basic financial statements when paid. The School District also does not record premiums and accretion of capital appreciation bonds as assets or liabilities in the accompanying financial statements.

**Net Position**

Net cash position represents the cash assets held by the School District at year end. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted for other purposes is comprised of net position restricted for state and federal programs. The School District applies restricted resources when a cash disbursement is made for purposes for which both restricted and unrestricted net position is available. As of June 30, 2021, none of the School District's restricted net position was restricted by enabling legislation.

**Fund Balance**

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

*Nonspendable* The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or 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 School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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The School District applies restricted resources first when disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Interfund Transactions**

Exchange transactions between funds are reported as cash receipts in the seller funds and as cash disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented on the financial statements. In the government-wide financial statements, transfers within governmental activities are eliminated.

Flows of cash from one fund to another with a requirement for repayment are reported as advances in and out. Advances between governmental activities are eliminated in the statement of activities.

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

For purposes of measuring the net pension/OPEB liability (asset), 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 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and change in fund balance – budget and actual – budget basis for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and cash basis are:

1. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. Intrafund transfers are presented as other financing sources on the budget basis but are eliminated on the cash basis.
3. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under Governmental Accounting Standards Board Statement No. 54 and were reported with the general fund (cash basis). These funds include the uniform school supply fund, public school support fund, and chromebook self-insurance fund.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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

<u>Net Change in Fund Balance</u>	
	<u>General</u>
Cash Basis (as reported)	\$156,234
Transfers In	2,024
Transfers Out	(2,024)
Perspective Difference:	
Activity of Funds Reclassified	(6,123)
Encumbrances	<u>(54,845)</u>
Budget Basis	<u>\$95,266</u>

**Note 4 – Deposits and Investments**

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

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

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

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

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

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

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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

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

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

**Deposits**

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

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 percent of the deposits being secured or a rate set by the Treasurer of State.

As of June 30, 2021, the School District's bank balance of \$651,308 is either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described above.

**Investments**

As of June 30, 2021, the School District had the following investments:

	Measurement	
	Value	Maturity
STAR Ohio	\$3,777,702	<1 Year
Money Market Fund	85,436	<1 Year
Negotiable Certificates of Deposit	1,250,000	<1 Year
Negotiable Certificates of Deposit	750,000	1-3 Years
Negotiable Certificates of Deposit	250,000	3-5 Years
Total Investments	<u>\$6,113,138</u>	

**Interest Rate Risk**

The School District's investment policy follows State statute, which requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity. The policy further states that no investment shall be made that will cause the average duration of the School District's portfolio to exceed 3.5 years.



**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. STAR Ohio and the School District's money market fund carry a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. 61.8% of the School District's investments are in STAR Ohio and 36.8% are in negotiable certificates of deposit. The School District investment policy allows for a maximum of 25% of interim funds to be invested in either, or a combined total of, certain commercial paper or certain bankers' acceptances. There are no further restrictions on the amounts the School District may invest in a single issuer beyond the requirements of the Ohio Revised Code.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District's investment policy does not address custodial credit risk beyond the requirements of the Ohio Revised Code.

**Note 5 – Property Taxes**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax receipts received in calendar year 2021 represent collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

The School District receives property taxes from Brown County. The Brown County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County 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.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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	2020 Second- Half Collections		2021 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$105,196,740	92.84%	\$104,706,040	92.57%
Public Utility Personal	8,116,180	7.16%	8,407,010	7.43%
Total Assessed Value	\$113,312,920	100.00%	\$113,113,050	100.00%

  

Tax rate per \$1,000 of assessed valuation	\$33.40	\$34.20
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**Note 6 – Risk Management**

**Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the School District contracted with Markel Insurance Company for property and fleet insurance, professional liability insurance, and inland marine coverage. Total coverage amounted to \$62,119,590.

The School District's vehicles are covered by Markel Insurance Company and hold a \$500 deductible for comprehensive coverage and a \$500 deductible for collision coverage for autos other than buses. Buses hold a \$500 deductible for both comprehensive and collision coverage. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past five fiscal years. There have been no significant reductions in coverages from the prior year.

**Workers' Compensation**

For fiscal year 2021, the School District participated in the Ohio BWC Group Retrospective Rating Program, an insurance purchasing pool (Note 15). The intent of the program is to achieve the benefit of a reduced premium for the School District by virtue of grouping employers who practice effective workplace safety and claims management. The workers' compensation experience of the participating employers is calculated as one experience and a common premium rate is applied to all employers in the program. Each participant pays its workers' compensation premium to the State based on the rate for the program rather than its individual rate. Participation in the program is limited to employers that are a private, state-funded employer, or a public employer taxing district that can meet the program's selection criteria. Spooner Incorporated provides administrative, cost control, and actuarial services to the program.

**Employee Medical Benefits**

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 14) consisting of nine districts. The Consortium has elected to have United Health Care provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member districts' number of employees. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member assumes and is responsible for the payment of any delinquent contributions relating to the medical insurance and all claims related to dental of its employees from the date of termination, regardless of the date such claims were incurred.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Note 7 – Defined Benefit Pension Plans**

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

**Net Pension Liability/Net OPEB Liability**

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The net pension liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

The remainder of this note includes the required pension disclosures. See note 8 for the required OPEB disclosures.

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

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

Age and service requirements for retirement are as follows:

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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

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

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

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

The School District’s contractually required contribution to SERS was \$192,632 for fiscal year 2021.

Plan Description – State Teachers Retirement System (STRS)

*Plan Description* – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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](http://www.strsoh.org).

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

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

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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Eligibility changes for DB Plan 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 60, or 30 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. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty 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. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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 rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$652,140 for fiscal year 2021.

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

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.03880470%	0.03907895%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.03977750%</u>	<u>0.03985396%</u>	
Change in Proportionate Share	<u>-0.00097280%</u>	<u>-0.00077501%</u>	
Proportionate Share of the Net			
Pension Liability	\$2,566,625	\$9,455,715	\$12,022,340

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 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.5 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS’ *Statement of Investment Policy*. A forecasted rate of

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	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 earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
School District's proportionate share of the net pension liability	\$3,515,962	\$2,566,625	\$1,770,112

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020 actuarial valuation, are presented below:

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 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 July 1, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

*Discount Rate* The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 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.



**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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*Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$13,463,293	\$9,455,715	\$6,059,628

**Note 8 – Defined Benefit OPEB Plans**

See note 7 for a description of the net OPEB liability

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

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

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 105I. 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, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$26,423.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$26,423

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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for fiscal year 2021.

Plan Description – State Teachers Retirement System (STRS)

*Plan Description* – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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

The net OPEB liability is disclosed as a commitment and not reported on the face of the financial statements as a liability because of the use of the cash basis framework.

Net OPEB Liability (Asset)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability – Current Year	0.04042140%	0.03907895%	
Proportionate Share of the Net OPEB Liability – Prior Year	<u>0.04081350%</u>	<u>0.03985396%</u>	
Change in Proportionate Share	<u>-0.0003921%</u>	<u>0.00077501%</u>	
Proportion of the Net OPEB Liability	\$878,489	\$0	\$878,489
Proportion of the Net OPEB (Asset)	0	(686,812)	(686,812)

Actuarial Assumptions – SERS

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

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

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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funding limitations.

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

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

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	2.63 percent
Prior Measurement Date	3.22 percent
Medical Trend Assumption:	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

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

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

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

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:

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	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 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, 2020 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 School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates* The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
	School District's proportionate share of the net OPEB liability	\$1,075,249	\$878,489
	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%)
School District's proportionate share of the net OPEB liability	\$691,743	\$878,489	\$1,128,216

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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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 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 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 the 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:

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

<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	1.00	2.25
<b>Total</b>	<b>100.00 %</b>	

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

*Discount Rate* The discount rate used to measure the total 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 School 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.

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net OPEB asset	(\$597,571)	(\$686,812)	(\$762,530)
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	(\$757,830)	(\$686,812)	(\$600,302)

**Note 9 – Employee Benefits**

**Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. This vacation time is to be used within the following fiscal year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 220 days for teachers and administrators, and 220 days for classified personnel. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to a maximum of 65 days for teachers and administrators, and a maximum of 55 days for classified employees.

**Insurance Benefits**

The School District provides life insurance and accidental death, and dismemberment insurance to most employees through Guardian Life Insurance Company and vision insurance through EyeMed.

**Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**Retirement Incentive**

The School District offers a retirement incentive for certified employees who retire in the fiscal year they are first eligible. Eligible employees receive a \$15,000 lump sum payment. The Board may make the payment at the beginning of the next fiscal year.

**Note 10 – Leases – Lessee Disclosure**

**Capital Lease**

In fiscal year 2004, the School District entered into a lease-purchase agreement for the construction of the finish work on the new elementary school and the middle school and renovations to the high school. The School District is leasing the project from the Columbus Regional Airport Authority (formerly Rickenbacker Port Authority). Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned PNC Bank (formerly National City Bank) as trustee. PNC Bank deposited \$642,000 in the School District's name with a fiscal agent for the construction and renovations. Amounts were paid to contractors by the School District as the work progressed. The School District then submitted the invoices to the agent for reimbursement. The School District makes semi-annual lease payments to U.S. Bank. The interest rate is fixed at 4.808 percent. The lease is renewable annually and expires in fiscal year 2023. The intention of the School District is to renew the lease annually.

In fiscal year 2021, the School District made the scheduled payment in the amount of \$43,000 and also made interest payments of \$7,071. The outstanding principal amount on the lease at June 30, 2021 is \$92,000.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2021:

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

	Fiscal Year Ending June 30,	Total Payments
	2022	\$49,825
	2023	49,476
Total		99,301
Less: Amount Representing Interest		(7,301)
Present Value of Minimum Lease Payments		<u>\$92,000</u>

**Note 11 – Long-Term Obligations**

The changes in the School District’s long-term obligations during fiscal year 2021 were as follows:

	Beginning Balance June 30, 2020	Additions	Payments	Ending Balance June 30, 2021	Due in One Year
<i>Governmental Activities:</i>					
General Obligation Bonds:					
Classroom Facilities Bonds 3/8/2012:					
Term Bonds 4.6%-4.9%	\$400,000	\$0	\$0	\$400,000	\$95,000
Capital Appreciation Bonds 28.19%	10,000	0	(10,000)	0	0
Energy Conservation Improvements					
General Obligation Bonds 0.75%-2.90%	675,000	0	(55,000)	620,000	55,000
Total General Obligation Bonds	1,085,000	0	(65,000)	1,020,000	150,000
Capital Leases	135,000	0	(43,000)	92,000	45,000
Total Governmental Activities Long-Term Obligations	<u>\$1,220,000</u>	<u>\$0</u>	<u>(\$108,000)</u>	<u>\$1,112,000</u>	<u>\$195,000</u>

**2012 Classroom Facilities Bonds**

On March 8, 2012, the School District issued \$835,000 in voted general obligation bonds for the purpose of advance refunding the 2002 Classroom Facilities Bonds. The bonds were issued for a thirteen year period with final maturity in 2025. The bonds are being retired from the bond retirement fund. The School District placed \$873,261 with the refunded escrow agent to purchase U.S. Treasury securities to be held in an irrevocable escrow account and held until the refunded bonds in the amount of \$835,000 were redeemed in December of 2012.

The capital appreciation bonds, issued at \$10,000, are not subject to prior redemption. The capital appreciation bonds matured in fiscal year 2021. The maturity amount of the capital appreciation bonds is \$100,000. For fiscal year 2021, the capital appreciation bonds accreted \$12,354 for a total of \$100,000, and this amount was repaid during the fiscal year.

**Energy Conservation Improvements Bonds**

On May 4, 2016, the School District issued Energy Conservation Improvement General Obligation Bonds in the amount of \$900,000 at variable interest rates of 0.75 percent to 2.90 percent. Principal and interest payments are due June and December 1 of each year through fiscal year 2031. These bonds were used for the purpose of energy conservation measures. There was no premium or discount related to the bonds. Issuance costs associated with the bonds were \$15,000. The bonds are being retired from the bond retirement fund.

The School District’s overall legal debt margin was \$9,654,498 with an unvoted debt margin of \$113,113 at June 30, 2021.



**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

All general obligation debt is supported by the full faith and credit of the School District.

The capital lease obligations are being paid from the general fund.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2021 are as follows:

Classroom Facilities Bonds

Year Ending June 30,	Classroom Facilities Bonds		
	Term Bonds		
	Principal	Interest	Total
2022	\$95,000	\$8,884	\$103,884
2023	100,000	6,569	106,569
2024	100,000	4,069	104,069
2025	105,000	1,378	106,378
<b>Total</b>	<b>\$400,000</b>	<b>\$20,900</b>	<b>420,900</b>

Energy Conservation Improvement Bonds

Year Ending June 30,	Energy Conservation Improvement Bonds		
	Principal	Interest	Total
2022	\$55,000	\$14,597	\$69,597
2023	55,000	13,566	68,566
2024	60,000	12,371	72,371
2025	60,000	11,050	71,050
2026	60,000	9,655	69,655
2027-2031	330,000	23,668	353,668
<b>Total</b>	<b>\$620,000</b>	<b>\$84,907</b>	<b>\$704,907</b>

**Note 12 – Interfund Activity**

**Interfund Transfers**

Transfers made during the fiscal year ended June 30, 2021 were as follows:

	Transfers In	Transfers Out
<i>Major Fund</i>		
General	\$0	\$138,490
<i>Non-Major Funds</i>		
Food Service	55,000	0
Miscellaneous Grants	13,000	0
Bond Retirement	70,490	0
<i>Total Non-Major Funds</i>	138,490	0
<b>Total</b>	<b>\$138,490</b>	<b>\$138,490</b>

Transfers were made to move unrestricted balances to support programs, projects accounted for in other funds, and debt service payments. Transfers were made between federal programs in accordance with transferability provisions.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Interfund Advances**

The School District made the following advances during fiscal year 2021:

	<u>Advance In</u>	<u>Advance Out</u>
<i>Major Fund</i>		
General	\$85,273	\$246,946
<i>Non-Major Funds</i>		
Agriculture Education	269	2,056
Student Wellness	18,667	0
Safe and Supportive Schools	0	410
School Emergency Relief	202,073	40,166
Title VI-B	11,258	10,025
Title I	11,648	12,616
Title II-A	259	0
Miscellaneous Federal Grants	2,772	20,000
<i>Total Non-Major Funds</i>	<u>246,946</u>	<u>85,273</u>
<i>Total</i>	<u>\$332,219</u>	<u>\$332,219</u>

Other non-major governmental funds received advances from the general fund in anticipation of intergovernmental revenues. Advances to the general fund were for repayment of previous advances.

**Note 13 – Jointly Governed Organizations**

**Metropolitan Educational Technology Association**

META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology, and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president, and six board members who represent the members of META. The board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each member's degree of control is limited to its representation on the Board. The School District paid META \$52,419 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

**Unified Purchasing Cooperative of the Ohio River Valley**

The Unified Purchasing Cooperative of the Ohio River Valley (UPC) is a purchasing cooperative made up of fifty three public school districts, eighty one non-public schools, three joint vocational school districts, one board of developmental disabilities, two head start programs, four educational service centers, and six other non-profit organizations in Brown, Butler, Clermont, and Hamilton Counties in Ohio, as well as districts in Kentucky and Indiana. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the UPC.

The Board of Directors is elected from among the active members and consists of one representative each from Brown, Butler, Clermont, and Hamilton Counties, as well as one representative from Kentucky, one from Indiana, and one at-large representative from a public school district with an enrollment greater than 5,000 students. In

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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addition, the superintendents of the Hamilton County Educational Service Center and the Clermont County Educational Service Center also serve on the Board of Directors. The Hamilton County Educational Service Center serves as fiscal agent. Sixty days prior notice is necessary for withdrawal from the UPC. Financial information can be obtained from Megan Jackson, Treasurer, Hamilton County Educational Service Center, at 11083 Hamilton Avenue, Cincinnati, Ohio, 45231.

**Note 14 – Public Entity Shared Risk and Insurance Purchasing Pool**

**Brown County Schools Benefits Consortium**

The Brown County Schools Benefits Consortium, (Consortium), a public entity shared risk and insurance purchasing pool, currently operates to provide medical insurance (insurance purchasing pool) and dental coverage (public entity shared risk pool) to enrolled employees of the Consortium members and to eligible dependents of those enrolled employees. Six Brown County school districts (Eastern, Fayetteville-Perry, Georgetown, Ripley Union Lewis Huntington, Southern Hills Joint Vocational, and Western Brown) and two Highland County school districts (Bright Local and Lynchburg-Clay Local School District) along with the Brown County Educational Service Center have entered into an agreement to form the Brown County Schools Benefits Consortium. The Consortium is governed by a nine member board consisting of the superintendents of each participating school district along with the superintendent of the Brown County Educational Service Center. The overall objectives of the Consortium are to formulate and administer a program of medical and dental insurance for the benefit of the Consortium members' employees and their dependents. The Consortium contracts with United Healthcare to provide medical insurance directly to Consortium member employees. The member districts pay premiums to the Consortium based on employee membership. For dental coverage the Consortium acts as a public entity shared risk pool. Each member district pays dental premiums based on the Consortium's estimates of future claims. If the member districts' dental claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the member district's claims are low, it will not receive a refund. Dental coverage is administered through a third party administrator, Dental Care Plus. Participating member districts pay an administrative fee to the fiscal agent to cover the costs associated with the administering of the Consortium. To obtain financial information, write to the Brown County Educational Service Center at 325 West State St., Georgetown, Ohio 45121.

**Note 15 – Insurance Purchasing Pool**

**Ohio BWC Group Retrospective Rating Program**

The School District participates in the Ohio BWC Group Retrospective Rating Program, an insurance purchasing pool. The intent of the program is to achieve the benefit of a reduced premium for the School District by virtue of grouping employers who practice effective workplace safety and claims management.

**Note 16 – Set-Aside Calculations**

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

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2020	\$0
Current Year Set-Aside Requirement	143,024
Current Year Offsets	(47,351)
Qualifying Disbursements	<u>(221,250)</u>
Set-Aside Balance Carried Forward to Further Fiscal Years	<u>(\$125,577)</u>
Set-Aside Balance as of June 30, 2021	<u><u>\$0</u></u>

Although the School District had qualifying offsets and disbursements during the fiscal year that reduced the set-aside amount below zero for capital improvement set-aside, this amount may not be used to reduce the set-aside requirements of future fiscal years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

**Note 17 – Contingencies**

**Grants**

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2021, if applicable, cannot be determined at this time.

**Litigation**

The School District is not currently party to legal proceedings.

**Foundation**

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 has not finalized the impact of enrollment adjustments to the June 30, 2021 Foundation funding for the School District; therefore, the final financial statement impact is not determinable at this time. ODE and management believe this may result in either a receivable to or liability of the School District. As of the date of this report, no preliminary audit results have been released.

**Note 18 – Fund Balances**

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

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

	General	Construction	Non-Major Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Unclaimed Monies	\$2,931	\$0	\$0	\$2,931
<i>Restricted for</i>				
Other Purposes	0	0	160,669	160,669
Capital Purposes	0	810,012	207,648	1,017,660
Classroom Facilities Maintenance	0	0	49,038	49,038
Student Wellness and Success	0	0	199,609	199,609
Athletics	0	0	13,069	13,069
Debt Service Payments	0	0	494,323	494,323
<i>Total Restricted</i>	0	810,012	1,124,356	1,934,368
<i>Committed to</i>				
Chromebook Damages	4,116	0	0	4,116
<i>Assigned to</i>				
Public School Support	44,400	0	0	44,400
Purchases on Order	54,849	0	0	54,849
<i>Total Assigned</i>	99,249	0	0	99,249
<i>Unassigned (Deficit)</i>	4,602,199	0	(4,180)	4,598,019
<i>Total Fund Balances</i>	<u>\$4,708,495</u>	<u>\$810,012</u>	<u>\$1,120,176</u>	<u>\$6,638,683</u>

**Note 19 – Accountability and Compliance**

**Accountability**

At June 30, 2021, the School District had the following deficit fund balances:

Vocational Education Enhancements	\$392
Title VIB-IDEA	1,894
Title I	1,894

**Compliance**

Although required by Ohio Administrative Code Section 117-2-03(B) to prepare its financial report in accordance with accounting principles generally accepted in the United States of America (GAAP), the School District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. This is not in compliance with Ohio law.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Note 20 – Significant Commitments**

**Encumbrances**

At June 30, 2021, the School District had significant encumbrance commitments in the governmental funds as follows:

<i>Major Fund</i>	
General	\$64,883
<i>Non-Major Fund</i>	
Miscellaneous Federal Grants	10,542

**Contractual Commitments**

The School District has the following significant contractual commitments outstanding at June 30, 2021:

Contractor (Contract)	Contract Amount	Amount Paid	Remaining
Control Concepts of Ohio, LLC (HVAC Improvements)	\$1,337,716	\$400,000	\$937,716

**Note 21 - COVID 19**

The United States and the State of Ohio declared a state of emergency in March of 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 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.

During fiscal year 2021, the District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding; \$132,144 was received from Coronavirus Relief Funds and \$657,592 was received from Elementary and Secondary School Emergency Relief Funds. The District did not subgrant any of its funds, nor were funds spent on behalf of other organizations. The District did not return any funding to the grantor agency during fiscal year 2021. The District has not received significant donated personal protective equipment as an on-behalf of grant from another government.

**Note 22 – New Accounting Principles and Restatement of Balances**

For fiscal year 2021, the District implemented GASB Statement No. 84, “Fiduciary Activities” and related guidance from (GASB) Implementation Guide No. 2019-2, “Fiduciary Activities.” GASB Statement No. 84 established 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 determined that they should be reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District’s financial statements.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**Restatement of Fund Balances and Net Position**

The implementation of GASB Statement No. 84 had the following effect on fund balance as of June 30, 2020:

	General	Non-Major Governmental Funds
Fund Balance, As Reported, June 30, 2020	\$4,549,330	\$1,028,356
<i>Adjustments:</i>		
GASB 84	2,931	61,785
Fund Balance, As Restated, July 1, 2020	\$4,552,261	\$1,090,141

The implementation of GASB Statement No. 84 had the following effects on net position as of June 30, 2020:

	Governmental Activities
Net Position, As Reported, June 30, 2020	\$6,386,440
<i>Adjustments:</i>	
GASB 84	64,716
Net Position, As Restated, July 1, 2020	\$6,451,156

The implementation of GASB Statement No. 84 had the following effect on fiduciary net position as of June 30, 2020:

	Agency
Net Position, As Reported, June 30, 2020	\$64,716
<i>Adjustments:</i>	
GASB 84	(64,716)
Net Position, As Restated, July 1, 2020	\$0

**Ripley Union Lewis Huntington Local School District**  
*Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*Last Eight Fiscal Years*

	2013	2014	2015	2016	2017	2018	2019	2020
<i>State Teachers Retirement System</i>								
Total plan pension liability	\$94,366,693,720	\$96,167,057,104	\$99,014,653,744	\$100,756,422,489	\$96,126,440,462	\$96,904,057,000	\$97,840,944,000	\$98,672,288,000
Plan net position	65,392,746,348	71,843,596,331	71,377,578,736	67,283,408,184	72,371,226,119	74,916,302,000	75,726,545,000	74,475,846,000
Net pension liability	28,973,947,372	24,323,460,773	27,637,075,008	33,473,014,305	23,755,214,343	21,987,755,000	22,114,399,000	24,196,442,000
School District's proportion of the net pension liability	0.04157417%	0.04157417%	0.03988924%	0.03941115%	0.03933211%	0.03910720%	0.03985396%	0.03907895%
School District's proportionate share of the net pension liability	\$12,045,678	\$10,112,277	\$11,024,219	\$13,192,100	\$9,343,427	\$8,598,795	\$8,813,464	\$9,455,715
School District's covered payroll	\$4,865,446	\$4,574,477	\$3,964,971	\$4,146,814	\$4,324,086	\$3,986,043	\$4,661,557	\$5,058,571
School District's proportionate share of the net pension liability as a percentage of its covered payroll	247.6%	221.1%	278.0%	318.1%	216.1%	215.7%	189.1%	186.9%
Plan fiduciary net position as a percentage of the total pension liability	69.3%	74.7%	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%
<i>School Employees Retirement System</i>								
Total plan pension liability	\$17,247,161,078	\$17,881,827,171	\$18,503,280,961	\$19,770,708,121	\$19,588,417,687	\$19,997,700,966	\$20,527,251,448	\$21,033,809,319
Plan net position	11,300,482,029	12,820,884,107	12,797,184,030	12,451,630,823	13,613,638,590	14,270,515,748	14,544,076,104	14,419,598,627
Net pension liability	5,946,679,049	5,060,943,064	5,706,096,931	7,319,077,298	5,974,779,097	5,727,185,218	5,983,175,344	6,614,210,692
School District's proportion of the net pension liability	0.03925800%	0.03925800%	0.03978550%	0.04064330%	0.03903920%	0.04089820%	0.03977750%	0.03880470%
School District's proportionate share of the net pension liability	\$2,334,547	\$1,986,825	\$2,270,199	\$2,974,715	\$2,332,506	\$2,342,316	\$2,379,958	\$2,566,625
School District's covered payroll	\$1,433,931	\$1,152,280	\$1,618,270	\$1,262,229	\$1,308,879	\$1,241,696	\$1,304,570	\$1,261,007
School District's proportionate share of the net pension liability as a percentage of its covered payroll	162.8%	172.4%	140.3%	235.7%	178.2%	188.6%	182.4%	203.5%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	71.7%	69.2%	63.0%	69.5%	71.4%	70.9%	68.6%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year. Information not available prior to 2013.

See the notes to the supplementary information.



**Ripley Union Lewis Huntington Local School District**  
*Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)*  
*Last Five Fiscal Years*

	2016	2017	2018	2019	2020
<i>State Teachers Retirement System</i>					
Total plan OPEB liability	\$8,533,654,000	\$7,377,410,000	\$2,114,451,000	\$2,215,918,000	\$2,139,798,000
Plan net position	3,185,628,000	3,475,779,000	3,721,349,000	3,872,158,000	3,897,296,000
Net OPEB liability (Asset)	5,348,026,000	3,901,631,000	(1,606,898,000)	(1,656,240,000)	(1,757,498,000)
School District's proportion of the net OPEB liability (asset)	0.03933211%	0.03933211%	0.03910720%	0.03985396%	0.03907895%
School District's proportionate share of the net OPEB liability (asset)	\$2,103,491	\$1,534,594	(\$628,413)	(\$660,077)	(\$686,812)
School District's covered payroll	\$4,146,814	\$4,324,086	\$3,986,043	\$4,661,557	\$5,058,571
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	50.7%	35.5%	-15.8%	-14.2%	-13.6%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%
<i>School Employees Retirement System</i>					
Total plan OPEB liability	\$3,220,574,434	\$3,065,846,821	\$3,209,899,769	\$2,978,600,373	\$2,655,938,750
Plan net position	370,204,515	382,109,560	435,629,637	463,810,679	482,611,478
Net OPEB liability	2,850,369,919	2,683,737,261	2,774,270,132	2,514,789,694	2,173,327,272
School District's proportion of the net OPEB liability	0.03971390%	0.03971390%	0.04140000%	0.04081350%	0.04042140%
School District's proportionate share of the net OPEB liability	\$1,131,993	\$1,065,817	\$1,148,548	\$1,026,374	\$878,489
School District's covered payroll	\$1,262,229	\$1,308,879	\$1,241,696	\$1,304,570	\$1,261,007
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	89.7%	81.4%	92.5%	78.7%	69.7%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%	15.6%	18.2%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year.  
Information not available prior to 2016.

See the notes to the supplementary information.

**Ripley Union Lewis Huntington Local School District**  
*Supplementary Information*  
*Schedule of the School District's Contributions*  
*Last Ten Fiscal Years*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>State Teachers Retirement System - Pension</i>										
Contractually required contribution	\$672,336	\$632,508	\$594,682	\$555,096	\$580,554	\$605,372	\$558,046	\$652,618	\$708,200	\$652,140
Contributions in relation to the contractually required contribution	672,336	632,508	594,682	555,096	580,554	605,372	558,046	652,618	708,200	652,140
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered payroll	\$5,171,815	\$4,865,446	\$4,574,477	\$3,964,971	\$4,146,814	\$4,324,086	\$3,986,043	\$4,661,557	\$5,058,571	\$4,658,143
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<i>State Teachers Retirement System - OPEB</i>										
Contractually required contribution	\$51,718	\$48,654	\$45,745	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions in relation to the contractually required contribution	51,718	48,654	45,745	0	0	0	0	0	0	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered payroll	\$5,171,815	\$4,865,446	\$4,574,477	\$3,964,971	\$4,146,814	\$4,324,086	\$3,986,043	\$4,661,557	\$5,058,571	\$4,658,143
Contributions as a percentage of covered payroll	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>School Employees Retirement System - Pension</i>										
Contractually required contribution	\$189,792	\$198,456	\$159,706	\$213,288	\$176,712	\$183,243	\$167,629	\$176,117	\$170,236	\$192,632
Contributions in relation to the contractually required contribution	189,792	198,456	159,706	213,288	176,712	183,243	167,629	176,117	170,236	192,632
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered payroll	\$1,411,093	\$1,433,931	\$1,152,280	\$1,618,270	\$1,262,229	\$1,308,879	\$1,241,696	\$1,304,570	\$1,261,007	\$1,426,904
Contributions as a percentage of covered payroll	13.45%	13.84%	13.86%	13.18%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%
<i>School Employees Retirement System - OPEB</i>										
Contractually required contribution	\$7,761	\$2,294	\$1,613	\$13,270	\$0	\$0	\$6,208	\$6,523	\$0	\$0
Contributions in relation to the contractually required contribution	7,761	2,294	1,613	13,270	0	0	6,208	6,523	0	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered payroll	\$1,411,093	\$1,433,931	\$1,152,280	\$1,618,270	\$1,262,229	\$1,308,879	\$1,241,696	\$1,304,570	\$1,261,007	\$1,426,904
Contributions as a percentage of covered payroll	0.55%	0.16%	0.14%	0.82%	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%

See the notes to the accompanying supplementary information.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Supplementary Information*

*For the Fiscal Year Ended June 30, 2021*

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**State Teachers Retirement System**

**Pension**

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2019, 2020, or 2021.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.50 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered to 3.00 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2019, 2020, or 2021.

**OPEB**

Changes in benefit terms

There were no changes to benefit terms for fiscal year 2017.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extend the current Medicare Part B partial reimbursement for one year.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Supplementary Information*

*For the Fiscal Year Ended June 30, 2021*

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For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2021, 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.

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
  - Medical Medicare – 6 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – 5 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – 8 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – -5.23 percent initial, 4 percent ultimate

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
  - Medical Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – from 8 percent to 7.73 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – from -5.23 percent to 9.62 initial, 4 percent ultimate

**Ripley Union Lewis Huntington Local School District**

*Notes to the Supplementary Information*

*For the Fiscal Year Ended June 30, 2021*

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For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
  - Medical Pre-Medicare – from 5.87 percent to 5 percent initial, 4 percent ultimate
  - Medical Medicare – from 4.93 percent to -6.69 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – from 7.73 percent to 6.5 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – from 9.62 percent to 11.87 initial, 4 percent ultimate

**School Employees Retirement System**

**Pension**

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2019, 2020, or 2021.

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63.

There were no changes in assumptions for fiscal years 2019, 2020, or 2021.

**OPEB**

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2017 through 2021.

Changes in assumptions

There were no changes in assumptions for fiscal years 2017 or 2018.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.

**Ripley Union Lewis Huntington Local School District**

*Notes to the Supplementary Information  
For the Fiscal Year Ended June 30, 2021*

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- The medical trend assumption rate changed as follows:
  - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
  - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
  - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
  - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – not presented

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

**RIPLEY UNION LEWIS HUNTINGTON LOCAL SCHOOL DISTRICT**  
Schedule of Federal Awards Receipts and Expenditures  
For the Fiscal Year Ended June 30, 2021

Federal Grantor / Pass Through Grantor / Program Title	Grant Year	Federal CFDA Number	Passed Through to Subrecipients	Cash Expenditures	Non-Cash Expenditures
<b><u>U.S. Department of Agriculture</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
<i>Nutrition Cluster:</i>					
School Breakfast Program	2020/2021	10.553	\$0	\$132,725	\$0
School Breakfast Program: COVID-19	2020/2021	10.553	0	21,307	0
National School Lunch Program	2020/2021	10.555	0	238,765	40,943
National School Lunch Program: COVID-19	2020/2021	10.555	0	36,415	0
Total Nutrition Cluster			<u>0</u>	<u>429,212</u>	<u>40,943</u>
National School Lunch Equipment	2020	10.597	0	20,000	0
Fruit and Vegetable	2020	10.582	0	9,014	0
<b>Total U.S. Department of Agriculture</b>			<u>0</u>	<u>458,226</u>	<u>40,943</u>
<b><u>U.S. Department of Treasury</u></b>					
<i>Passed Through Ohio Office of Management and Budget:</i>					
COVID-19 - Coronavirus Relief Fund	2021	21.019	0	95,339	0
COVID-19 - Coronavirus Relief Fund	2021	21.019	0	36,805	0
<b>Total U.S. Department of Treasury</b>			<u>0</u>	<u>132,144</u>	<u>0</u>
<b><u>U.S. Department of Education</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
<i>Title I:</i>					
Title I Grants to Local Educational Agencies	2019	84.010	0	43	0
Title I Grants to Local Educational Agencies	2020	84.010	0	42,224	0
Title I Grants to Local Educational Agencies	2021	84.010	0	264,624	0
School Improvement Sub A, Title I	2021	84.010	0	1,768	0
Total Title I			<u>0</u>	<u>308,659</u>	<u>0</u>
<i>Special Education Cluster:</i>					
Special Education - Grants to States (IDEA Part B)	2020	84.027	0	34,037	0
Special Education - Grants to States (IDEA Part B)	2020	84.027	0	203,898	0
Total Special Education Cluster			<u>0</u>	<u>237,935</u>	<u>0</u>
Improving Teacher Quality	2019	84.367	0	29,058	0
Improving Teacher Quality	2021	84.367	0	23,381	0
Total Improving Teacher Quality			<u>0</u>	<u>52,439</u>	<u>0</u>
Student Support and Academic Enrichment Program	2021	84.424	0	7,803	0
Total Student Support and Academic Enrichment			<u>0</u>	<u>7,803</u>	<u>0</u>
Elementary and Secondary School Emergency Relief COVID-19	2021	84.425	0	257,591	0
Elementary and Secondary School Emergency Relief COVID-19	2021	84.425	0	602,073	0
Total Elementary and Secondary School Emergency Relief COVID-19			<u>0</u>	<u>859,664</u>	<u>0</u>
<b>Total U.S. Department of Education</b>			<u>0</u>	<u>1,466,500</u>	<u>0</u>
<b>Total Federal Financial Assistance</b>			<u>\$0</u>	<u>\$2,056,870</u>	<u>\$40,943</u>

The accompanying notes to the Schedule of Federal Awards Revenues and Expenditures are an integral part of the Schedule.

**RIPLEY UNION LEWIS HUNTINGTON LOCAL SCHOOL DISTRICT**

*Notes to the Schedule of Expenditures of Federal Awards*

For the Fiscal Year Ended June 30, 2021

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**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Ripley Union Lewis Huntington Local School District's (the School District) under programs of the federal government for the fiscal year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements for 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 School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School District.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C - CHILD NUTRITION CLUSTER**

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

**NOTE D – FOOD DONATION PROGRAM**

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



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards**

Board of Education  
Ripley Union Lewis Huntington Local School District  
502 South Second Street  
Ripley, OH 45167

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ripley Union Lewis Huntington Local School District (the School District), Brown County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 15, 2021, wherein we noted the School District's financial statements have been prepared on the cash basis of accounting rather than the generally accepted accounting principles. We also noted the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods of the School District. We additionally noted that the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and related guidance from GASB Implementation Guide No. 2019-2.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of supporting our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Education  
Ripley Union Lewis Huntington Local School District  
Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards*

**Compliance and Other Matters**

As part of obtaining reasonable assurance whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Governmental Auditing Standards* which is described in the accompanying schedule of findings as item 2021-001.

**Entity's Response to Findings**

The Entity's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Entity's responses 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 testing results, and does not opine on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

December 15, 2021

**Independent Auditor's Report on Compliance with Requirements Applicable for Each Major Program  
and on Internal Control over Compliance Required by Uniform Guidance**

Board of Education  
Ripley Union Lewis Huntington Local School District  
502 South Second Street  
Ripley, OH 45167

**Report on Compliance for Each Major Federal Program**

We have audited the Ripley Union Lewis Huntington Local School District (the School District), Brown County, compliance with the types of applicable requirements described in the U.S. Office of Management and Budget (OMB), *Compliance Supplement* that could directly and materially affect the 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 School District's major federal programs.

***Management's Responsibility***

The School District's Management is responsible for complying with the 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 School District's compliance for the School 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 requirements of the 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 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 the major federal programs occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the School District complied, in all material aspects, with the compliance requirements referred to above that could directly and materially affect its major federal programs identified in the *Summary of Auditor's Results* in the accompanying schedule of findings for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

Management of Ripley Union Lewis Huntington Local School District is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the applicable requirements that could have a direct and material effect on the major federal programs, to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School 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, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with an applicable compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with an applicable compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be a material weakness or significant deficiency. 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

December 15, 2021

**RIPLEY UNION LEWIS HUNTINGTON LOCAL SCHOOL DISTRICT**

Schedule of Findings

For the Fiscal Year Ended June 30, 2021

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

1.	<i>Type of Financial Statement Opinion</i>	Unmodified
2.	<i>Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?</i>	No
3.	<i>Were there any other significant internal control deficiency reported at the financial statement level (GAGAS)?</i>	No
4.	<i>Was there any material noncompliance reported at the financial statement level (GAGAS)?</i>	Yes
5.	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
6.	<i>Were there any other significant internal control deficiency reported for major federal programs?</i>	No
7.	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
8.	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
9.	<i>Major Programs (list):</i>	CFDA #21.019 Coronavirus Relief Fund CFDA #84.425 Elementary and Secondary School Emergency Relief COVID-19
10.	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: All Other Programs
11.	<i>Low Risk Auditee under 2 CFR §200.520 ?</i>	No

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

**Finding Number 2021-001**

**Annual Financial Report – Noncompliance Citation**

Ohio Rev. Code Section 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 Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Rev. Code Section 117.38.

**RIPLEY UNION LEWIS HUNTINGTON LOCAL SCHOOL DISTRICT**

Schedule of Findings

For the Fiscal Year Ended June 30, 2021

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**Finding Number 2021-001 (continued)**

Ohio Admin. Code Section 117-2-03(B) requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepares its financial statements and notes in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles.

The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code Section 117.38, the School District may be fined and subject to various other administrative remedies for its failure to file the required financial report.

We recommend that the School District should prepare its annual financial report in accordance with generally accepted accounting principles.

**Officials' Response:**

The District has determined that the benefit of reporting on the GAAP basis does not outweigh the expense of having our consultant prepare a GAAP report instead of the cash report, as well as the additional audit expense that would exist with preparing a GAAP report. At this time, the District does not anticipate filing on a GAAP basis due to cost savings.

**C. FINDINGS FOR FEDERAL AWARDS**

There were no findings related to Federal Awards to be reported.

Ripley Union

Lewis Huntington

Treasurer's Office



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Zoie B. Garrett, Treasurer

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*Schedule of Prior Audit Findings  
For the Year Ended June 30, 2021*

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<u>Finding Number</u>	<u>Description</u>	<u>Status</u>	<u>Comments</u>
	<i>Government Auditing Standards:</i>		
2020-001	Ohio Revised Code 117.38 – District prepared its annual financial report using the cash basis of accounting instead of accounting principles generally accepted in the United States (GAAP).	Not Corrected	Reissued as Finding Number 2021-001.

Ripley Union

Lewis Huntington

Treasurer's Office



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Zoie B. Garrett, Treasurer

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Corrective Action Plan  
2 CFR § 200.511(c)  
For the Year Ended June 30, 2021

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Finding Number	Planned Corrective Action	Anticipated Completion Date	Contact Person
2021-001	At this point in time the benefits of converting do not justify the cost of converting and maintaining GAAP reporting. No response or action to be taken.	No estimated date	Zoie Garrett, Treasurer



# OHIO AUDITOR OF STATE KEITH FABER



**RIPLEY UNION LEWIS HUNTINGTON LOCAL SCHOOL DISTRICT**

**BROWN 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 2/8/2022**

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](http://www.ohioauditor.gov)