



OHIO AUDITOR OF STATE
KEITH FABER



**RIVER VIEW LOCAL SCHOOL DISTRICT
COSHOCKTON COUNTY
JUNE 30, 2021**

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**RIVER VIEW LOCAL SCHOOL DISTRICT
COSHOCKTON COUNTY
JUNE 30, 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

River View Local School District
Coshocton County
26496 State Route 60 N
Warsaw, Ohio 43844

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the River View Local School District, Coshocton County, Ohio (the School District), 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 as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Food Service Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in 2 to the financial statements, during 2021, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As discussed in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Assets and Pension and Other Post-Employment Benefit Contributions listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2022, 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.



Keith Faber
Auditor of State
Columbus, Ohio

August 9, 2022

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River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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

Financial Highlights

Key financial highlights for 2021 are as follows:

- Net position increased \$568,194, which represents a 6 percent increase from 2020.
- Capital assets decreased \$15,651 during fiscal year 2021.
- During the fiscal year, outstanding debt decreased from \$133,631 to \$110,127.
- The School District implemented GASB Statement No. 84 resulting in the restatement of fund balance and net position in general fund, other governmental funds, governmental activities, private purpose trust funds, and custodial funds.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the River View Local School District as a whole entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the River View Local School District, the general, food service and permanent improvement funds are by far the most significant funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2021?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations and community services.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

Proprietary Fund The School District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District uses an internal service fund to account for its health insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

Reporting the School District's Fiduciary Responsibilities

The School District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in custodial funds. The School District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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 2021 compared to 2020:

Table 1
Net Position

	Governmental Activities		
	2021	Restated 2020	Change
Assets			
Current & Other Assets	\$ 19,397,482	\$ 17,508,436	\$ 1,889,046
Net OPEB Asset	1,294,925	1,267,537	27,388
Capital Assets	7,375,677	7,391,328	(15,651)
<i>Total Assets</i>	<u>28,068,084</u>	<u>26,167,301</u>	<u>1,900,783</u>
Deferred Outflows of Resources			
Pension & OPEB	4,553,125	4,545,453	7,672
<i>Total Deferred Outflows of Resources</i>	<u>4,553,125</u>	<u>4,545,453</u>	<u>7,672</u>
Liabilities			
Current & Other Liabilities	2,672,351	2,644,762	27,589
Long-Term Liabilities:			
Due Within One Year	119,792	126,236	(6,444)
Due In More Than One Year:			
Pension & OPEB	25,938,240	25,033,558	904,682
Other Amounts	969,107	944,896	24,211
<i>Total Liabilities</i>	<u>29,699,490</u>	<u>28,749,452</u>	<u>950,038</u>
Deferred Inflows of Resources			
Property Taxes	7,690,846	6,930,005	760,841
Payments in Lieu of Taxes	70,097	60,126	9,971
Pension & OPEB	4,279,616	4,660,205	(380,589)
<i>Total Deferred Inflows of Resources</i>	<u>12,040,559</u>	<u>11,650,336</u>	<u>390,223</u>
Net Position			
Net Investment in Capital Assets	7,265,550	7,248,877	16,673
Restricted	1,596,476	1,813,114	(216,638)
Unrestricted	(17,980,866)	(18,749,025)	768,159
<i>Total Net Position</i>	<u>\$ (9,118,840)</u>	<u>\$ (9,687,034)</u>	<u>\$ 568,194</u>

River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
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Collectively, the net pension liability (NPL), reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and the net OPEB liability, pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are the largest liabilities reported by the School District at June 30, 2021. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability (NOL) to the reported net position and subtracting deferred outflows related to pension and the net OPEB asset (NOA).

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

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

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability reported by the retirement boards. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

At year end, capital assets represented 26 percent of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets was \$7,265,550 at June 30, 2021. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$1,596,476, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of \$17,980,866, which is primarily caused by GASB 68 and 75.

Equity in pooled cash and investments increased significantly during the fiscal year as a result of increased government wide cash basis property tax revenue. In addition, there was an overall decrease in government wide cash basis expenditures. Deferred inflows for property taxes increased due to a significant decrease in the amount of taxes available for advance at June 30, 2021.

There was a significant change in net pension/OPEB liability/asset for the School District. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the School District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
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In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2021 and 2020.

Table 2
Changes in Net Position

	Governmental Activities		
	2021	Restated 2020	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$ 2,195,266	\$ 2,492,810	\$ (297,544)
Operating Grants	4,892,452	3,544,082	1,348,370
Capital Grants	55,726	-	55,726
<i>Total Program Revenues</i>	<u>7,143,444</u>	<u>6,036,892</u>	<u>1,106,552</u>
General Revenues			
Property Taxes	8,805,214	8,966,918	(161,704)
Grants & Entitlements	8,626,658	8,779,498	(152,840)
Payments in Lieu of Taxes	158,700	101,703	56,997
Miscellaneous	395,193	208,228	186,965
<i>Total General Revenues</i>	<u>17,985,765</u>	<u>18,056,347</u>	<u>(70,582)</u>
<i>Total Revenues</i>	<u>25,129,209</u>	<u>24,093,239</u>	<u>1,035,970</u>
Program Expenses			
Instruction:			
Regular	10,581,318	10,649,289	(67,971)
Special	3,595,207	3,833,993	(238,786)
Vocational	224,950	326,288	(101,338)
Adult/Continuing	13,001	12,829	172
Student Intervention Services	946	1,542	(596)
Support Services:			
Pupils	1,100,804	975,190	125,614
Instructional Staff	503,540	513,541	(10,001)
Board of Education	99,293	84,344	14,949
Administration	1,846,550	1,807,589	38,961
Fiscal	676,880	725,547	(48,667)
Operation and Maintenance of Plant	1,895,515	2,000,645	(105,130)
Pupil Transportation	1,865,260	2,117,297	(252,037)
Central	464,060	484,652	(20,592)
Operation of Non-Instructional/Shared Services:			
Food Service Operations	921,605	1,075,164	(153,559)
Community Services	127,137	139,523	(12,386)
Extracurricular Activities	642,680	629,143	13,537
Debt Service:			
Interest and Fiscal Charges	2,269	3,153	(884)
<i>Total Expenses</i>	<u>24,561,015</u>	<u>25,379,729</u>	<u>(818,714)</u>
<i>Change in Net Position</i>	568,194	(1,286,490)	1,854,684
<i>Net Position Beginning of Year</i>	(9,687,034)	(8,525,366)	(1,161,668)
<i>Restatement - See Note 2</i>	-	124,822	(124,822)
<i>Net Position End of Year</i>	<u>\$ (9,118,840)</u>	<u>\$ (9,687,034)</u>	<u>\$ 568,194</u>

River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Operating grants increased primarily due to the introduction of the Elementary and Secondary School Emergency Relief (ESSER) and Broadband Ohio grants for Coronavirus relief coupled with increases in state and federal grants as students returned to in-school learning. Charges for services decreased significantly for food service as a result of the COVID-19 pandemic with schools statewide offering free breakfast and lunches for all students, which is funded through grants causing an increase in operating grants.

Overall, program expenses decreased. The changes in program expenses are primarily associated to changes in the School District's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

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

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2021	2020	2021	2020
Instruction:				
Regular	10,581,318	10,649,289	7,998,318	8,553,519
Special	3,595,207	3,833,993	1,710,940	2,002,716
Vocational	224,950	326,288	171,003	266,427
Adult/Continuing	13,001	12,829	13,001	12,829
Student Intervention Services	946	1,542	946	1,542
Support Services:				
Pupils	1,100,804	975,190	430,314	551,111
Instructional Staff	503,540	513,541	387,143	376,091
Board of Education	99,293	84,344	99,293	84,344
Administration	1,846,550	1,807,589	1,594,689	1,576,361
Fiscal	676,880	725,547	676,880	725,547
Operation and Maintenance of Plant	1,895,515	2,000,645	1,782,029	1,977,373
Pupil Transportation	1,865,260	2,117,297	1,751,859	2,057,283
Central	464,060	484,652	454,518	475,652
Operation of Non-Instructional/Shared Services:				
Food Service Operations	921,605	1,075,164	(49,809)	142,310
Community Services	127,137	139,523	(12,933)	30,290
Extracurricular Activities	642,680	629,143	407,111	506,289
Debt Service:				
Interest and Fiscal Charges	2,269	3,153	2,269	3,153
<i>Total Expenses</i>	<u>\$ 24,561,015</u>	<u>\$ 25,379,729</u>	<u>\$ 17,417,571</u>	<u>\$ 19,342,837</u>

The comparative column in Table 3 was not updated to reflect the implementation of GASB 84. The total and net cost of services changes were primarily caused by the changes related to NPL/NOA/NOL, as previously discussed.

River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

The dependence upon general revenues for governmental activities is apparent. Over 71 percent of governmental activities are supported through taxes and other general revenues; such revenues are 72 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

Governmental Funds

The School District's major funds are accounted for using the modified accrual basis of accounting.

The general fund's net change in fund balance for fiscal year 2021 was an increase of \$889,343. The increase was the result of conservative spending as overall revenues decreased.

The fund balance of the food service fund increased by \$81,890 primarily as a result of increased operating grants as the School District offered free breakfast and lunches for all students during the COVID-19 pandemic.

The permanent improvement fund balance decreased \$239,350 during the fiscal year. This decrease can be attributed to increased pupil transportation expenditures for the purchase of new buses.

General Fund Budgeting Highlights

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

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

Original Budget Compared to Final Budget During the year the School District amended its original estimated revenues, primarily to increase property taxes and tuition and fees. The School District also amended its original budgeted appropriations to adjust for an increase in nearly all estimated appropriations. The most significant increases were in regular instruction and administration.

Final Budget Compared to Actual Results Actual revenues were lower than final estimated resources. The most significant variance was for tuition and fees. Actual expenditures were significantly lower than final budget appropriations as cost savings were recognized, primarily in regular and special instruction, pupils, administration, and pupil transportation.

There were no significant variances to discuss with other financing sources.

River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2021 balances compared with 2020.

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

	Governmental Activities	
	2021	2020
Land	\$ 404,917	\$ 404,917
Land Improvements	622,027	711,028
Buildings and Improvements	4,001,632	4,015,125
Furniture and Equipment	752,807	909,085
Vehicles	1,594,294	1,342,353
Construction in Progress	-	8,820
<i>Total</i>	\$ 7,375,677	\$ 7,391,328

See Note 7 for more information about the capital assets of the School District.

Debt

Table 5 summarizes debt outstanding. See Note 15 for additional details.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2021	2020
Capital Leases	\$ 110,127	\$ 133,631

Current Issues

The School District's cash fund balance remains strong financially at June 30, 2021; however, the five-year forecast projects significant deficit spending for fiscal year 2024. As the preceding information shows, the School District relies heavily on its local property taxpayers. The last operating levy renewed by the residents of the School District was in 2021.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due to Ohio House Bill 920 (passed in 1976). As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. The School District has been reduced to the minimum amount of millage required by the State of Ohio for funding; however, the School District does realize some gain from reappraisals for residential and

River View Local School District
Coshocton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

agricultural properties within the District. The tax base of the School District has become a major concern due to devaluation and closure of the Coal-Burning Power Plant located within the School District. The Power Plant was a major tax source for the School District. In October, 2017, the School District was notified of a significant reduction in Public Utility Tax Valuation due to a ruling on an impairment filed with the Ohio Department of Taxation with regard to the Power Plant. Then in October 2018, the Power Plant announced it would reduce operations in May 2019 and would close the Power Plant no later than May 2020. The School District estimates a loss of tax income from the closure to be \$2.2 million. The School District placed an income tax levy on the ballot in November 2019 and March 2020 to replace \$2 million of the loss revenue; however, both attempts were defeated. As a result, the Board has begun to reduce services to students through reduction in force as well as other instructional and service-related reductions.

The School District has also been affected by changes in the personal property tax structure (House Bill 66) and commercial business/property uncertainties. Managing and monitoring the finances of the School District has become increasingly more difficult with House Bill 66, mandates in gifted education, rising utility costs, increased special education services required for our students, unpredictable fuel prices, mandates related to College Credit Plus and increases in health insurance and property/liability/fleet insurance costs.

Also in March 2020, the District was affected by the national pandemic and continues to work through the challenges of educating students face to face as well as remotely. As noted previous, the School District is having to deal with these issues with less staff due to the reductions required from the closure of the Power Plant. The Federal Government has provided some additional funding to cover the cost of materials and equipment needed to safeguard students and staff from the pandemic virus in the interim, but the School District continue to monitor the future costs associated with the pandemic.

The River View Local School District could see a shift in its state share index due to the change in tax valuation. The School District is waiting on confirmation from Ohio Department of Education as to the impact of the tax loss on the state share index. In the interim, the School District will continue to monitor its financial outlook. The concern with the State Funding is that, to meet the educational requirements of the Court and the requirements of No Child Left Behind Act now referred to as Every Student Succeeds Act, the Federal and State mandates may require redistribution of state funding based upon each district's property wealth. This could have a significant impact on the School District. How the legislature plans to fund education programs during a weakened economy and pandemic remains a concern.

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Lee Jane Williamson, Treasurer of River View Local School District, 26496 SR 60 North, Warsaw, Ohio 43844 or lee.williamson@rvbears.org.

River View Local School District
Coshocton County, Ohio
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 8,123,770
Cash and Cash Equivalents in Segregated Accounts	1,508,047
Accounts Receivable	14,942
Intergovernmental Receivable	938,672
Taxes Receivable	8,591,834
Payments in Lieu of Taxes Receivable	70,097
Prepaid Items	16,321
Materials and Supplies Inventory	120,255
Inventory Held for Resale	13,544
Net OPEB Asset	1,294,925
Non-Depreciable Capital Assets	404,917
Depreciable Capital Assets, net	6,970,760
<i>Total Assets</i>	28,068,084
Deferred Outflows of Resources	
Pension	3,927,445
OPEB	625,680
<i>Total Deferred Outflows of Resources</i>	4,553,125
Liabilities	
Accounts Payable	129,781
Accrued Wages and Benefits	1,753,150
Accrued Vacation Payable	78,677
Intergovernmental Payable	334,637
Claims Payable	342,534
Matured Compensated Absences Payable	33,572
Long-Term Liabilities:	
Due Within One Year	119,792
Due In More Than One Year:	
Net Pension Liability	23,888,208
Net OPEB Liability	2,050,032
Other Amounts Due in More Than One Year	969,107
<i>Total Liabilities</i>	29,699,490
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	7,690,846
Payments in Lieu of Taxes	70,097
Pension	1,314,535
OPEB	2,965,081
<i>Total Deferred Inflows of Resources</i>	12,040,559
Net Position	
Net Investment in Capital Assets	7,265,550
Restricted for:	
Capital Outlay	657,679
Other Purposes	938,797
Unrestricted	(17,980,866)
<i>Total Net Position</i>	\$ (9,118,840)

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$ 10,581,318	\$ 1,520,615	\$ 1,062,385	\$ -	\$ (7,998,318)
Special	3,595,207	416,117	1,468,150	-	(1,710,940)
Vocational	224,950	-	53,947	-	(171,003)
Adult/Continuing	13,001	-	-	-	(13,001)
Student Intervention Services	946	-	-	-	(946)
Support Services:					
Pupils	1,100,804	385	670,105	-	(430,314)
Instructional Staff	503,540	18	116,379	-	(387,143)
Board of Education	99,293	-	-	-	(99,293)
Administration	1,846,550	-	251,861	-	(1,594,689)
Fiscal	676,880	-	-	-	(676,880)
Operation and Maintenance of Plant	1,895,515	29	113,457	-	(1,782,029)
Pupil Transportation	1,865,260	-	57,675	55,726	(1,751,859)
Central	464,060	-	9,542	-	(454,518)
Operation of Non-Instructional/Shared Services:					
Food Service Operations	921,605	32,477	938,937	-	49,809
Community Services	127,137	40	140,030	-	12,933
Extracurricular Activities	642,680	225,585	9,984	-	(407,111)
Debt Service:					
Interest and Fiscal Charges	2,269	-	-	-	(2,269)
Total	\$ 24,561,015	\$ 2,195,266	\$ 4,892,452	\$ 55,726	(17,417,571)

General Revenues

Property Taxes Levied for:	
General Purposes	8,387,351
Capital Outlay	417,863
Grants and Entitlements not Restricted to Specific Programs	8,626,658
Payments in Lieu of Taxes	158,700
Gain on Sale of Capital Assets	127,760
Insurance Recoveries	15,576
Investment Earnings	9,237
Miscellaneous	242,620
Total General Revenues	17,985,765
<i>Change in Net Position</i>	568,194
<i>Net Position Beginning of Year (Restated, See Note 2)</i>	(9,687,034)
<i>Net Position End of Year</i>	\$ (9,118,840)

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Balance Sheet
Governmental Funds
June 30, 2021

	General	Food Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 6,891,902	\$ 226,365	\$ 615,956	\$ 389,547	\$ 8,123,770
Accounts Receivable	14,942	-	-	-	14,942
Interfund Receivable	127,788	-	-	-	127,788
Intergovernmental Receivable	45,594	12,066	-	881,012	938,672
Taxes Receivable	8,192,916	-	398,918	-	8,591,834
Payments in Lieu of Taxes Receivable	70,097	-	-	-	70,097
Prepaid Items	16,321	-	-	-	16,321
Materials and Supplies Inventory	120,255	-	-	-	120,255
Inventory Held for Resale	-	13,544	-	-	13,544
<i>Total Assets</i>	<u>\$ 15,479,815</u>	<u>\$ 251,975</u>	<u>\$ 1,014,874</u>	<u>\$ 1,270,559</u>	<u>\$ 18,017,223</u>
Liabilities					
Accounts Payable	\$ 88,419	\$ 2,969	\$ -	\$ 38,393	\$ 129,781
Accrued Wages and Benefits	1,438,051	53,173	-	261,926	1,753,150
Intergovernmental Payable	267,835	13,797	-	53,005	334,637
Interfund Payable	-	-	-	127,788	127,788
Matured Compensated Absences Payable	33,572	-	-	-	33,572
<i>Total Liabilities</i>	<u>1,827,877</u>	<u>69,939</u>	<u>-</u>	<u>481,112</u>	<u>2,378,928</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	7,333,247	-	357,599	-	7,690,846
Payments in Lieu of Taxes	70,097	-	-	-	70,097
Unavailable Revenue	419,096	-	19,382	584,929	1,023,407
<i>Total Deferred Inflows of Resources</i>	<u>7,822,440</u>	<u>-</u>	<u>376,981</u>	<u>584,929</u>	<u>8,784,350</u>
Fund Balances					
Nonspendable	136,576	-	-	-	136,576
Restricted	-	182,036	637,893	269,635	1,089,564
Committed	32,269	-	-	-	32,269
Assigned	260,285	-	-	-	260,285
Unassigned	5,400,368	-	-	(65,117)	5,335,251
<i>Total Fund Balance</i>	<u>5,829,498</u>	<u>182,036</u>	<u>637,893</u>	<u>204,518</u>	<u>6,853,945</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 15,479,815</u>	<u>\$ 251,975</u>	<u>\$ 1,014,874</u>	<u>\$ 1,270,559</u>	<u>\$ 18,017,223</u>

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2021

Total Governmental Fund Balances		\$ 6,853,945
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		7,375,677
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	\$ 601,563	
Delinquent Property Taxes	<u>421,844</u>	1,023,407
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets, liabilities, deferred outflows/inflows of resources of the internal service fund are included in governmental activities in the statement of net position.		1,165,513
The net pension liability and net OPEB liability / asset are not due and payable in the current period, therefore, the liabilities, asset and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	1,294,925	
Deferred Outflows - Pension	3,927,445	
Deferred Outflows - OPEB	625,680	
Net Pension Liability	(23,888,208)	
Net OPEB Liability	(2,050,032)	
Deferred Inflows - Pension	(1,314,535)	
Deferred Inflows - OPEB	<u>(2,965,081)</u>	(24,369,806)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital Leases	(110,127)	
Accrued Vacation Leave Payable	(78,677)	
Compensated Absences	<u>(978,772)</u>	(1,167,576)
<i>Net Position of Governmental Activities</i>		<u>\$ (9,118,840)</u>

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General	Food Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Local Taxes	\$ 8,191,709	\$ -	\$ 407,486	\$ -	\$ 8,599,195
Intergovernmental	9,358,576	937,415	32,723	3,045,786	13,374,500
Investment Income	8,556	21	-	1,846	10,423
Tuition and Fees	1,925,455	-	-	-	1,925,455
Extracurricular Activities	56,833	-	-	169,195	226,028
Charges for Services	11,277	32,506	-	-	43,783
Contributions and Donations	28,372	1,419	-	9,149	38,940
Payments in Lieu of Taxes	158,700	-	-	-	158,700
Miscellaneous	227,333	7,850	6,575	862	242,620
<i>Total Revenues</i>	<u>19,966,811</u>	<u>979,211</u>	<u>446,784</u>	<u>3,226,838</u>	<u>24,619,644</u>
Expenditures					
Current:					
Instruction:					
Regular	9,067,346	-	-	1,105,268	10,172,614
Special	2,751,713	-	-	780,624	3,532,337
Vocational	205,642	-	-	3,110	208,752
Adult/Continuing	13,001	-	-	-	13,001
Support Services:					
Pupils	403,662	-	-	665,929	1,069,591
Instructional Staff	369,120	-	-	113,440	482,560
Board of Education	98,978	-	-	-	98,978
Administration	1,513,686	-	-	245,496	1,759,182
Fiscal	665,546	-	11,659	-	677,205
Operation and Maintenance of Plant	1,698,590	803	282,304	113,018	2,094,715
Pupil Transportation	1,594,691	-	473,754	4,006	2,072,451
Central	439,283	-	12,032	9,691	461,006
Operation of Non-Instructional/Shared Services:					
Food Service Operations	-	896,518	-	917	897,435
Community Services	-	-	-	118,994	118,994
Extracurricular Activities	261,338	-	-	209,193	470,531
Capital Outlay	-	-	18,820	-	18,820
Debt Service					
Principal Retirement	23,504	-	-	-	23,504
Interest and Fiscal Charges	2,269	-	-	-	2,269
<i>Total Expenditures</i>	<u>19,108,369</u>	<u>897,321</u>	<u>798,569</u>	<u>3,369,686</u>	<u>24,173,945</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>858,442</u>	<u>81,890</u>	<u>(351,785)</u>	<u>(142,848)</u>	<u>445,699</u>
Other Financing Sources					
Proceeds from Sale of Capital Assets	15,325	-	112,435	-	127,760
Insurance Recoveries	15,576	-	-	-	15,576
<i>Total Other Financing Sources</i>	<u>30,901</u>	<u>-</u>	<u>112,435</u>	<u>-</u>	<u>143,336</u>
<i>Net Change in Fund Balances</i>	889,343	81,890	(239,350)	(142,848)	589,035
<i>Fund Balances Beginning of Year, Restated (See Note 2)</i>	<u>4,940,155</u>	<u>100,146</u>	<u>877,243</u>	<u>347,366</u>	<u>6,264,910</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,829,498</u>	<u>\$ 182,036</u>	<u>\$ 637,893</u>	<u>\$ 204,518</u>	<u>\$ 6,853,945</u>

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021*

Net Change in Fund Balances - Total Governmental Funds	\$	589,035
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 841,284	
Current Year Depreciation	<u>(835,947)</u>	5,337
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(20,988)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	103,803	
Property Tax	<u>206,019</u>	309,822
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Capital Lease		23,504
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,666,979	
OPEB	<u>54,490</u>	1,721,469
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability or asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,373,120)	
OPEB	<u>162,618</u>	(2,210,502)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		189,476
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued Vacation Leave Payable	2,312	
Compensated Absences	<u>(41,271)</u>	<u>(38,959)</u>
<i>Change in Net Position of Governmental Activities</i>	<u>\$</u>	<u>568,194</u>

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 7,648,000	\$ 9,016,936	\$ 9,016,936	\$ -
Intergovernmental	8,952,072	9,494,865	9,513,318	18,453
Investment Income	100,600	100,600	23,997	(76,603)
Tuition and Fees	1,833,013	2,069,640	1,925,455	(144,185)
Extracurricular Activities	45,300	57,250	56,410	(840)
Charges for Services	30,000	30,000	11,277	(18,723)
Rent	430	430	-	(430)
Contributions and Donations	3,750	17,767	17,667	(100)
Payments in Lieu of Taxes	158,700	158,700	158,700	-
Miscellaneous	(15,621)	113,736	145,512	31,776
<i>Total Revenues</i>	<u>18,756,244</u>	<u>21,059,924</u>	<u>20,869,272</u>	<u>(190,652)</u>
Expenditures				
Current:				
Instruction:				
Regular	8,953,271	9,368,496	9,062,792	305,704
Special	2,923,631	2,913,266	2,785,136	128,130
Vocational	212,709	234,166	226,070	8,096
Adult/Continuing	13,083	13,021	12,981	40
Support Services:				
Pupils	534,118	575,584	400,485	175,099
Instructional Staff	397,666	449,985	372,721	77,264
Board of Education	91,941	143,971	138,617	5,354
Administration	1,417,057	2,229,198	1,485,924	743,274
Fiscal	647,775	703,713	665,939	37,774
Operation and Maintenance of Plant	1,759,674	1,888,594	1,819,169	69,425
Pupil Transportation	1,802,893	1,825,695	1,675,223	150,472
Central	385,014	455,723	436,980	18,743
Extracurricular Activities	276,454	308,737	281,796	26,941
Debt Service				
Principal Retirement	23,504	23,504	23,504	-
Interest and Fiscal Charges	2,269	2,269	2,269	-
<i>Total Expenditures</i>	<u>19,441,059</u>	<u>21,135,922</u>	<u>19,389,606</u>	<u>1,746,316</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(684,815)</u>	<u>(75,998)</u>	<u>1,479,666</u>	<u>1,555,664</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	5,000	15,032	15,325	293
Insurance Recoveries	5,000	15,576	15,576	-
Refund of Prior Year Expenditures	115,000	265,055	173,770	(91,285)
Refund of Prior Year Receipts	(1,811)	(93,131)	(1,846)	91,285
Advances In	-	-	71,882	71,882
Advances Out	-	-	(127,788)	(127,788)
<i>Total Other Financing Sources (Uses)</i>	<u>123,189</u>	<u>202,532</u>	<u>146,919</u>	<u>(55,613)</u>
<i>Net Change in Fund Balance</i>	(561,626)	126,534	1,626,585	1,500,051
<i>Fund Balance Beginning of Year</i>	4,618,822	4,618,822	4,618,822	-
<i>Prior Year Encumbrances Appropriated</i>	263,638	263,638	263,638	-
<i>Fund Balance End of Year</i>	<u>\$ 4,320,834</u>	<u>\$ 5,008,994</u>	<u>\$ 6,509,045</u>	<u>\$ 1,500,051</u>

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
Food Service Fund
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 588,240	\$ 773,170	\$ 840,762	\$ 67,592
Investment Income	1,000	1,000	21	(979)
Charges for Services	270,450	273,913	32,506	(241,407)
Contributions and Donations	1,200	2,619	1,419	(1,200)
Miscellaneous	20	20	1,072	1,052
<i>Total Revenues</i>	<u>860,910</u>	<u>1,050,722</u>	<u>875,780</u>	<u>(174,942)</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant	460	1,054	949	105
Operation of Non-Instructional/Shared Services:				
Food Service Operations	871,229	916,056	832,116	83,940
<i>Total Expenditures</i>	<u>871,689</u>	<u>917,110</u>	<u>833,065</u>	<u>84,045</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>(10,779)</u>	<u>133,612</u>	<u>42,715</u>	<u>(90,897)</u>
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	8,000	8,000	6,778	(1,222)
Refund of Prior Year Receipts	(45)	(455)	(455)	-
<i>Total Other Financing Sources (Uses)</i>	<u>7,955</u>	<u>7,545</u>	<u>6,323</u>	<u>(1,222)</u>
<i>Net Change in Fund Balance</i>	(2,824)	141,157	49,038	(92,119)
<i>Fund Balance Beginning of Year</i>	156,838	156,838	156,838	-
Prior Year Encumbrances Appropriated	1,167	1,167	1,167	-
<i>Fund Balance End of Year</i>	<u>\$ 155,181</u>	<u>\$ 299,162</u>	<u>\$ 207,043</u>	<u>\$ (92,119)</u>

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2021

	Governmental Activities
	Internal Service Fund
Assets	
<i>Current Assets:</i>	
Cash and Cash Equivalents in Segregated Accounts	\$ 1,508,047
<i>Total Current Assets</i>	1,508,047
<i>Current Liabilities:</i>	
Claims Payable	342,534
<i>Total Current Liabilities</i>	342,534
Net Position	
Unrestricted	1,165,513
<i>Total Net Position</i>	\$ 1,165,513

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2021

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Charges for Services	\$ 4,379,310
Other	20,894
<i>Total Operating Revenues</i>	<i>4,400,204</i>
Operating Expenses	
Purchased Services	744,900
Claims	3,466,509
<i>Total Operating Expenses</i>	<i>4,211,409</i>
<i>Operating Income</i>	<i>188,795</i>
Non-Operating Revenues	
Interest	681
<i>Total Non-Operating Revenues</i>	<i>681</i>
<i>Change in Net Position</i>	<i>189,476</i>
<i>Net Position Beginning of Year</i>	<i>976,037</i>
<i>Net Position End of Year</i>	<i>\$ 1,165,513</i>

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2021

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Interfund Services	\$ 4,379,310
Cash Received from Other Operating Receipts	20,894
Cash Payments to Employees for Services and Benefits	(744,900)
Cash Payments for Claims	(3,504,418)
<i>Net Cash Provided by Operating Activities</i>	150,886
Cash Flows from Investing Activities	
Interest	681
<i>Net Cash Provided by Investing Activities</i>	681
<i>Net Increase in Cash and Equivalents</i>	151,567
<i>Cash and Cash Equivalents Beginning of Year</i>	1,356,480
<i>Cash and Cash Equivalents End of Year</i>	\$ 1,508,047
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities	
Operating Income	\$ 188,795
Adjustments:	
(Decrease) in Liabilities:	
Claims Payable	(37,909)
<i>Net Cash Provided by Operating Activities</i>	\$ 150,886

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Investments	<u>\$ 311</u>
<i>Total Assets</i>	<u>311</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>311</u>
<i>Total Net Position</i>	<u><u>\$ 311</u></u>

See accompanying notes to the basic financial statements.

River View Local School District
Coshocton County, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021

	<u>Custodial</u>
<i>Net Position Beginning of Year, Restated (See Note 2)</i>	<u>311</u>
<i>Net Position End of Year</i>	<u>\$ 311</u>

See accompanying notes to the basic financial statements.

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River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 1 - NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The River View Local School District (the School District) was formed on January 8, 1962, with the consolidation of the Three Rivers Local, Union Local, and Warsaw Local School Districts. The combined high school, River View Local High School, was built in 1965, with the first class graduating in 1966.

The River View Local School District operates under a locally-elected five member board form of government and provides educational services as authorized and mandated by State and Federal agencies.

Reporting Entity

The reporting entity is required to be comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the 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 provides 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 for the organization. The School District does not have any component units.

The School District is involved with the Ohio Mid-Eastern Regional Educational Service Agency and the Coshocton County Career Center which are defined as jointly governed organizations. Additional information concerning these organizations is presented in Note 16 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses.

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

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

B. Fund Accounting

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

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

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

Food Service Fund – The food service fund accounts for purchase and sales transactions related to the food service operations of the School District.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Permanent Improvement Fund – The permanent improvement fund receives property taxes for acquisition, construction or improvement of capital facilities. The permanent improvement fund balance is available to the School District for transportation, technology and building maintenance.

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds - Proprietary funds focus on the determination of changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District's only proprietary fund is an internal service fund.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is a self insurance fund that accounts for prescription drug, dental and medical claims of School District employees.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The School District's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the School District as fiscal agent for athletic tournaments.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases, (i.e. revenues) and decreases (i.e. expenses) in total net position.

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

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of this fund are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its internal service fund.

The custodial fund is reported using the economic resources measurement focus and is excluded from the governmental activities. All assets and liabilities associated with the operation of this fund are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

D. Basis of Accounting

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

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

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 an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6.) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees, and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, grants and entitlements and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position. (See Notes 12 and 13).

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Budgetary Process

All funds, other than custodial 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 set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require resolution of the Board of Education. The Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

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

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

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

F. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, excluding the internal service fund, 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 investments” on the financial statements.

During fiscal year 2021, investments were limited to certificates of deposit and STAR Ohio. Investments in nonnegotiable certificates of deposit are reported at fair value which is based on quoted market prices.

During the year 2021, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the 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 \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

The School District has segregated bank accounts for monies held separate from the School District’s central bank account. This interest bearing depository account is presented as “cash and cash equivalents in segregated accounts” since they are not required to be deposited into the School District’s treasury.

Following Ohio statues, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to \$8,556, which includes \$2,615 assigned from other School District funds.

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 basic financial statements as “equity in pooled cash and investments.” Investments with an original maturity of more than three months that are not made from the pool are reported as “investments.”

G. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method, which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

H. Prepaids

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets

The School District’s only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date donated. The School District maintains a capitalization threshold of \$2,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset’s life are not.

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

Description	Estimated Lives
Land Improvements	5-20 Years
Buildings and Improvements	10-80 Years
Furniture and Equipment	5-20 Years
Vehicles	10 Years

J. Interfund Balances

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

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for employees after ten years of service based on historical trends.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the funds from which the employee will be paid.

L. Accrued Liabilities and Long-Term Obligations

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

M. Pensions and Other Postemployment Benefits (OPEB)

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

N. Interfund Activity

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

O. Net Position

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

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

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

P. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

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

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2021.

S. Estimates

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

T. Implementation of New Accounting Principles

For the fiscal year ended June 30, 2021, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*, certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the School District reviewed its funds for proper classification, and any fund reclassifications resulted in the restatement of the School District's financial statements (see below).

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the School District.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the School District.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the School District.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Restatement of Net Position/Fund Balances

The implementation of GASB 84 had the following effect on net position as reported June 30, 2020:

	Governmental Activities
Net Position, June 30, 2020	\$ (9,811,856)
GASB Statement No. 84	124,822
Restated Net Position, June 30, 2020	\$ (9,687,034)

The implementation of GASB 84 had the following effect on fund balance as reported June 30, 2020:

	General Fund	Other Governmental Funds
Fund Balance, June 30, 2020	\$ 4,924,271	\$ 238,428
GASB Statement No. 84	15,884	108,938
Restated Fund Balance, June 30, 2020	\$ 4,940,155	\$ 347,366

The implementation of GASB 84 had the following effect on fiduciary net position as reported June 30, 2020:

	Fiduciary Funds		
	Private Purpose		
	Trust	Agency	Custodial
Net Position, June 30, 2020	\$ 35,748	\$ -	\$ -
GASB Statement No. 84	(35,748)	-	311
Adjustments:			
Assets	-	(91,031)	-
Liabilities	-	91,031	-
Restated Net Position, June 30, 2020	\$ -	\$ -	\$ 311

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 3 – FUND DEFICITS

Fund balances at June 30, 2021 included the following individual fund deficits:

	Deficit
<i>Non-Major Governmental Funds:</i>	
Public School Preschool	\$ 1,343
ESSER	56,889
IDEA, Part B	2,616
Title I	4,180
IDEA Early Childhood Special Education	89
Total	\$ 65,117

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis), is presented on the budgetary basis for the general fund and food service fund. The major differences between the budget basis and GAAP basis are:

- 1) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- 2) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- 3) Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
- 4) Some funds are included in the general fund (GAAP), but have separate legally adopted budgets.

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

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Net Change in Fund Balance

	General	Food Service
GAAP Basis	\$ 889,343	\$ 81,890
Net Adjustment for Revenue Accruals	1,161,533	(96,653)
Net Adjustment for Expenditure Accruals	(128,950)	83,117
Funds Budgeted Elsewhere **	715	-
Adjustment for Encumbrances	(296,056)	(19,316)
Budget Basis	\$ 1,626,585	\$ 49,038

** As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies, public school support, custodial funds and underground storage tank funds.

NOTE 5 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet the demands on the treasury. Such 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 School District's Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those 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 or by savings or deposit accounts including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

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- 1) United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- 2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
- 4) Bonds and any other obligations of the State of Ohio;
- 5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
- 6) The State Treasurer's Investment Pool (STAR Ohio).
- 7) Certain banker's acceptance for a period not to exceed one-hundred-eighty days and commercial paper notes for a period not to exceed two-hundred-seventy days from the purchase date in any amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate 5 percent of interim moneys available for investment at the time of purchase; and
- 8) Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits - At year-end, the School District's bank balance of \$8,628,693 was either covered by FDIC or through the Ohio Pooled Collateral System.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

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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 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 required 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.

Investments

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

<u>Rating</u>	<u>Investment Type</u>	<u>Measurement Amount</u>	<u>Investment Maturity in Months</u>		<u>Percent of Total</u>
			<u>12 Months or Less</u>	<u>12 to 36 Months</u>	
	Net Asset Value (NAV):				
AAAm	STAR Ohio	\$ 627,282	\$ 627,282	\$ -	48.81%
	Fair Value:				
N/A	Negotiable Certificates of Deposit	657,888	348,795	309,093	51.19%
	Total	<u>\$ 1,285,170</u>	<u>\$ 976,077</u>	<u>\$ 309,093</u>	<u>100.00%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District’s recurring fair value measurements as of June 30, 2021. The School District’s investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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

Credit Risk. STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2021, is 54 days.

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

Concentration of Credit Risk. The School District places no limit on the amount that may be invested in any one issuer. The preceding table includes the percentage to total of each investment type held by the School District at June 30, 2021.

NOTE 6 – PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2021 represents 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 semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien 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 35 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 Coshocton, Licking, and Muskingum Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2021, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

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The assessed values upon which the fiscal year 2021 taxes were collected are:

	2020 Second-Half Collections		2021 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 344,272,497	82%	\$ 347,809,100	84%
Public Utility Personal Property	75,030,030	18%	65,684,070	16%
Total Assessed Value	\$ 419,302,527	100%	\$ 413,493,170	100%
 Tax rate per \$1,000 of assessed value	 \$ 31.30		 \$ 31.30	

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 404,917	\$ -	\$ -	\$ 404,917
Construction in Progress	8,820	274,358	(283,178)	-
Total Capital Assets Not Being Depreciated	413,737	274,358	(283,178)	404,917
Capital Assets Being Depreciated				
Land Improvement	1,496,142	-	(87,818)	1,408,324
Building and Improvements	13,617,319	310,220	(287,328)	13,640,211
Furniture and Equipment	4,621,737	16,404	(155,778)	4,482,363
Vehicles	3,633,227	523,480	(273,983)	3,882,724
Total Capital Assets, Being Depreciated	23,368,425	850,104	(804,907)	23,413,622
Less: Accumulated Depreciation				
Land Improvement	(785,114)	(89,001)	87,818	(786,297)
Building and Improvements	(9,602,194)	(320,800)	284,415	(9,638,579)
Furniture and Equipment	(3,712,652)	(162,826)	145,922	(3,729,556)
Vehicles	(2,290,874)	(263,320)	265,764	(2,288,430)
Total Accumulated Depreciation	(16,390,834)	(835,947) *	783,919	(16,442,862)
Total Capital Assets Being Depreciated, Net	6,977,591	14,157	(20,988)	6,970,760
Governmental Activities Capital Assets, Net	\$ 7,391,328	\$ 288,515	\$ (304,166)	\$ 7,375,677

*Depreciation expense was charged to governmental functions as follows:

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Instruction:	
Regular	\$ 170,485
Special	6,306
Vocational	9,482
Student Intervention	946
Support Services:	
Pupils	5,902
Instructional Staff	10,010
Board of Education	315
Administration	50,386
Fiscal	2,878
Operation and Maintenance of Plant	106,328
Pupil Transportation	264,708
Central	2,776
Operation of Non-Instructional Services:	
Food Service Operations	24,786
Community Service	11,543
Extracurricular Activities	169,096
Total Depreciation Expense	<u>\$ 835,947</u>

NOTE 8 – RECEIVABLES

Receivables at June 30, 2021, consisted of taxes, payments in lieu of taxes, interfund, accounts and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of the state programs, and the current fiscal year guarantee of federal funds.

NOTE 9 – INTERFUND ACTIVITY

Interfund balances at June 30, 2021, consist of the following:

	Interfund Receivable	Interfund Payable
General	\$ 127,788	\$ -
Non-Major Governmental Funds:		
Public School Preschool	-	2,767
ESSER	-	62,297
IDEA, Part B	-	12,074
Title I	-	50,650
Total	<u>\$ 127,788</u>	<u>\$ 127,788</u>

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

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NOTE 10 – RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2021, the School District has insurance with Markel Insurance Company.

Commercial property liability insurance carries a blanket limit of \$72,732,585 with a \$1,000 deductible. Business auto coverage provides a \$1,000,000 combined single limit liability for collision and comprehensive.

Professional and general liability is covered through Markel Insurance with a \$1,000,000 per occurrence limit, a \$2,000,000 per year aggregate.

The School District also has excess liability with a \$2,000,000 limit.

Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

B. Other Employee Benefits

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The School District has elected to provide dental, medical, and prescription drug coverage benefits through a self-insurance program. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a dental plan with a \$72 family and \$29 single premium, a medical plan with a \$1,822 family and \$651 single premium, and a four-tier prescription plan with a \$0 generic premium, \$10 upper generic, \$30 formulary, or 25 percent of the cost with a maximum of \$50 for the non-formulary premium. The monthly premium coverage for this prescription plan is \$206 family and \$85 single premium. The School District has negotiated with its employees to pay a portion of their medical insurance premiums. The School District is responsible for payment of all medical, prescription and dental claim amounts in excess of the employee payment percentages established in the Plan document. The Board also provides single vision coverage through VSP to all full-time employees, with a premium of \$10, and the option to purchase additional coverage. The premium for this plan is \$10 for spouse, \$12 for children and \$25 for family coverage.

The School District is a member of the Ohio PPO Connect network through AultCare with Aultra Administrative Group as the third party administrator.

The claims liability of \$342,534 reported in the internal service fund at June 30, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported. Changes in the fund's claims liability amount for 2020 and 2021 were:

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	Balance at Beginning of Year	Claims	Payments	Balance at End of Year
2020	\$ 449,349	\$ 3,942,970	\$ 4,011,876	\$ 380,443
2021	\$ 380,443	\$ 3,466,509	\$ 3,504,418	\$ 342,534

NOTE 11 – EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work 260 days per year earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 210 days. Upon retirement, payment is made for one-fourth of the total unused sick leave based on the number of credited service years. The maximum are as follows:

- Ten years of State service – a maximum of 173 days sick leave accumulation
- Ten years of service with River View – a maximum of 181 days sick leave accumulation
- Fifteen years of service with River View – a maximum of 200 days sick leave accumulation

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Epic Life Insurance Company in the amount of \$25,000 for certificated employees and \$20,000 for classified employees.

C. Retirement Incentive

In addition to severance benefits and STRS pension benefits, certified employees are offered a one-time retirement incentive of \$10,000 during the first year of eligibility for retirement. The employee has only one opportunity to accept or reject the bonus incentive opportunity. The certified employee must be able to retire by August 22 of the year of the request for benefit. If rejected in the initial year of opportunity, the employee does not have a second chance to select the bonus option. The benefit is paid in the next calendar year following the year of retirement.

NOTE 12 – DEFINED BENEFIT PENSION PLANS

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

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Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/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 plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension/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 this estimate annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions/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 all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). 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 pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

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Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 30 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 zero percent.

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 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2021.

The School District’s contractually required contribution to SERS was \$408,744 for fiscal year 2021. Of this amount, \$36,453 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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.

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The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased through 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. Eligibility changes for 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. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit plan unfunded liability. A member is eligible to receive a monthly retirement benefit at age 50 and termination of employment. The member may elect to receive 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 50 and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. 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. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2021 contribution rates were equal to the statutory maximum rates.

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The School District's contractually required contribution to STRS was \$1,258,235 for fiscal year 2021. Of this amount, \$221,976 is reported as an intergovernmental payable.

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

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 independent actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.09162660%	0.07367956%	
Prior Measurement Date	0.09478260%	0.07653087%	
Change in Proportionate Share	-0.00315600%	-0.00285131%	
Proportionate Share of the Net			
Pension Liability	\$ 6,060,376	\$ 17,827,832	\$ 23,888,208
Pension Expense	\$ 515,476	\$ 1,857,644	\$ 2,373,120

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

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At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 11,772	\$ 40,002	\$ 51,774
Net Difference between Projected and Actual Earnings on Pension Plan Investments	384,711	866,970	1,251,681
Changes of Assumptions	-	957,011	957,011
School District Contributions Subsequent to the Measurement Date	<u>408,744</u>	<u>1,258,235</u>	<u>1,666,979</u>
Total Deferred Outflows of Resources	<u><u>\$ 805,227</u></u>	<u><u>\$ 3,122,218</u></u>	<u><u>\$ 3,927,445</u></u>

Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 113,998	\$ 113,998
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	<u>173,808</u>	<u>1,026,729</u>	<u>1,200,537</u>
Total Deferred Inflows of Resources	<u><u>\$ 173,808</u></u>	<u><u>\$ 1,140,727</u></u>	<u><u>\$ 1,314,535</u></u>

\$1,666,979 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	\$ (129,872)	\$ 85,158	\$ (44,714)
2023	71,744	20,174	91,918
2024	160,354	347,301	507,655
2025	<u>120,449</u>	<u>270,623</u>	<u>391,072</u>
	<u><u>\$ 222,675</u></u>	<u><u>\$ 723,256</u></u>	<u><u>\$ 945,931</u></u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment 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.

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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. Future benefits for all current plan members were projected through 2130.

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:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
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 investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 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 investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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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	100.00 %	

Discount Rate Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. 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 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 School District’s proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the School District’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 8,301,976	\$ 6,060,376	\$ 4,179,632

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:

Inflation	2.50 percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
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	3.00 percent
Cost-of-Living Adjustments	0.00 percent

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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 Tables, 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.

The actuarial assumptions used in the July 1, 2020 valuation, were based on the results of the latest available actuarial experience study, which is 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:

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

*Ten 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 employer and member contributions will be made at statutory contribution rates of 14 percent each. 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 investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the School District's proportionate share of the net pension liability as of June 30, 2020, 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 assumption:

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	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 25,383,729	\$ 17,827,832	\$ 11,424,839

Social Security System

Effective July 1, 1991, all employees not otherwise covered by School Employees Retirement System or State Teachers Retirement System have an option to choose Social Security. The School District's liability is 6.2 percent of wages paid.

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability (asset).

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 Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions 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

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no employer shall pay a health care surcharge greater than 2.0 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 \$54,490, which is reported as an intergovernmental payable.

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

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 and OPEB expense:

Net OPEB Liability (1st table in postemployment note)

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.09432690%	0.07367956%	
Prior Measurement Date	0.09695470%	0.07653087%	
Change in Proportionate Share	<u>-0.00262780%</u>	<u>-0.00285131%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 2,050,032	\$ (1,294,917)	
OPEB Expense	\$ (26,054)	\$ (136,564)	\$ (162,618)

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 26,925	\$ 82,973	\$ 109,898
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	23,099	45,384	68,483
Changes of Assumptions	349,460	21,376	370,836
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	21,973	-	21,973
School District Contributions Subsequent to the Measurement Date	54,490	-	54,490
Total Deferred Outflows of Resources	<u>\$ 475,947</u>	<u>\$ 149,733</u>	<u>\$ 625,680</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 1,042,586	\$ 257,930	\$ 1,300,516
Changes of Assumptions	51,637	1,229,960	1,281,597
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	164,391	218,577	382,968
Total Deferred Inflows of Resources	<u>\$ 1,258,614</u>	<u>\$ 1,706,467</u>	<u>\$ 2,965,081</u>

\$54,490 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	\$ (166,715)	\$ (393,961)	\$ (560,676)
2023	(165,043)	(363,242)	(528,285)
2024	(165,314)	(352,466)	(517,780)
2025	(166,900)	(314,346)	(481,246)
2026	(128,549)	(69,485)	(198,034)
Thereafter	(44,636)	(63,234)	(107,870)
	<u>\$ (837,157)</u>	<u>\$ (1,556,734)</u>	<u>\$ (2,393,891)</u>

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Actuarial Assumptions - SERS

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

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

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

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

Inflation	3.00 percent
Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate	
Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.22 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	7.00 percent - 4.75 percent
Medicare	5.25 percent - 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 (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges

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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 time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	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 at June 30, 2019 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 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. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e., municipal bond rate).

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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

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	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 2,509,191	\$ 2,050,032	\$ 1,685,006

	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 1,614,246	\$ 2,050,032	\$ 2,632,795

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:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	<u>Initial</u>	<u>Ultimate</u>
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-6.69 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	11.87 percent	4.00 percent

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.

The actuarial assumptions used in the June 30, 2020 valuation were adopted by the board from the results of an actuarial experience study for 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:

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

*Ten 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 assumed STRS continues to allocate no employer contributions to the health care fund. Based on those 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 applied to all periods of projected benefit payments to determine 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 Rate 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 of June 30, 2020, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB (Asset)	\$ (1,126,662)	\$ (1,294,917)	\$ (1,437,675)

	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB (Asset)	\$ (1,428,814)	\$ (1,294,917)	\$ (1,131,811)

Benefit Term Changes since the Prior Measurement Date There were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 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.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 14 - LONG-TERM OBLIGATIONS

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

	Outstanding 6/30/2020	Additions	Reductions	Outstanding 6/30/2021	Due Within One Year
Governmental Activities					
<i>Net Pension and Net OPEB Liability</i>					
Pension	\$ 22,595,351	\$ 1,292,857	\$ -	\$ 23,888,208	\$ -
OPEB	2,438,207	-	(388,175)	2,050,032	-
<i>Total Net Pension and Net OPEB Liability</i>	<u>25,033,558</u>	<u>1,292,857</u>	<u>(388,175)</u>	<u>25,938,240</u>	<u>-</u>
<i>Other Long-Term Obligations</i>					
Compensated Absences	937,501	109,285	(68,014)	978,772	93,652
Capital Leases	133,631	-	(23,504)	110,127	26,140
<i>Total Other Long-Term Obligations</i>	<u>1,071,132</u>	<u>109,285</u>	<u>(91,518)</u>	<u>1,088,899</u>	<u>119,792</u>
<i>Total Governmental Activities</i>					
<i>Long-Term Obligations</i>	<u>\$ 26,104,690</u>	<u>\$ 1,402,142</u>	<u>\$ (479,693)</u>	<u>\$ 27,027,139</u>	<u>\$ 119,792</u>

The compensated absences will be paid from the general and food service funds. Capital leases will be paid from the general fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

NOTE 15 – CAPITAL LEASES

In prior years, the School District entered into a lease for the acquisition of copiers. This lease meets the criteria of a capital lease as it transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

A new lease was entered into with ComDoc during fiscal year 2020 for new copiers throughout the School District. The assets acquired by this lease have been capitalized in the amount of \$133,631, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation was \$40,089 as of June 30, 2021, leaving a current book value of \$93,542.

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

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

		Capital Leases
Fiscal Year Ending June 30,	2022	\$ 28,116
	2023	28,116
	2024	28,116
	2025	28,116
	2026	2,343
		114,807
Less: Amount Representing Interest		(4,680)
Present Value of Minimum Lease Payments		\$ 110,127

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

A. Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA)

The Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) is jointly governed organization created as a regional council of governments pursuant to State statues. OME-RESA provides financial accounting services, and educational management information system, cooperative purchased services and legal services to member districts. OME-RESA has eleven participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Jefferson, Monroe, Muskingum, Noble, and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one school district representative from each of the participating counties. The Jefferson County Educational Service Center office serves as the fiscal agent and receives funding from the State Department of Education. The continued existence of OME-RESA is not dependent on the School District’s continued participation and no equity interest exists. OME-RESA has no outstanding debt. The School District paid \$160,887 to OME-RESA during fiscal year 2021 for services. To obtain financial information write to the Treasurer, Ohio Mid-Eastern Regional Educational Service Agency, 2230 Sunset Boulevard, Suite 2, Steubenville, OH 43952.

B. Coshocton County Career Center

Coshocton County Career Center (Career Center) is a jointly governed organization providing vocational services to its three member school districts. The Career Center is governed by a five-member board of education of which two members are appointed by the River View Local School District, two members are appointed by the Coshocton City School District and one member is appointed by the Ridgewood Local School District. The board controls the financial activity of the Career Center. The Career Center receives no direct funding from the member school districts. The continued existence of the Career Center is not dependent on the School District’s continued participation and no equity interest exists. The School District paid \$2,610 to the Career Center in fiscal year 2021.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 17 – SET ASIDES

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 the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years.

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

	Capital Improvements
Set-aside Restricted Balance June 30, 2020	\$ -
Current Year Set-aside Requirement	342,811
Current Year Offsets	(474,482)
Totals	\$ (131,671)
Balance Carried Forward to Fiscal Year 2022	\$ -
Set-aside Restricted Balance June 30, 2021	\$ -

The School District had offset credits during the fiscal year that reduced the capital acquisition set-aside below zero. This amount may not be carried forward to reduce the set-aside requirement for future years.

NOTE 18 - CONTINGENCIES

A. 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2021, if applicable, cannot be determined at this time.

B. Litigation

The School District is not party to any claims or lawsuits that would, in the School District’s opinion, have a material effect of the basic financial statements.

C. School District Funding

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2021 have been finalized. The impact of the FTE adjustments resulted in an immaterial receivable to the School District.

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 19 – COMMITMENTS

Encumbrance Commitments

Outstanding encumbrances for governmental funds include \$213,060 for the general fund, \$25,873 in the permanent improvement fund, \$16,347 in the food service fund and \$46,467 in non-major governmental funds.

NOTE 20 – FUND BALANCE

Fund balance can be 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 governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

	General	Food Service	Permanent Improvement	Other Governmental Funds	Total
Nonspendable for:					
Materials and Supplies Inventory	\$ 120,255	\$ -	\$ -	\$ -	\$ 120,255
Prepaid Items	16,321	-	-	-	16,321
Total Nonspendable	<u>136,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,576</u>
Restricted for:					
Capital Outlay	-	-	637,893	404	638,297
Food Service	-	182,036	-	-	182,036
Extracurricular Activities	-	-	-	67,971	67,971
State Funded Programs	-	-	-	152,112	152,112
Federally Funded Programs	-	-	-	799	799
Other Purposes	-	-	-	48,349	48,349
Total Restricted	<u>-</u>	<u>182,036</u>	<u>637,893</u>	<u>269,635</u>	<u>1,089,564</u>
Committed for:					
Underground Storage Tank	11,000	-	-	-	11,000
Bus Reimbursement	21,269	-	-	-	21,269
Total Committed	<u>32,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,269</u>
Assigned for:					
Encumbrances:					
Instruction	20,445	-	-	-	20,445
Support Services	190,538	-	-	-	190,538
Extracurricular Activities	457	-	-	-	457
Other Purposes	48,845	-	-	-	48,845
Total Assigned	<u>260,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,285</u>
Unassigned	<u>5,400,368</u>	<u>-</u>	<u>-</u>	<u>(65,117)</u>	<u>5,335,251</u>
<i>Total Fund Balance</i>	<u>\$ 5,829,498</u>	<u>\$ 182,036</u>	<u>\$ 637,893</u>	<u>\$ 204,518</u>	<u>\$ 6,853,945</u>

River View Local School District
Coshocton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Stabilization Agreement - In addition to the fund balance constraints, the School District has a general fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the School District established a budget stabilization by resolution to accumulate currently available resources to stabilize budgets against cyclical changes in revenues and expenditures. The budget stabilization reserve is only an insulator against short-term economic changes and, because of the limitations imposed by the Ohio Revised Code, it could not reasonably protect an entity from long-term economic factors. The balance in the reserve at June 30, 2021 is \$312,165.

NOTE 21 – TAX ABATEMENTS

Under the authority of Ohio Revised Code Section 5709.63, the Board of County Commissioners, with the consent of the legislative authority of each affected Township and Municipal Corporation, may designate enterprise zones. An Enterprise Zone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. The local legislative authority, in conjunction with the Coshocton Port Authority negotiates the terms of the Enterprise Zone Agreement (the “Agreement”) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. Once the Department of Taxation approves the agreement, the amount of the abatement is deducted from the business’s property tax bill by removing the valuation from the taxable parcel and listing the associated assessed value on the exempt tax list. Coshocton County has jointly entered into agreements with the City of Coshocton to abate property taxes through this program.

The School District’s property taxes were reduced by \$36,014 in fiscal year 2021 under various Enterprise Zone tax abatement agreements entered into by Coshocton County and the City of Coshocton

NOTE 22 – COVID-19

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

NOTE 23 – SUBSEQUENT EVENTS

For fiscal year 2022, school district foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$1,757,395 in revenues and expenditures/expenses related to these programs. Also during fiscal year 2021, the school district reported \$1,273,933 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each school district. The School District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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River View Local School District
Coshocton County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Eight Fiscal Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>School Employees Retirement System (SERS)</i>				
School District's Proportion of the Net Pension Liability	0.09162660%	0.09478260%	0.10013300%	0.09826550%
School District's Proportionate Share of the Net Pension Liability	\$ 6,060,376	\$ 5,671,009	\$ 5,734,802	\$ 5,871,147
School District's Covered Payroll	\$ 3,160,857	\$ 3,377,859	\$ 3,274,511	\$ 3,360,207
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	191.73%	167.89%	175.13%	174.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%
<i>State Teachers Retirement System (STRS)</i>				
School District's Proportion of the Net Pension Liability	0.07367956%	0.07653087%	0.07703542%	0.08004287%
School District's Proportionate Share of the Net Pension Liability	\$ 17,827,832	\$ 16,924,342	\$ 16,938,359	\$ 19,014,355
School District's Covered Payroll	\$ 8,765,379	\$ 9,029,393	\$ 8,652,771	\$ 8,899,457
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	203.39%	187.44%	195.76%	213.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.31%	75.30%

(1) Information prior to 2014 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.10022290%	0.09467910%	0.09560700%	0.09560700%
\$ 7,335,392	\$ 5,402,481	\$ 4,838,616	\$ 5,685,441
\$ 3,130,164	\$ 3,259,810	\$ 3,396,162	\$ 2,523,056
234.35%	165.73%	142.47%	225.34%
62.98%	69.16%	71.70%	65.52%
0.08416038%	0.08160867%	0.08601254%	0.08601254%
\$ 28,171,016	\$ 22,554,249	\$ 20,921,226	\$ 24,921,228
\$ 8,572,064	\$ 8,483,471	\$ 9,400,569	\$ 9,462,246
328.64%	265.86%	222.55%	263.38%
66.80%	72.10%	74.70%	69.30%

See accompanying notes to the required supplementary information.

River View Local School District
Coshocton County, Ohio
Required Supplementary Information
Schedule of School District Contributions - Pension
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 408,744	\$ 442,520	\$ 456,011	\$ 442,059
Contributions in Relation to the Contractually Required Contribution	<u>(408,744)</u>	<u>(442,520)</u>	<u>(456,011)</u>	<u>(442,059)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 2,919,600	\$ 3,160,857	\$ 3,377,859	\$ 3,274,511
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.50%	13.50%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 1,258,235	\$ 1,227,153	\$ 1,264,115	\$ 1,211,388
Contributions in Relation to the Contractually Required Contribution	<u>(1,258,235)</u>	<u>(1,227,153)</u>	<u>(1,264,115)</u>	<u>(1,211,388)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 8,987,393	\$ 8,765,379	\$ 9,029,393	\$ 8,652,771
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 470,429	\$ 438,223	\$ 429,643	\$ 470,708	\$ 349,191	\$ 408,372
<u>(470,429)</u>	<u>(438,223)</u>	<u>(429,643)</u>	<u>(470,708)</u>	<u>(349,191)</u>	<u>(408,372)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,360,207	\$ 3,130,164	\$ 3,259,810	\$ 3,396,162	\$ 2,523,056	\$ 3,036,223
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
\$ 1,245,924	\$ 1,200,089	\$ 1,187,686	\$ 1,222,074	\$ 1,230,092	\$ 1,156,601
<u>(1,245,924)</u>	<u>(1,200,089)</u>	<u>(1,187,686)</u>	<u>(1,222,074)</u>	<u>(1,230,092)</u>	<u>(1,156,601)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 8,899,457	\$ 8,572,064	\$ 8,483,471	\$ 9,400,569	\$ 9,462,246	\$ 8,896,931
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

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River View Local School District
Coshocton County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability/(Asset)
Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
<i>School Employees Retirement System (SERS)</i>					
School District's Proportion of the Net OPEB Liability	0.0943269%	0.09695470%	0.10079350%	0.09950210%	0.10101234%
School District's Proportionate Share of the Net OPEB Liability	\$ 2,050,032	\$ 2,438,207	\$ 2,796,284	\$ 2,670,375	\$ 2,879,225
School District's Covered Payroll	\$ 3,160,857	\$ 3,377,859	\$ 3,274,511	\$ 3,360,207	\$ 3,130,164
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	64.86%	72.18%	85.40%	79.47%	91.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%
<i>State Teachers Retirement System (STRS)</i>					
School District's Proportion of the Net OPEB Liability/(Asset)	0.07367956%	0.07653087%	0.07703542%	0.08004287%	0.08416038%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (1,294,925)	\$ (1,267,537)	\$ (1,237,881)	\$ 3,122,977	\$ 4,500,919
School District's Covered Payroll	\$ 8,765,379	\$ 9,029,393	\$ 8,652,771	\$ 8,899,457	\$ 8,572,064
School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-14.77%	-14.04%	-14.31%	35.09%	52.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

River View Local School District
Coshocton County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - OPEB
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution (1)	\$ 54,490	\$ 57,032	\$ 75,229	\$ 67,311
Contributions in Relation to the Contractually Required Contribution	<u>(54,490)</u>	<u>(57,032)</u>	<u>(75,229)</u>	<u>(67,311)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 2,919,600	\$ 3,160,857	\$ 3,377,859	\$ 3,274,511
OPEB Contributions as a Percentage of Covered Payroll (1)	1.87%	1.80%	2.23%	2.06%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 8,987,393	\$ 8,765,379	\$ 9,029,393	\$ 8,652,771
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 53,238	\$ 48,742	\$ 73,580	\$ 52,008	\$ 51,289	\$ 46,458
<u>(53,238)</u>	<u>(48,742)</u>	<u>(73,580)</u>	<u>(52,008)</u>	<u>\$ (51,289)</u>	<u>\$ (46,458)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,360,207	\$ 3,130,164	\$ 3,259,810	\$ 3,396,162	\$ 2,523,056	\$ 3,036,223
1.58%	1.56%	2.26%	1.53%	2.03%	1.53%
\$ 0	\$ 0	\$ 0	\$ 94,006	\$ 94,622	\$ 88,969
<u>0</u>	<u>0</u>	<u>0</u>	<u>(94,006)</u>	<u>(94,622)</u>	<u>(88,969)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 8,899,457	\$ 8,572,064	\$ 8,483,471	\$ 9,400,569	\$ 9,462,246	\$ 8,896,931
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information.

River View Local School District
Coshocton County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions - SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3.0 percent was used.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to 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 was updated to 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.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated 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.

Changes in Benefit Terms - SERS

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

For fiscal year 2018, 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 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

River View Local School District
Coshocton County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare

Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare

Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Assumptions – STRS

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -4.93 percent to 9.62 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

River View Local School District
Coshocton County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Benefit Terms – STRS

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 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.

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 percent to 1.984 percent 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 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

**RIVER VIEW LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>(Passed Through Ohio Department of Education)</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Program):			
National School Lunch Program (NSLP)	10.555	N/A	92,874
Cash Assistance:			
School Breakfast Program (SBP)	10.553	N/A	241,567
COVID 19 School Breakfast Program (SBP)	10.553	N/A	22,620
National School Lunch Program (NSLP)	10.555	N/A	514,560
COVID 19 National School Lunch Program (NSLP)	10.555	N/A	56,893
Total Child Nutrition Cluster			<u>928,514</u>
Total U.S. Department of Agriculture			928,514
<u>U.S. DEPARTMENT OF TREASURY</u>			
<i>(Passed Through Ohio Department of Education)</i>			
COVID Relief Funds:			
COVID-19 BroadbandOhio Connectivity	21.019	N/A	10,380
COVID-19 CRF-Rural & Small Town SD	21.019	N/A	137,681
Total COVID Relief Funds			<u>148,061</u>
Total U.S. Department of Treasury			148,061
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>(Passed Through Ohio Department of Education)</i>			
Title I Grants to Local Educational Agencies:			
Title I Grants to Local Educational Agencies	84.010	S010A190035	92,461
Title I Grants to Local Educational Agencies	84.010	S010A200035	545,497
Expanding Opportunities for Each Child (EOEC)	84.010	S010A200035	10,321
Total Title I Grants to Local Educational Agencies:			<u>648,279</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)	84.027	H027A190111	49,406
Special Education - Grants to States (IDEA, Part B)	84.027	H027A200111	380,918
6B IDEA Restoration Grant	84.027	H027A180111	25
6B IDEA Restoration Grant	84.027	H027A180111	439
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A190119	1,298
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A200119	7,140
Total Special Education Cluster (IDEA)			<u>439,226</u>
Supporting Effective Instruction State Grants:			
Supporting Effective Instruction State Grants	84.367	S367A190034	12,277
Supporting Effective Instruction State Grants	84.367	S367A200034	72,035
Total Supporting Effective Instruction State Grants			<u>84,312</u>
Student Support and Academic Enrichment - Title IV-A:			
Student Support and Academic Enrichment - Title IV-A	84.424	S424A190036	1,628
Student Support and Academic Enrichment - Title IV-A	84.424	S424A200036	21,132
Total Student Support and Academic Enrichment - Title IV-A			<u>22,760</u>
COVID-19 Education Stabilization Fund:			
COVID-19 ESSER I (Cares Act)	84.425D	S425D200035	454,326
COVID-19 ESSER II (Cares Act)	84.425D	S425D210035	54,869
Total COVID-19 Education Stabilization Fund			<u>509,195</u>
Total U.S. Department of Education			<u>1,703,772</u>
Total Expenditures of Federal Awards			<u>\$2,780,347</u>

The accompanying notes are an integral part of this schedule.

**RIVER VIEW LOCAL SCHOOL DISTRICT
COSHOCKTON COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

The 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 E – 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 benefitted from the use of those donated food commodities.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

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

<u>Program Title</u>	<u>AL Number</u>	<u>Amt. Transferred</u>
Title I - Expanding Opportunities	84.010	\$1,937
Title I Grants to Local Educational Agencies	84.010	<u>\$286,626</u>
		\$288,563
Special Education Cluster		
Special Education - Grants to States	84.027	\$53,333
Early Childhood Special Education	84.173	<u>\$2,966</u>
Total Special Education Cluster		\$56,299
Supporting Effective Instruction State Grants	84.367	\$82,438
Student Support and Academic Enrichment	84.424	\$95,202

OHIO AUDITOR OF STATE KEITH FABER



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

River View Local School District
Coshocton County
26496 State Route 60 N
Warsaw, Ohio 43844

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the River View Local School District, Coshocton County, Ohio (the School District), 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 August 9, 2022, wherein we noted the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the School District.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the 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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

August 9, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

River View Local School District
Coshocton County
26496 State Route 60 N
Warsaw, Ohio 43844

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited River View Local School District's, Coshocton County, Ohio (the School District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect River View Local School District's major federal program 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 program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Keith Faber
Auditor of State
Columbus, Ohio

August 9, 2022

**RIVER VIEW LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster; AL #10.553 and 10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



RIVER VIEW LOCAL SCHOOL DISTRICT

COSHOCTON 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 8/23/2022

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