



OHIO AUDITOR OF STATE
KEITH FABER



**ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY
JUNE 30, 2021**

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**ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY
JUNE 30, 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ross Local School District
Butler County
3371 Hamilton Cleves Road
Ross, Ohio 45013

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 Ross Local School District, Butler 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 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 Note 21 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 this matter. Also, as discussed in Note 20 to the financial statements, during 2021, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. 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, required budgetary comparison schedule* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

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 September 12, 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
September 12, 2022

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

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

Financial Highlights

Key financial highlights for 2021 are as follows:

- Net Position of governmental activities decreased \$2,419,679 which represents a 18% decrease from 2020.
- General revenues accounted for \$28,707,186 in revenue or 85% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,169,526 or 15% of total revenues of \$33,876,712.
- The District had \$36,296,391 in expenses related to governmental activities; \$5,169,526 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$28,707,186 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows of resources, and 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.

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

These two statements report the District's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented as Governmental Activities. The District's programs and services include instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds are presented in the Fund Financial Statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The District as a Whole

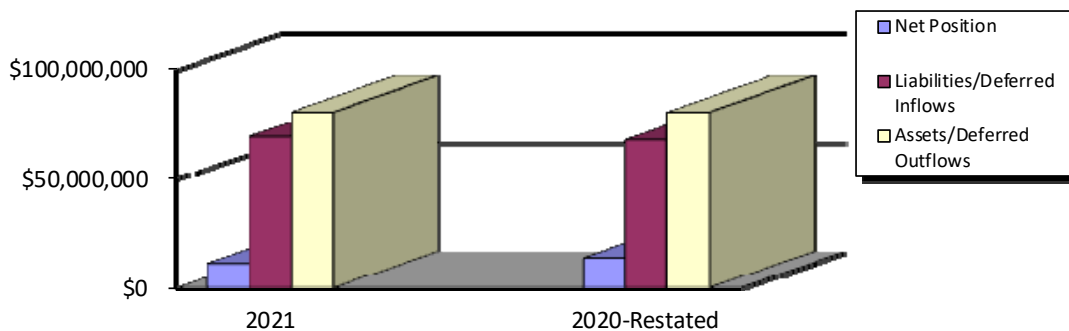
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2021 compared to 2020:

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Ross Local School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2021	2020-Restated
Assets:		
Current and Other Assets	\$21,700,165	\$23,303,565
Net OPEB Asset	1,913,220	1,763,004
Capital Assets	48,252,291	47,929,566
Total Assets	71,865,676	72,996,135
Deferred Outflows of Resources:		
Deferred Charge on Refunding	117,974	147,469
OPEB	1,188,170	1,008,534
Pension	7,082,085	7,161,802
Total Deferred Outflows of Resources	8,388,229	8,317,805
Liabilities:		
Other Liabilities	3,814,486	3,083,713
Long-Term Liabilities	49,905,921	47,978,448
Total Liabilities	53,720,407	51,062,161
Deferred Inflows of Resources:		
Property Taxes	11,049,518	11,895,705
Revenue in Lieu of Taxes	378,009	331,715
OPEB	3,619,511	2,980,885
Pension	207,097	1,344,432
Total Deferred Inflows of Resources	15,254,135	16,552,737
Net Position:		
Net Investment in Capital Assets	36,635,919	35,072,596
Restricted	2,491,208	3,634,229
Unrestricted	(27,847,764)	(25,007,783)
Total Net Position, restated	\$11,279,363	\$13,699,042



Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2021, the District’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,279,363.

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

At year-end, capital assets represented 67% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2021, was \$36,635,919. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$2,491,208 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets increased mainly due to current year additions exceeding current year depreciation expense. Long-Term Liabilities increased mainly due to an increase in Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2021 and 2020.

Table 2
Changes in Net Position

	Governmental Activities	
	2021	2020-Restated
Revenues:		
Program Revenues		
Charges for Services	\$1,555,849	\$1,540,047
Operating Grants, Contributions	3,613,677	2,736,502
General Revenues:		
Income Taxes	5,578,879	3,992,682
Property Taxes	10,991,155	10,434,768
Grants and Entitlements	11,168,697	10,750,197
Other	968,455	1,112,180
Total Revenues	<u>33,876,712</u>	<u>30,566,376</u>
Program Expenses:		
Instruction	21,362,079	21,087,836
Support Services:		
Pupil and Instructional Staff	2,898,234	2,410,671
School Administrative, General Administration, and Fiscal Operations and Maintenance	3,506,989	3,731,423
Pupil Transportation	3,464,541	3,689,031
Central	1,975,402	2,382,024
Operation of Non-Instructional Services	8,913	38,812
Extracurricular Activities	1,575,413	1,176,461
Interest and Fiscal Charges	1,228,745	1,138,850
	<u>276,075</u>	<u>376,756</u>
Total Program Expenses	<u>36,296,391</u>	<u>36,031,864</u>
Change in Net Position	(2,419,679)	(5,465,488)
Net Position - Beginning of Year, restated	<u>13,699,042</u>	<u>19,164,530</u>
Net Position - End of Year	<u>\$11,279,363</u>	<u>\$13,699,042</u>

Ross Local School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

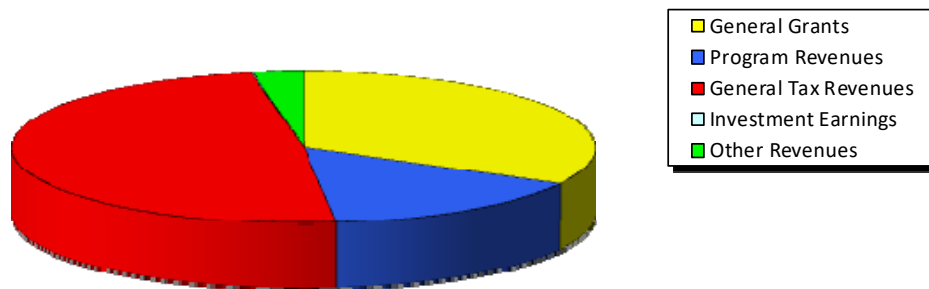
The District revenues are mainly from two sources. Property taxes levied for general, debt service, and capital project purposes and grants and entitlements comprised 65% of the District’s revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. 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 were 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.

Thus, Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 32% of revenue for governmental activities for the District in fiscal year 2021.

The District’s reliance upon tax revenues is demonstrated in the following graph:

Revenue Sources	2021	Percent of Total
General Grants	\$11,168,697	33.0%
Program Revenues	5,169,526	15.2%
General Tax Revenues	16,570,034	48.9%
Investment Earnings	26,083	0.1%
Other Revenues	942,372	2.8%
Total Revenue Sources	\$33,876,712	100.0%



Total expenses increased mainly due to changes related to net pension liability and other post employment benefits liability.

Instruction comprises 59% of governmental program expenses. Support services expenses were 33% of governmental program expenses. All other expenses including interest expense were 8%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

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.

Ross Local School District, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020-Restated	2021	2020-Restated
Instruction	\$21,362,079	\$21,087,836	(\$18,739,841)	(\$18,701,636)
Support Services:				
Pupil and Instructional Staff	2,898,234	2,410,671	(2,275,359)	(2,205,464)
School Administrative, General				
Administration and Fiscal	3,506,989	3,731,423	(3,491,807)	(3,712,172)
Operations and Maintenance	3,464,541	3,689,031	(3,389,616)	(3,546,564)
Pupil Transportation	1,975,402	2,382,024	(1,960,007)	(2,359,896)
Central	8,913	38,812	(6,868)	(38,812)
Operation of Non-Instructional Services	1,575,413	1,176,461	(205,034)	(53,432)
Extracurricular Activities	1,228,745	1,138,850	(782,258)	(760,583)
Interest and Fiscal Charges	276,075	376,756	(276,075)	(376,756)
Total Expenses	<u>\$36,296,391</u>	<u>\$36,031,864</u>	<u>(\$31,126,865)</u>	<u>(\$31,755,315)</u>

The District’s Funds

The District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of these funds comprised \$19,425,133 (86%) of the total \$22,637,957 governmental funds’ assets.

General Fund: Fund balance at June 30, 2021 was \$3,783,706, an increase in fund balance of \$140,843 from 2020. The fund balance increased due to revenues exceeding expenditures during the year.

Debt Service Fund: Fund balance at June 30, 2021 was \$1,450,814, an increase in fund balance of \$118,343 from 2020. The primary reason for the increase in fund balance was due to revenues exceeding expenditures during the year.

General Fund Budgeting Highlights

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

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

For the General Fund, the original budget basis revenue was \$28,813,900, compared to final budget estimates of \$31,711,816. The difference between the original budget basis and final budget was \$2,897,916.

The District’s ending unobligated cash balance was \$2,861,027.

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

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the District had \$48,252,291 invested in land, land improvements, construction in progress, buildings and improvements, equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to fiscal year 2020:

Table 4
Capital Assets, Net of Depreciation

	Governmental Activities	
	2021	2020
Land	\$1,262,525	\$1,262,525
Construction in Progress	1,515,341	0
Land Improvements	302,174	361,700
Building and Improvements	44,086,610	45,097,429
Equipment	449,504	452,148
Vehicles	636,137	755,764
Total Net Capital Assets	<u>\$48,252,291</u>	<u>\$47,929,566</u>

Capital Assets decreased mainly due to current year depreciation expense and disposals exceeding current year additions. See Note 8 to the basic financial statements for further details on the District's capital assets.

Debt

At June 30, 2021, the District had \$11,734,346 in debt outstanding and \$1,260,000 due within one year. Table 5 summarizes outstanding debt at year end.

Table 5
Outstanding Debt

	Governmental Activities	
	2021	2020
Governmental Activities:		
General Obligation Bonds:		
2012 Refunding:		
Current Interest	\$3,480,000	\$4,555,000
2016 Refunding:		
Current Interest	7,785,000	7,905,000
Premiums	469,346	544,439
Total Bonds	<u>11,734,346</u>	<u>13,004,439</u>
Long-Term Debt	<u>\$11,734,346</u>	<u>\$13,004,439</u>

See Note 9 to the basic financial statements for further details on the District's outstanding debt.

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

For the Future

On July 18, 2019, Ohio Governor Mike DeWine signed Am. Sub. H.B. 166 ("HB 166"), which is the budget for the 2020-2021 biennium and provides the funding formula to Ohio schools.

Under HB 166, similar to the current formula, the State Department of Education will compute and pay to each school district education aid based on per pupil funding (calculated to be \$6,020 in Fiscal Years 2020 and 2021) multiplied by each school district's "state share index," which uses a three year average of property valuation per pupil and median income of that school district to calculate the percentage of the per-pupil amount that is to be paid by the State and the amount assumed to be contributed by the school district through local sources. Additional funds are provided for students with exceptional needs, including those with special needs and the disabled, English learners, and for economically disadvantaged and gifted students. Funding is also provided based on the number of K-3 students at each school district to be used to help school districts comply with Ohio's 3rd grade reading guarantee. HB 166 also provides for the payment to certain districts of capacity aid funds, graduation bonuses and third-grade reading bonuses. HB 166 also continues the payment of tangible personal property "replacement payments" to districts.

House Bill No. 305 ("HB 305") was introduced in the State legislature on June 26, 2019 and would enact a new school funding formula, referred to as the Cupp/Patterson school funding proposal. This proposed funding formula may differ significantly from the current funding formula, when and if enacted. Whether, when and in what form HB 305 or any other legislation altering the school funding formula may be enacted by the Ohio General Assembly cannot be predicted.

All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office at the Ross Local School District, 3771 Hamilton Cleves Road, Hamilton, Ohio 45013.

Ross Local School District, Ohio
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$6,793,536
Restricted Cash and Investments	333,749
Receivables (Net):	
Taxes	13,675,171
Interest	13,959
Intergovernmental	845,580
Prepaid Items	31,224
Inventory	6,946
Net OPEB Asset	1,913,220
Nondepreciable Capital Assets	2,777,866
Depreciable Capital Assets, Net	<u>45,474,425</u>
 Total Assets	 <u>71,865,676</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding	117,974
Pension	7,082,085
OPEB	<u>1,188,170</u>
 Total Deferred Outflows of Resources	 <u>8,388,229</u>
Liabilities:	
Accounts Payable	87,297
Accrued Wages and Benefits	2,907,621
Contracts Payable	784,867
Retainage Payable	8,753
Accrued Interest Payable	25,948
Long-Term Liabilities:	
Due Within One Year	1,539,823
Due In More Than One Year	
Net Pension Liability	34,195,376
Net OPEB Liability	2,662,606
Other Amounts	<u>11,508,116</u>
 Total Liabilities	 <u>53,720,407</u>
Deferred Inflows of Resources:	
Property Taxes	11,049,518
Revenue In Lieu of Taxes	378,009
Pension	207,097
OPEB	<u>3,619,511</u>
 Total Deferred Inflows of Resources	 <u>15,254,135</u>
Net Position:	
Net Investment in Capital Assets	36,635,919
Restricted for:	
Debt Service	1,454,150
Locally Funded Programs	29,090
Classroom Facilities Maintenance	300,114
Student Activities	198,106
State Funded Programs	249,649
Federally Funded Programs	84,506
Scholarships	175,593
Unrestricted	<u>(27,847,764)</u>
 Total Net Position	 <u>\$11,279,363</u>

See accompanying notes to the basic financial statements.

Ross Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$17,144,368	\$717,612	\$161,076	(\$16,265,680)
Special	3,613,468	234,202	1,493,612	(1,885,654)
Vocational	0	0	6,795	6,795
Other	604,243	8,941	0	(595,302)
Support Services:				
Pupil	2,501,020	0	423,332	(2,077,688)
Instructional Staff	397,214	0	199,543	(197,671)
General Administration	37,056	0	0	(37,056)
School Administration	2,700,050	0	782	(2,699,268)
Fiscal	769,883	0	14,400	(755,483)
Operations and Maintenance	3,464,541	19,766	55,159	(3,389,616)
Pupil Transportation	1,975,402	0	15,395	(1,960,007)
Central	8,913	0	2,045	(6,868)
Operation of Non-Instructional Services	1,575,413	128,841	1,241,538	(205,034)
Extracurricular Activities	1,228,745	446,487	0	(782,258)
Interest and Fiscal Charges	276,075	0	0	(276,075)
Totals	\$36,296,391	\$1,555,849	\$3,613,677	(31,126,865)

General Revenues:	
Income Taxes	5,578,879
Property Taxes Levied for:	
General Purposes	8,731,441
Debt Service Purposes	1,444,602
Capital Projects Purposes	815,112
Grants and Entitlements, Not Restricted	11,168,697
Revenue in Lieu of Taxes	378,009
Unrestricted Contributions	84,197
Investment Earnings	26,083
Other Revenues	480,166
Total General Revenues	28,707,186
Change in Net Position	(2,419,679)
Net Position - Beginning of Year, Restated	13,699,042
Net Position - End of Year	\$11,279,363

See accompanying notes to the basic financial statements.

Ross Local School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2021

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$3,356,287	\$1,436,009	\$2,001,240	\$6,793,536
Restricted Cash and Investments	324,996	0	8,753	333,749
Receivables (Net):				
Taxes	11,428,065	1,520,792	726,314	13,675,171
Interest	13,959	0	0	13,959
Intergovernmental	378,009	0	467,571	845,580
Interfund	937,792	0	0	937,792
Prepaid Items	29,224	0	2,000	31,224
Inventory	0	0	6,946	6,946
Total Assets	16,468,332	2,956,801	3,212,824	22,637,957
Liabilities:				
Accounts Payable	12,570	0	74,727	87,297
Accrued Wages and Benefits	2,706,027	0	201,594	2,907,621
Compensated Absences	71,414	0	0	71,414
Contracts Payable	0	0	784,867	784,867
Retainage Payable	0	0	8,753	8,753
Interfund Payable	0	0	937,792	937,792
Total Liabilities	2,790,011	0	2,007,733	4,797,744
Deferred Inflows of Resources:				
Property Taxes	9,112,139	1,505,987	714,832	11,332,958
Income Taxes	393,160	0	0	393,160
Grants and Other Taxes	378,009	0	234,938	612,947
Investment Earnings	11,307	0	0	11,307
Total Deferred Inflows of Resources	9,894,615	1,505,987	949,770	12,350,372
Fund Balances:				
Nonspendable	66,804	0	2,000	68,804
Restricted	0	1,450,814	1,246,019	2,696,833
Assigned	1,071,731	0	0	1,071,731
Unassigned	2,645,171	0	(992,698)	1,652,473
Total Fund Balances	3,783,706	1,450,814	255,321	5,489,841
Total Liabilities, Deferred Inflows and Fund Balances	\$16,468,332	\$2,956,801	\$3,212,824	\$22,637,957

See accompanying notes to the basic financial statements.

Ross Local School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2021

Total Governmental Fund Balance		\$5,489,841
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		48,252,291
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Income Taxes	393,160	
Delinquent Property Taxes	283,440	
Interest	11,307	
Intergovernmental	234,938	
		922,845
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(25,948)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(1,242,179)
Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.		
		117,974
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	7,082,085	
Deferred inflows of resources related to pensions	(207,097)	
Deferred outflows of resources related to OPEB	1,188,170	
Deferred inflows of resources related to OPEB	(3,619,511)	
		4,443,647
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	1,913,220	
Net Pension Liability	(34,195,376)	
Net OPEB Liability	(2,662,606)	
Other Amounts	(11,734,346)	
		(46,679,108)
Net Position of Governmental Activities		<u>\$11,279,363</u>

See accompanying notes to the basic financial statements.

Ross Local School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$8,756,889	\$1,450,235	\$798,632	\$11,005,756
Income Taxes	5,417,161	0	168,209	5,585,370
Tuition and Fees	947,654	0	0	947,654
Investment Earnings	29,508	0	743	30,251
Intergovernmental	11,775,418	198,094	2,748,953	14,722,465
Extracurricular Activities	107,563	0	343,083	450,646
Charges for Services	8,941	0	131,876	140,817
Revenue in Lieu of Taxes	378,009	0	0	378,009
Other Revenues	394,592	0	102,571	497,163
Total Revenues	27,815,735	1,648,329	4,294,067	33,758,131
Expenditures:				
Current:				
Instruction:				
Regular	14,382,222	0	262,477	14,644,699
Special	2,629,969	0	762,741	3,392,710
Other	603,772	0	0	603,772
Support Services:				
Pupil	1,748,831	0	653,564	2,402,395
Instructional Staff	335,513	0	0	335,513
General Administration	35,465	0	0	35,465
School Administration	2,416,188	10	7,943	2,424,141
Fiscal	697,481	11,063	38,628	747,172
Operations and Maintenance	2,506,928	0	457,865	2,964,793
Pupil Transportation	1,668,419	0	66,300	1,734,719
Central	6,691	0	2,154	8,845
Operation of Non-Instructional Services	171	0	1,518,889	1,519,060
Extracurricular Activities	687,670	0	441,980	1,129,650
Capital Outlay	150	0	2,016,933	2,017,083
Debt Service:				
Principal Retirement	0	1,195,000	0	1,195,000
Interest and Fiscal Charges	0	323,913	0	323,913
Total Expenditures	27,719,470	1,529,986	6,229,474	35,478,930
Excess of Revenues Over (Under) Expenditures	96,265	118,343	(1,935,407)	(1,720,799)
Other Financing Sources (Uses):				
Transfers In	44,578	0	0	44,578
Transfers (Out)	0	0	(44,578)	(44,578)
Total Other Financing Sources (Uses)	44,578	0	(44,578)	0
Net Change in Fund Balance	140,843	118,343	(1,979,985)	(1,720,799)
Fund Balance - Beginning of Year, Restated	3,642,863	1,332,471	2,235,306	7,210,640
Fund Balance - End of Year	\$3,783,706	\$1,450,814	\$255,321	\$5,489,841

See accompanying notes to the basic financial statements.

Ross Local School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balance - Total Governmental Funds (\$1,720,799)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	2,362,795	
Depreciation Expense	<u>(2,040,070)</u>	322,725

Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employer contributions are reported as pension and OPEB expense.

Pension Contributions	2,534,813	
Pension Expense	(4,963,225)	
OPEB Contributions	80,709	
OPEB Expense	<u>21,683</u>	(2,326,020)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income Taxes	(6,491)	
Delinquent Property Taxes	(14,601)	
Interest	(4,168)	
Intergovernmental	<u>143,841</u>	118,581

Repayment of bond principal, current refundings and the deferred charges and premiums associated with the old bonds are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,195,000

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 2,240

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.

Compensated Absences	(57,004)	
Amortization of Bond Premium	75,093	
Amortization of Deferred Charge on Refunding	<u>(29,495)</u>	(11,406)

Change in Net Position of Governmental Activities (\$2,419,679)

See accompanying notes to the basic financial statements.

Ross Local School District, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2021

	<u>Custodial</u>
Additions:	
Extracurricular Collections for OHSAA	<u>\$9,747</u>
Total Additions	<u>9,747</u>
Deductions:	
Extracurricular Distributions to OHSAA	<u>9,747</u>
Total Deductions	<u>9,747</u>
Change in Net Position	0
Net Position - Beginning of Year, Restated	<u>0</u>
Net Position - End of Year	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies

Description of the School District

The Ross Local School District (the "School District") is organized under Sections 2 and 3, Article VI, of the Constitution of the State of Ohio and Chapters 3311 and 3315 of the Ohio Revised Code. Under existing statutes, the Ross Local Board of Education, on behalf of the School District, has the authority to acquire, maintain and dispose of school property; develop and adopt school programs; and establish, organize and operate schools.

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

Reporting Entity

The financial reporting entity is composed of the School District (primary government). The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. Potential component units were reviewed for possible inclusion in the financial statements. Component units are legally separate organizations for which the School District would be financially accountable. The School District would be financially accountable for an organization if the School District appointed a voting majority of the organization's governing board and (1) the School District was able to significantly influence the programs or services performed or provided by the organization; or (2) the School District was legally entitled to or can otherwise access the organization's resources; the School District was legally obligated or had otherwise assumed the responsibility to finance the deficits of or provided financial support to, the organization; or the School District was 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. There were no component units included in the reporting entity.

The School District participates in two jointly governed organizations, one insurance purchasing pool, and a public entity risk pool. These organizations are:

Jointly Governed Organizations:

Southwest Ohio Computer Association
Butler Technology and Career Development Schools

Insurance Purchasing Pool:

Cincinnati USA Regional Chamber Worker's Compensation GRP

Public Entity Risk Pool:

Butler Health Plan

These organizations are described in Notes 11, 15, and 16.

Basis of Presentation - Fund Accounting

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 financial activities of the primary government except for fiduciary funds. The effect of interfund activity has been removed

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

from these statements. The statements distinguish between those types of activities of the School District that are governmental and those that are considered to be business-type activities. The School District has no business type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by a program and grants and contributions that are restricted to meeting the operations or capital requirements of 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 government function is self-financing or draws from the general revenues of the School District.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present sources (i.e. revenues and other financial sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are grouped into the categories governmental and fiduciary.

The following fund types are used by the School District:

Governmental Funds - Governmental funds focus 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 balance.

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

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

General Fund - This fund 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.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for payment.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has an OHSAA events fund to account for assets and liabilities of OHSAA athletic events of the District.

Note 2 - Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made.

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year-end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, income taxes, interest, tuition, student fees and grants.

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. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, fiduciary funds use accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues – Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property and income taxes, grants, entitlements, and donations. On an accrual basis, revenue from property and income taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

include timing requirements, which specify the year when the resources are required to be used of the fiscal year in which use is first permitted, matching requirements, in which the School District must provide local resources to be used for specific 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.

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, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to a deferred charge on refunding, OPEB, and pension are reported on the governmental-wide statement of net position. For more OPEB and pension related information, see Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, revenue in lieu of taxes, OPEB, pension, grants and other taxes, income taxes, and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance year 2022 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Revenue in lieu of taxes (other taxes) has been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants, income taxes, and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. For more OPEB and pension related information, see Notes 12 and 13.

Equity in Pooled Cash and Investments

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

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value are reported in the operations statements. The School District recorded investments held at June 30, 2021 at fair value.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings.

Restricted Assets

Restricted assets in the general fund represent equity in pooled cash and investments set aside for the budget stabilization and retainage owed to contractors.

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Prepaid Items

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 expenditure/expense is reported in the year in which the services are consumed.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements but are not reported in the governmental fund financial statements. The School District defines capital assets as those with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are reported at cost or estimated historical cost. Donated capital assets are stated at their estimated acquisition value when received. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	30-50 years
Land Improvements	10-20 years
Furniture and Equipment	5-20 years
Vehicles	10 years

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

The entire compensated absences liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that has matured, for example, as a result of employee resignations and retirements.

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above. 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.

Pensions/Other Postemployment Benefits (OPEB)

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

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the School District's \$2,491,208 in restricted net position, none were restricted for enabling legislation.

Interfund Transactions

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.

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net position.

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 following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that can be used only for the specific purposes imposed by a formal action (board resolution) of the School District’s Board of Education. The Board of Education is the highest level of decision making authority for the School District. Those committed resources cannot be used for any other purpose unless the School District’s Board of Education removes or changes the specified use by taking the same type of action (board resolution) it employed to previously commit those resources.

Assigned – resources 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 the general fund, assigned amounts are intended to be used for specific purposes as approved through the School District’s formal purchase order procedure by the Superintendent and the Treasurer. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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.

Estimates

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

Note 3 – Deficit Fund Balances

At June 30, 2021, the following funds had a deficit fund balance:

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
Title I	\$16,273
Food Service	166,367
IDEA Part B	73,854
Miscellaenous Federal Grants	2,919
ESSER	418,935

These deficit balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Note 4 - Equity in Pooled Cash and Investments

State statute requires the classification of monies held by the School District into three categories:

Active Deposits - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the School District. Such monies must by law 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 - Those monies not required for use within the current two-year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories or as savings or deposit accounts, including, but not limited to, passbook accounts.

Interim Deposits - Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings 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 held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.

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5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures":

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2021, \$533,506 of the School District's bank balance of \$783,506 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

Investments

The School District's investments at June 30, 2021 are as summarized as follows:

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Investment Type	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
U.S. Treasury Notes	\$1,088,803	Level 2	1.48
Federal Home Loan Bank	646,598	Level 2	3.85
Federal Home Loan Mortgage	610,267	Level 2	3.82
Federal Farm Credit Bank	1,182,090	Level 2	2.68
Negotiable CDs	3,099,435	Level 2	1.67
U.S. Money Market Funds	5,703	N/A	0.00
Total Investments	\$6,632,896		
Portfolio Weighted Average Maturity			2.23

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.

Credit Risk – It is the School District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District’s investments in Federal Home Loan Bank, Federal Home Loan Mortgage, and Federal Farm Credit Bank were rated AAA by Standard & Poor’s and Aaa by Moody’s Investors Service. The School District’s investments in Negotiable CDs, and U.S. Money Market Funds were not rated.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a failure of a counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District’s investment securities are registered in the name of the School District.

Interest Rate Risk – In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years.

Concentration of Credit Risk – The School District’s investment policy does not place any limit on investments in any single issuer. The School District’s investments are in the following:

Investments	Percent
U.S. Treasury Notes	16%
Federal Home Loan Bank	10%
Federal Home Loan Mortgage	9%
Federal Farm Credit Bank	18%
Negotiable CDs	47%
U.S. Money Market Funds	<1%

Ross Local School District, Ohio
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Note 5 – Property Taxes

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in the subsequent fiscal year and are intended to finance the operations of that year, except monies available to be advanced against such distributions which may be appropriated and used in the current fiscal year. Property taxes include amounts levied against real and public utility property located within the School District.

Real property taxes and public utility taxes are levied after April against the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised value.

The School District receives property taxes from the Butler County Auditor, who periodically advances to the School District its portion of taxes collected. Second-half real property tax payments collected by the County by June 30, 2021 are available to finance fiscal year 2022 operations.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2021. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations.

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

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$427,323,250
Public Utility/Personal Property	<u>39,421,480</u>
Total Assessed Value	<u><u>\$466,744,730</u></u>

Note 6 – Interfund Transactions

Interfund transactions at June 30, 2021 consisted of the following interfund receivables and payables, and transfers in and out:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General	\$937,792	\$0	\$44,578	\$0
Other Governmental Funds	<u>0</u>	<u>937,792</u>	<u>0</u>	<u>44,578</u>
Total	<u><u>\$937,792</u></u>	<u><u>\$937,792</u></u>	<u><u>\$44,578</u></u>	<u><u>\$44,578</u></u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

Ross Local School District, Ohio
Notes to the Basic Financial Statements
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Note 7 – Income Tax

The School District levies a voted tax of .75 percent for general operations on the income of residents and estates. The voted levy is for a continuous term. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund and the Classroom Facilities Maintenance Fund. The State requires the School District to set aside a certain amount of money for maintaining classrooms. This is being funded with income tax as allowed by law.

Note 8 – Capital Assets

A summary of the changes in capital assets for governmental activities during the fiscal year is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$1,262,525	\$0	\$0	\$1,262,525
Construction in Progress	0	1,515,341	0	1,515,341
Capital Assets, being depreciated:				
Land Improvements	2,288,606	0	0	2,288,606
Buildings and Improvements	80,819,864	745,425	0	81,565,289
Equipment	900,265	87,029	0	987,294
Vehicles	2,671,040	15,000	117,318	2,568,722
Totals at Historical Cost	<u>87,942,300</u>	<u>2,362,795</u>	<u>117,318</u>	<u>90,187,777</u>
Less Accumulated Depreciation:				
Land Improvements	1,926,906	59,526	0	1,986,432
Buildings and Improvements	35,722,435	1,756,244	0	37,478,679
Equipment	448,117	89,673	0	537,790
Vehicles	1,915,276	134,627	117,318	1,932,585
Total Accumulated Depreciation	<u>40,012,734</u>	<u>2,040,070</u>	<u>117,318</u>	<u>41,935,486</u>
Governmental Activities Capital Assets, Net	<u>\$47,929,566</u>	<u>\$322,725</u>	<u>\$0</u>	<u>\$48,252,291</u>

Depreciation expenses were charged to governmental functions as follows:

Instruction:	
Regular	\$1,134,180
Support Services:	
School Administration	24,673
Operations and Maintenance	740,104
Pupil Transportation	121,424
Operation of Non-Instructional Services	6,311
Extracurricular Activities	13,378
Total Depreciation Expense	<u>\$2,040,070</u>

Ross Local School District, Ohio
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For The Fiscal Year Ended June 30, 2021

Note 9 – Long-Term Obligations

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

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
General Obligation Bonds:						
2012 Refunding:						
Current Interest	2.0-3.0%	4,555,000	0	(1,075,000)	3,480,000	640,000
Premium		164,242	0	(32,849)	131,393	0
2016 Refunding:						
Current Interest	1.0-3.0%	7,905,000	0	(120,000)	7,785,000	620,000
Premium		380,197	0	(42,244)	337,953	0
Total Bonds		13,004,439	0	(1,270,093)	11,734,346	1,260,000
Compensated Absences		1,190,891	332,149	(209,447)	1,313,593	279,823
Subtotal Bonds and Other Amounts		14,195,330	332,149	(1,479,540)	13,047,939	1,539,823
Net Pension Liability:						
STRS		23,539,928	2,800,398	0	26,340,326	0
SERS		7,169,418	685,632	0	7,855,050	0
Subtotal Net Pension Liability		30,709,346	3,486,030	0	34,195,376	0
Net OPEB Liability:						
STRS		0	0	0	0	0
SERS		3,073,772	0	(411,166)	2,662,606	0
Subtotal Net OPEB Liability		3,073,772	0	(411,166)	2,662,606	0
Total Long-Term Obligations		\$47,978,448	\$3,818,179	(\$1,890,706)	\$49,905,921	\$1,539,823

The School District issued \$24,900,000 in School Improvement Bonds in fiscal year 2003 that was originally scheduled to mature in fiscal year 2025, for the construction of a high school and improvements to the School District’s elementary schools. The original issue included current interest serial bonds and capital appreciation bonds. The School District advanced refunded \$16,105,000 of this issuance in fiscal years 2007 and 2012. The remaining current interest serial bonds fully matured in 2017. The refunded bonds were not included in the School District’s outstanding debt since the School District has satisfied its obligations through the advance refunding.

The School District issued \$6,690,000 in Series 2012 Refunding Bonds that mature in December 2024, for the partial advance refunding of \$6,690,000 in Series 2003 School Improvement Bonds. These bonds include serial bonds that will mature in December 2024 and capital appreciation bonds that matured in December 2019. The maturity amount of the capital appreciation bonds is \$320,000.

On August 23, 2016 the School District issued \$8,715,000 in General Obligation Bonds with an interest rate between 1.00% and 3.00% which was used to current refund \$8,975,000 of the outstanding 2006 Refunding Bonds with an interest rate between 4.00% and 4.375%. The net proceeds of \$9,264,173 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent on September 13, 2016 and the securities matured and were paid off on December 1, 2016, within 90 days of purchase. The remainder of the current interest bonds will mature in December 2028.

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All general obligation debt is supported by the full faith and credit of the School District. The School Improvement and Refunding Bonds are paid from the Debt Service Fund. Compensated absences and the STRS early retirement incentive are generally paid by the General Fund and Special Revenue funds. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

Principal and interest requirements to retire the School District’s long-term general obligation bonds outstanding at June 30, 2021 are shown in the table below.

Fiscal Year Ending June 30	Current Interest Bonds		
	Principal	Interest	Total
2022	\$1,260,000	\$293,776	\$1,553,776
2023	1,300,000	258,576	1,558,576
2024	1,355,000	222,238	1,577,238
2025	1,445,000	183,625	1,628,625
2026	1,395,000	141,025	1,536,025
2027-2029	4,510,000	183,450	4,693,450
Total	<u>\$11,265,000</u>	<u>\$1,282,690</u>	<u>\$12,547,690</u>

Note 10 – Other Employee Benefits

Accumulated Unpaid Vacation

School District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave.

Accumulated Unpaid Sick Leave

School District employees may accumulate sick leave. Upon retirement, payment is made for 26.5% of the total unused sick leave balance up to a maximum of fifty days for certified and classified employees.

Note 11 – Cincinnati USA Regional Chamber Worker’s Comp Program

The School District participates in the Group Retrospective Program of the Cincinnati USA Regional Chamber, an insurance purchasing pool. Each year, the participating school districts pay an enrollment fee to cover the costs of administering the program.

Note 12 - Defined Benefit Pension Plans

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

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.

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

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

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

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 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.

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

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

Changes in Benefits between Measurement Date and the Fiscal Year End

In September 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021. The effects of these changes are unknown.

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. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$591,533 for fiscal year 2021. Of this amount \$103,064 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and

Ross Local School District, Ohio
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past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit that 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 fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$1,943,280 for fiscal year 2021. Of this amount \$251,600 is reported as accrued wages and benefits.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,855,050	\$26,340,326	\$34,195,376
Proportion of the Net Pension Liability:			
Current Measurement Date	0.11876020%	0.10886033%	
Prior Measurement Date	<u>0.11982630%</u>	<u>0.10644616%</u>	
Change in Proportionate Share	-0.00106610%	0.00241417%	
Pension Expense	\$1,030,446	\$3,932,779	\$4,963,225

At June 30 2021, 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>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$15,258	\$59,101	\$74,359
Changes of assumptions	0	1,413,967	1,413,967
Net difference between projected and actual earnings on pension plan investments	498,636	1,280,933	1,779,569
Changes in employer proportionate share of net pension liability	7,467	1,271,910	1,279,377
Contributions subsequent to the measurement date	<u>591,533</u>	<u>1,943,280</u>	<u>2,534,813</u>
Total Deferred Outflows of Resources	<u>\$1,112,894</u>	<u>\$5,969,191</u>	<u>\$7,082,085</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$168,429	\$168,429
Changes in employer proportionate share of net pension liability	<u>38,668</u>	<u>0</u>	<u>38,668</u>
Total Deferred Inflows of Resources	<u>\$38,668</u>	<u>\$168,429</u>	<u>\$207,097</u>

\$2,534,813 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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:

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Fiscal Year Ending June 30:	SERS	STRS	Total
2022	(\$17,386)	\$1,360,990	\$1,343,604
2023	136,120	838,591	974,711
2024	207,843	977,161	1,185,004
2025	156,116	680,740	836,856
Total	<u>\$482,693</u>	<u>\$3,857,482</u>	<u>\$4,340,175</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 termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Inflation	3.00%
Future Salary Increases, including inflation	3.50% - 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement. The most recent experience study was completed for the five year period ended June 30, 2015.

Ross Local School District, Ohio
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The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

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

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

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

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

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$10,760,459	\$7,855,050	\$5,417,356

Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End

Based on a new experience study for the five years ending June 30, 2020, the SERS Board lowered the investment rate of return from 7.50 percent to 7.00 percent, lowered inflation from 3.00 percent to 2.40 percent, reduced wage inflation from 3.50 percent to 3.25 percent, reduced COLA from 2.50 percent to 2.00 percent, along with certain other changes for the actuarial valuation as of June 30, 2021. The effects of these changes are unknown.

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

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

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

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

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

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

Discount Rate

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

Ross Local School District, Ohio
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net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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

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

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$37,504,039	\$26,340,326	\$16,880,010

Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End

The STRS Board approved a change in the discount rate from 7.45 percent to 7.00 percent for the June 30, 2021 valuation. The effect on the net pension liability is unknown.

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.

Ross Local School District, Ohio
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Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$80,709.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$80,709 for fiscal year 2021.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. 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. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred 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:

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Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$2,662,606	\$0	\$2,662,606
Proportionate Share of the Net OPEB (Asset)	0	(1,913,220)	(1,913,220)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.12251290%	0.10886033%	
Prior Measurement Date	<u>0.12222780%</u>	<u>0.10644616%</u>	
Change in Proportionate Share	0.00028510%	0.00241417%	
OPEB Expense	\$50,773	(\$72,456)	(\$21,683)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$34,970	\$122,591	\$157,561
Changes of assumptions	453,882	31,582	485,464
Net difference between projected and actual earnings on OPEB plan investments	30,001	67,052	97,053
Changes in employer proportionate share of net OPEB liability	207,351	160,032	367,383
Contributions subsequent to the measurement date	<u>80,709</u>	<u>0</u>	<u>80,709</u>
Total Deferred Outflows of Resources	<u>\$806,913</u>	<u>\$381,257</u>	<u>\$1,188,170</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$1,354,121	\$381,086	\$1,735,207
Changes of assumptions	67,065	1,817,239	1,884,304
Changes in employer proportionate share of net OPEB liability	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>\$1,421,186</u>	<u>\$2,198,325</u>	<u>\$3,619,511</u>

\$80,709 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the 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:

Fiscal Year			
Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2022	(\$124,550)	(\$452,746)	(\$577,296)
2023	(122,379)	(407,361)	(529,740)
2024	(122,734)	(391,439)	(514,173)
2025	(147,344)	(390,800)	(538,144)
2026	(130,369)	(82,833)	(213,202)
Thereafter	<u>(47,606)</u>	<u>(91,889)</u>	<u>(139,495)</u>
Total	<u>(\$694,982)</u>	<u>(\$1,817,068)</u>	<u>(\$2,512,050)</u>

Ross Local School District, Ohio
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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%
Wage Increases	3.50% to 18.20%
Investment Rate of Return	7.50% net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	2.45%
Prior Measurement Date	3.13%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	2.63%
Prior Measurement Date	3.22%
Medical Trend Assumption:	
Medicare	5.25% to 4.75%
Pre-Medicare	7.00% to 4.75%

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-

Ross Local School District, Ohio
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normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

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 System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

Ross Local School District, Ohio
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	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
Proportionate share of the net OPEB liability	\$3,258,964	\$2,662,606	\$2,188,503
	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
Proportionate share of the net OPEB liability	\$2,096,600	\$2,662,606	\$3,419,502

Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End

Based on a new experience study for the five years ending June 30, 2020, the SERS Board reduced the wage growth assumption from 3.50 percent to 3.25 percent and increased the health care rate of return from 5.25 percent to 7.00 percent. The effects of these changes are unknown.

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%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Discount Rate of Return	7.45%
Health Care Cost Trends:	
Medical	
Pre-Medicare	5.00% initial, 4% ultimate
Medicare	-6.69% initial, 4% ultimate
Prescription Drug	
Pre-Medicare	6.50% initial, 4% ultimate
Medicare	11.87% initial, 4% ultimate

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

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

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

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

Ross Local School District, Ohio
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was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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%	

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Proportionate share of the net OPEB (asset)	(\$1,664,625)	(\$1,913,220)	(\$2,124,142)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	\$2,111,049	(\$1,913,220)	(\$1,672,232)

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Note 14 – Fund Balances

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

Fund Balances	General	Debt Service	Other Governmental Funds	Total
Nonspendable:				
Unclaimed Funds	\$37,580	\$0	\$0	\$37,580
Prepays	29,224	0	2,000	31,224
Total Nonspendable	66,804	0	2,000	68,804
Restricted for:				
Other Local Grants	0	0	29,090	29,090
Classroom Facilities Maintenance	0	0	300,114	300,114
Athletics	0	0	167,482	167,482
Auxiliary Services	0	0	28,942	28,942
Improving Teacher Quality	0	0	53,932	53,932
Special Revenue	0	0	175,593	175,593
Title III LEP	0	0	1,693	1,693
Student Wellness and Success	0	0	220,588	220,588
Student Activity	0	0	30,624	30,624
Debt Service	0	1,450,814	0	1,450,814
Capital Improvements	0	0	237,961	237,961
Total Restricted	0	1,450,814	1,246,019	2,696,833
Assigned to:				
Budgetary Resource	489,741	0	0	489,741
Public School Support	32,869	0	0	32,869
Encumbrances	549,121	0	0	549,121
Total Assigned	1,071,731	0	0	1,071,731
Unassigned (Deficit)	2,645,171	0	(992,698)	1,652,473
Total Fund Balance	\$3,783,706	\$1,450,814	\$255,321	\$5,489,841

Note 15 – Jointly Governed Organizations

Southwest Ohio Computer Association

The Southwest Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of Ohio school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member school districts. Each member school district appoints a representative to the Board of Directors which is the legislative and managerial body of SWOCA. The degree of control exercised by any participating member school district is limited to its representation on the Board.

Ross Local School District, Ohio
Notes to the Basic Financial Statements
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Butler Technology and Career Development Schools

The Butler Technology and Career Development Schools (BTCDS), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school districts' elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. BTCDS was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District.

The School District has no ongoing financial interest in or responsibility for BTCDS. To obtain financial information, write to BTCDS, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

Note 16 – Risk Management

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the School District contracted with commercial insurance carriers for property and general liability insurance and boiler and machinery insurance.

The School District has elected to provide employee medical and dental benefits through Butler Health Plan (BHP), a public entity risk pool currently operating as a common risk management and insurance program. BHP is comprised of sixteen other school districts in Butler and Hamilton Counties. CareSource provides claims review and processing services for BHP. The School District pays a monthly premium to the pool for its general insurance coverage. The employees share the cost of the monthly premium for the coverage with the Board. The risk of loss transfers entirely to BHP.

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

Note 17 – Contingencies

School Foundation

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. The final adjustment was not material and is not reflected in the accompanying financial statements.

Litigation

The School District's attorney estimates that all potential claims against the School District not covered by insurance resulting from litigation would not materially affect the financial statements of the School District.

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Federal and State Funding

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

Note 18 – Statutory Reserves

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

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

	Capital Acquisition	Budget Stabilization
Set Aside Reserve Balance as of June 30, 2020	\$0	\$324,996
Current Year Set Aside Requirements	486,042	0
Current Year Qualifying Expenditures	(663,949)	0
Current Year Offsets	0	0
Set Aside Reserve Balance as of June 30, 2020	(177,907)	324,996
Restricted Cash as of June 30, 2021	<u>\$0</u>	<u>\$324,996</u>

The Ohio General Assembly eliminated the requirement for the budget stabilization set-aside and effective April 10, 2001, the Board of Education could choose to eliminate the set-aside with the exception of rebates received from the Bureau of Workers Compensation. The budget stabilization set-aside is no longer required. However, the School District has opted to leave this reserve intact.

Note 19 – Significant Contractual Commitments

The School District utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The School District's outstanding encumbrance amounts at June 30, 2021 were:

General Fund	\$561,691
Other Governmental Funds	809,900

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Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Note 20 – Implementation of New Accounting Principles and Restatement of Net Position/Fund Balance

New Accounting Principles

For fiscal year 2021, the School District implemented GASB Statement No. 84, Fiduciary Activities and related guidance from (GASB) Implementation Guide No. 2019-2, Fiduciary Activities, and GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and GASB Statements No. 61.

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

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

Restatement of Fund Balance/Net Position

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

	General Fund	Other Governmental Funds
Fund Balance, June 30, 2020	\$3,642,863	\$2,184,070
Adjustments-Presentation Changes:		
GASB Statement No. 84	0	51,236
Restated Fund Balance, June 30, 2020	<u>\$3,642,863</u>	<u>\$2,235,306</u>

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

	Governmental Activities
Net Position, June 30, 2020	\$13,647,806
Adjustments-Presentation Changes:	
GASB Statement No. 84	51,236
Restated Net Position, June 30, 2020	<u>\$13,699,042</u>

Ross Local School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2021

Note 21 – COVID-19

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

Note 22– 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 and scholarship funding will be directly funded by the State of Ohio to the respective schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the respective school.

REQUIRED SUPPLEMENTARY INFORMATION

Ross Local School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.11876020%	\$7,855,050	\$4,163,471	188.67%	68.55%
2020	0.11982630%	7,169,418	4,110,719	174.41%	70.85%
2019	0.11912910%	6,822,744	3,896,785	175.09%	71.36%
2018	0.10867370%	6,493,014	3,580,629	181.34%	69.50%
2017	0.10761960%	7,876,762	3,687,600	213.60%	62.98%
2016	0.10605450%	6,051,573	4,136,449	146.30%	69.16%
2015	0.10914600%	5,523,817	3,203,608	172.42%	71.70%
2014	0.10914600%	6,492,508	3,842,428	168.97%	65.52%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2021	\$591,533	(\$591,533)	\$0	\$4,225,236	14.00%
2020	582,886	(582,886)	0	4,163,471	14.00%
2019	554,947	(554,947)	0	4,110,719	13.50%
2018	526,066	(526,066)	0	3,896,785	13.50%
2017	501,288	(501,288)	0	3,580,629	14.00%
2016	516,264	(516,264)	0	3,687,600	14.00%
2015	545,184	(545,184)	0	4,136,449	13.18%
2014	444,020	(444,020)	0	3,203,608	13.86%
2013	531,792	(531,792)	0	3,842,428	13.84%
2012	483,912	(483,912)	0	3,597,859	13.45%

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.10886033%	\$26,340,326	\$13,340,657	197.44%	75.48%
2020	0.10644616%	23,539,928	12,566,571	187.32%	77.40%
2019	0.10241350%	22,518,429	11,613,429	193.90%	77.30%
2018	0.09779546%	23,231,521	10,683,257	217.46%	75.30%
2017	0.09659177%	32,332,177	10,214,657	316.53%	66.80%
2016	0.09402434%	25,985,577	9,786,343	265.53%	72.10%
2015	0.09263936%	22,533,098	10,193,277	221.06%	74.70%
2014	0.09263936%	26,768,995	10,774,062	248.46%	69.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2021	\$1,943,280	(\$1,943,280)	\$0	\$13,880,571	14.00%
2020	1,867,692	(1,867,692)	0	13,340,657	14.00%
2019	1,759,320	(1,759,320)	0	12,566,571	14.00%
2018	1,625,880	(1,625,880)	0	11,613,429	14.00%
2017	1,495,656	(1,495,656)	0	10,683,257	14.00%
2016	1,430,052	(1,430,052)	0	10,214,657	14.00%
2015	1,370,088	(1,370,088)	0	9,786,343	14.00%
2014	1,325,126	(1,325,126)	0	10,193,277	13.00%
2013	1,400,628	(1,400,628)	0	10,774,062	13.00%
2012	1,547,952	(1,547,952)	0	11,907,323	13.00%

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Five Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.12251290%	\$2,662,606	\$4,163,471	63.95%	18.17%
2020	0.12222780%	3,073,772	4,110,719	74.77%	15.57%
2019	0.12022740%	3,335,433	3,896,785	85.59%	13.57%
2018	0.11008590%	2,954,416	3,580,629	82.51%	12.46%
2017	0.10900245%	3,106,973	3,687,600	84.25%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Six Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2021	\$80,709	(\$80,709)	\$0	\$4,225,236	1.91%
2020	75,279	(75,279)	0	4,163,471	1.81%
2019	92,484	(92,484)	0	4,110,719	2.25%
2018	81,642	(81,642)	0	3,896,785	2.10%
2017	59,108	(59,108)	0	3,580,629	1.65%
2016	54,908	(54,908)	0	3,687,600	1.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Five Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2021	0.10886033%	(\$1,913,220)	\$13,340,657	(14.34%)	182.13%
2020	0.10644616%	(1,763,004)	12,566,571	(14.03%)	174.74%
2019	0.10241350%	(1,645,680)	11,613,429	(14.17%)	176.00%
2018	0.09779546%	3,815,618	10,683,257	35.72%	47.10%
2017	0.09659177%	5,165,753	10,214,657	50.57%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Six Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2021	\$0	\$0	\$0	\$13,880,571	0.00%
2020	0	0	0	13,340,657	0.00%
2019	0	0	0	12,566,571	0.00%
2018	0	0	0	11,613,429	0.00%
2017	0	0	0	10,683,257	0.00%
2016	0	0	0	10,214,657	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$14,536,423	\$15,998,402	\$13,820,291	(\$2,178,111)
Tuition and Fees	866,041	953,142	823,376	(129,766)
Investment Earnings	100,654	110,777	95,695	(15,082)
Intergovernmental	12,385,590	13,631,253	11,775,418	(1,855,835)
Extracurricular Activities	103,433	113,835	98,337	(15,498)
Charges for Services	9,404	10,350	8,941	(1,409)
Other Revenues	812,355	894,057	772,335	(121,722)
Total Revenues	<u>28,813,900</u>	<u>31,711,816</u>	<u>27,394,393</u>	<u>(4,317,423)</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,074,379	15,110,698	14,290,409	820,289
Special	2,864,257	2,871,158	2,715,296	155,862
Other	639,143	640,683	605,903	34,780
Support Services:				
Pupil	1,879,683	1,884,212	1,781,927	102,285
Instructional Staff	403,647	404,620	382,655	21,965
General Administration	46,399	46,511	43,986	2,525
School Administration	2,549,348	2,555,491	2,416,765	138,726
Fiscal	756,413	758,235	717,074	41,161
Operations and Maintenance	2,891,409	2,898,375	2,741,036	157,339
Pupil Transportation	1,897,059	1,901,630	1,798,399	103,231
Central	7,058	7,075	6,691	384
Operation of Non-Instructional Services	180	181	171	10
Extracurricular Activities	752,686	754,499	713,541	40,958
Capital Outlay	158	159	150	9
Total Expenditures	<u>29,761,819</u>	<u>29,833,527</u>	<u>28,214,003</u>	<u>1,619,524</u>
Excess of Revenues Over (Under) Expenditures	<u>(947,919)</u>	<u>1,878,289</u>	<u>(819,610)</u>	<u>(2,697,899)</u>
Other Financing Sources (Uses):				
Advances (Out)	(997,107)	(999,510)	(945,251)	54,259
Transfers In	0	0	0	0
Transfers (Out)	47,024	47,137	44,578	(2,559)
Total Other Financing Sources (Uses)	<u>(950,083)</u>	<u>(952,373)</u>	<u>(900,673)</u>	<u>51,700</u>
Net Change in Fund Balance	(1,898,002)	925,916	(1,720,283)	(2,646,199)
Fund Balance Beginning of Year, (includes prior year encumbrances appropriated)	<u>4,581,310</u>	<u>4,581,310</u>	<u>4,581,310</u>	<u>0</u>
Fund Balance - End of Year	<u>\$2,683,308</u>	<u>\$5,507,226</u>	<u>\$2,861,027</u>	<u>(\$2,646,199)</u>

See accompanying notes to the required supplementary information.

Ross Local School District, Ohio
Notes to the Required Supplementary Information
For The Year Fiscal Ended June 30, 2021

Note 1 - Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. During the course of the current fiscal year, the District amended its budget at several times, however none were significant.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2021.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

While the 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 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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 for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

Ross Local School District, Ohio
Notes to the Required Supplementary Information
For The Year Fiscal Ended June 30, 2021

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

	General
GAAP Basis	\$140,843
Revenue Accruals	(421,342)
Expenditure Accruals	64,259
Advances (Out)	(945,251)
Encumbrances	(558,792)
Budget Basis	(\$1,720,283)

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) 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,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

Ross Local School District, Ohio
Notes to the Required Supplementary Information
For The Year Fiscal Ended June 30, 2021

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2019-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2017-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

Ross Local School District, Ohio
Notes to the Required Supplementary Information
For The Year Fiscal Ended June 30, 2021

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

Prior Measurement Date	3.22%
Measurement Date	2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(4) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%

(5) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

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

Prior Measurement Date	3.70%
Measurement Date	3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(7) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(8) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

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

Prior Measurement Date	3.63%
Measurement Date	3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%

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

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,

Ross Local School District, Ohio
Notes to the Required Supplementary Information
For The Year Fiscal Ended June 30, 2021

- (5) 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,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% 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% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

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 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in Assumptions:

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

Ross Local School District, Ohio
Notes to the Required Supplementary Information
For The Year Fiscal Ended June 30, 2021

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

2018: The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 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.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	\$58,353
Cash Assistance:			
School Breakfast Program	10.553	3L70	190,767
COVID-19 School Breakfast Program	10.553	3L70	37,507
Total School Breakfast Program			<u>228,274</u>
National School Lunch Program	10.555	3L60	585,199
COVID-19 National School Lunch Program	10.555	3L60	101,439
Total National School Lunch Program			<u>686,638</u>
Special Milk Program for Children	10.556	3L60	906
COVID-19 Special Milk Program for Children	10.556	3L60	110
Total Special Milk Program for Children			<u>1,016</u>
Total Child Nutrition Cluster			<u>974,281</u>
Total U.S. Department of Agriculture			<u>974,281</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
Special Education Cluster:			
Special Education-Grants to States	84.027	3M20	558,662
Special Education-Preschool Grants	84.173	3C50	34,843
Total Special Education Cluster			<u>593,505</u>
Supporting Effective Instruction State Grants	84.367	3Y60	5,089
Title I Grants to Local Educational Agencies	84.010	3M00	221,323
Student Support and Academic Enrichment Program	84.424	3H10	19,444
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	3HS0	333,716
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	3HS0	275,894
Total COVID-19 Education Stabilization Fund			<u>609,610</u>
Total U.S. Department of Education			<u>1,448,971</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Ohio Department of Education</i>			
COVID-19 Coronavirus Relief Fund	21.019	5CV1	145,772
Total Department of the Treasury			<u>145,772</u>
Total Expenditures of Federal Awards			<u><u>\$2,569,024</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - FOOD DONATION PROGRAM

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



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

Ross Local School District
Butler County
3371 Hamilton Cleves Road
Ross, Ohio 45013

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 Ross Local School District, Butler County, (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 September 12, 2022 wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School District. We also noted that the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*.

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
September 12, 2022

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Ross Local School District
Butler County
3371 Hamilton Cleves Road
Ross, Ohio 45013

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Ross Local School District's (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 Ross 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 programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 programs. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Ross Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs 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 each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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
September 12, 2022

**ROSS LOCAL SCHOOL DISTRICT
BUTLER 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 Elementary and Secondary School Emergency Relief (ESSER I and II) Fund
(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?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Ross Local School District

SUPERINTENDENT (513) 863-1253
TREASURER (513) 863-1250
3371 Hamilton-Cleves Road • Hamilton, OH 45013

ROSS HIGH SCHOOL 3601 Hamilton-Cleves Rd. Hamilton, Ohio 45013 (513) 863-1252
ROSS MIDDLE SCHOOL 3425 Hamilton-Cleves Rd. Hamilton, Ohio 45013 (513) 863-1251
ROSS INTERMEDIATE SCHOOL 3371 Hamilton-Cleves Rd. Hamilton, Ohio 45013 (513) 868-4550
ELDA ELEMENTARY 3980 Hamilton-Cleves Rd. Hamilton, Ohio 45013 (513) 738-1972
MORGAN ELEMENTARY 3427 Chapel Rd. Hamilton, Ohio 45013 (513) 738-1986

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2020

Finding Number	Finding Summary	Status	Additional Information
2020-001	The School District did not properly reconcile cash	Partially Corrected	Reissue as management letter comment

OHIO AUDITOR OF STATE KEITH FABER



ROSS LOCAL SCHOOL DISTRICT

BUTLER 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 9/27/2022

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

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