



OHIO AUDITOR OF STATE  
**KEITH FABER**





**ADAMS COUNTY/ OHIO VALLEY LOCAL SCHOOL DISTRICT  
ADAMS COUNTY  
JUNE 30, 2021**

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**ADAMS COUNTY/ OHIO VALLEY LOCAL SCHOOL DISTRICT  
ADAMS COUNTY  
JUNE 30, 2021**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Adams County/ Ohio Valley Local School District  
Adams County  
141 Lloyd Road  
West Union, Ohio 45693

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 Adams County/ Ohio Valley Local School District, Adams County, Ohio (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

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

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

**Other Matters**

*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 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 July 11, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
July 11, 2022

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**Adams County/Ohio Valley School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

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

This discussion and analysis of Adams County/Ohio Valley School District's financial performance is intended to serve as an introduction to the District's basic financial statements, and provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The Adams County/Ohio Valley School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government issued June 1999.

### **Financial Highlights**

- The assets and deferred outflows of resources of the Adams County/Ohio Valley School District exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$31,121,556. Net investment in capital assets and net position restricted for specific purposes totaled \$54,365,531, leaving a balance in unrestricted net position of (\$23,243,975).
- Net position of governmental activities decreased by \$469,076 which represents a 1% decrease from 2020.
- General revenues accounted for \$40,429,810 or 63% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$24,040,106 or 37% of total revenues of \$64,469,916.
- The District had \$64,938,992 in expenses related to governmental activities; only \$24,040,106 of these expenses were offset by program specific charges for services and sales, operating grants, contributions and interest, and capital grants and contributions.

### **Using the Basic Financial Statements**

This report consists of a series of financial statements and the notes to the basic financial statements. These statements are organized so the reader can understand Adams County/Ohio Valley School District as a whole, an entire operating entity.

The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole, and present 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 major funds, with all other nonmajor funds presented in total in one column. The major funds for the Adams County/Ohio Valley School District are the General Fund and the Debt Service Fund.

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

One of the most important questions asked about the District is “How did we do financially during fiscal year 2021?” The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District’s financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all *assets and deferred outflows*, and *liabilities and deferred inflows* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District’s net position and changes in net position. The change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. However, the District’s goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the District’s property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

Governmental Activities – Most of the District’s programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

### **Reporting the District’s Most Significant Funds**

#### **Fund Financial Statements**

The analysis of the District’s major funds begins on the balance sheet. 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 major 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 fiscal 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**Adams County/Ohio Valley School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

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**The District as a Whole**

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

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

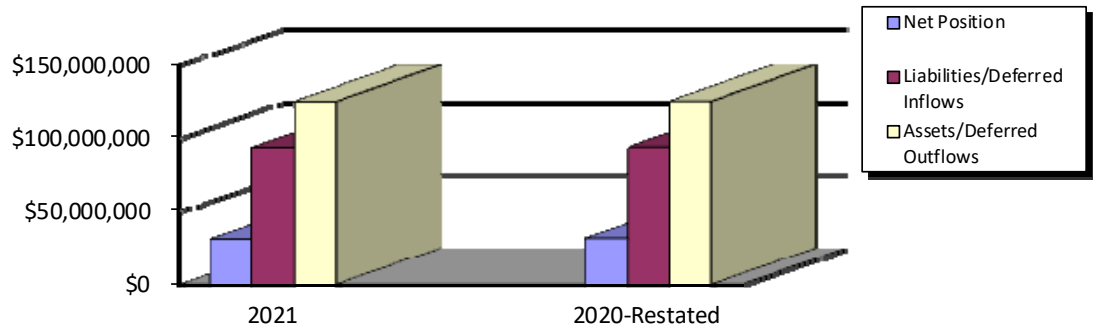
**Table 1**  
**Net Position**

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	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020 - Restated</u>
Assets:		
Current and Other Assets	\$49,541,766	\$47,084,947
Net OPEB Asset	2,868,416	2,715,177
Capital Assets	<u>61,332,755</u>	<u>62,707,181</u>
Total Assets	<u>113,742,937</u>	<u>112,507,305</u>
Deferred Outflows of Resources:		
Deferred Charge on Refunding	441,446	1,504,471
Pension	9,138,109	9,818,270
OPEB	<u>1,538,631</u>	<u>1,292,070</u>
Total Deferred Outflows of Resources	<u>11,118,186</u>	<u>12,614,811</u>
Liabilities:		
Other Liabilities	5,478,333	5,270,178
Long-Term Liabilities	<u>72,316,913</u>	<u>74,689,565</u>
Total Liabilities	<u>77,795,246</u>	<u>79,959,743</u>
Deferred Inflows of Resources:		
OPEB	5,606,697	4,687,188
Property Taxes	9,259,556	6,408,614
Pension	<u>1,078,068</u>	<u>2,751,774</u>
Total Deferred Inflows of Resources	<u>15,944,321</u>	<u>13,847,576</u>
Net Position:		
Net Investment in Capital Assets	44,833,315	43,364,521
Restricted	9,532,216	9,336,098
Unrestricted	<u>(23,243,975)</u>	<u>(21,109,987)</u>
Total Net Position, restated	<u>\$31,121,556</u>	<u>\$31,590,632</u>

**Adams County/Ohio Valley School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
 (Unaudited)

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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 exceeded liabilities and deferred inflows by \$31,121,556.

Total assets increased mainly due to an increase in taxes receivable. Long-term liabilities decreased mainly due to the District continually making payments on their outstanding debt.

Table 2 shows the highlights of the District’s revenues and expenses. These two main components are subtracted to yield the change in net position. This table uses the full accrual method of accounting.

Revenue is further divided into two major components: Program Revenues and General Revenues. Program Revenues are defined as charges for services and sales, restricted operating grants and contributions and capital grants and contributions. General Revenues include taxes and unrestricted grants, such as State foundation support, gifts and donations, investment earnings and miscellaneous.

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**Adams County/Ohio Valley School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2021	2020 - Restated
Revenues:		
Program Revenues		
Charges for Services and Sales	\$11,006,337	\$11,338,185
Operating Grants and Contributions	13,033,769	11,735,307
General Revenues		
Property Taxes	11,447,424	11,044,836
Grants and Entitlements not Restricted to Specific Programs	27,955,905	27,699,855
Other	1,026,481	1,036,011
Total Revenues	<u>64,469,916</u>	<u>62,854,194</u>
Program Expenses		
Instruction	38,212,724	36,231,697
Support Services:		
Pupil and Instructional Staff	3,749,874	3,626,556
School Administrative, General		
Administration, Fiscal and Business	14,218,159	13,949,689
Operations and Maintenance	2,308,730	4,856,808
Pupil Transportation	3,029,861	3,210,426
Central	185,680	143,352
Operation of Non-Instructional Services	2,102,446	2,120,596
Extracurricular Activities	797,422	630,339
Interest and Fiscal Charges	334,096	865,986
Total Program Expenses	<u>64,938,992</u>	<u>65,635,449</u>
Change in Net Position	(469,076)	(2,781,255)
Net Position - Beginning of Year - Restated	<u>31,590,632</u>	<u>34,371,887</u>
Net Position - End of Year	<u>\$31,121,556</u>	<u>\$31,590,632</u>

Grants and entitlements not restricted to specific programs made up 43% of total revenues of the District for fiscal year 2021 while Property Taxes made up 18%.

Instruction comprises 59% of governmental program expenses. Support services expenses comprise of 36% of governmental expenses. All other expenses make up 5% of governmental expenses. The District had a decrease in total expenses from 2020 to 2021 due to operations and maintenance support services.

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

**Adams County/Ohio Valley 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	\$38,212,724	\$36,231,697	(\$18,494,614)	(\$16,371,991)
Support Services:				
Pupil and Instructional Staff	3,749,874	3,626,556	(2,304,902)	(2,849,718)
School Administrative, General				
Administration, Fiscal and Business	14,218,159	13,949,689	(13,904,702)	(13,946,459)
Operations and Maintenance	2,308,730	4,856,808	(2,040,017)	(4,654,949)
Pupil Transportation	3,029,861	3,210,426	(2,803,158)	(3,063,277)
Central	185,680	143,352	(185,680)	(143,352)
Operation of Non-Instructional Services	2,102,446	2,120,596	(368,517)	(233,488)
Extracurricular Activities	797,422	630,339	(463,200)	(432,737)
Interest and Fiscal Charges	334,096	865,986	(334,096)	(865,986)
Total Expenses	<u>\$64,938,992</u>	<u>\$65,635,449</u>	<u>(\$40,898,886)</u>	<u>(\$42,561,957)</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 \$44,209,253 (88%) of the total \$50,081,996 governmental funds’ assets.

**General Fund:** Fund balance at June 30, 2021 was \$23,748,020, an increase in fund balance of \$440,689 from 2020. The primary reason for the increase in fund balance was due to the decrease in instructional expenditures from 2020 to 2021.

**Debt Service Fund:** Fund balance at June 30, 2021 was \$5,668,639, an increase in fund balance of \$529,322 from 2020. The fund balance increased mainly due to an increase in total revenues when compared to the prior year.

**General Fund - Budget 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. During the course of fiscal year 2021, the District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$41,408,009 with original budget estimates of \$9,500,903; the difference was mainly due to underestimating tax revenue and intergovernmental revenue. The original budget estimates for expenditures for the District increased when compared to the actual expenditures due to underestimates made by the District. The final budget estimated expenditures were \$47,232,292 while the actual expenditures for the District were \$43,826,389.

The District’s ending unobligated cash balance of \$16,751,214 was \$5,473,609 above the final budgeted amount in the General Fund.

**Adams County/Ohio Valley School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

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**Capital Assets and Debt Administration**

**Capital Assets**

The Adams County/Ohio Valley School District's investment in capital assets as of June 30, 2021 was \$61,332,755. This investment in capital assets includes land, land improvements, buildings and improvements, equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to fiscal year 2020:

**Table 4**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

---

	Governmental Activities	
	2021	2020
Land	\$1,916,258	\$1,916,258
Land Improvements	2,774,942	3,297,017
Buildings and Improvements	51,875,556	52,672,024
Furniture, Fixtures, and Equipment	2,594,845	2,789,735
Vehicles	2,171,154	2,032,147
Totals	<u>\$61,332,755</u>	<u>\$62,707,181</u>

Capital Assets decreased as a result of additions being less than depreciation expense. For more information on capital assets, refer to Note 6 of the basic financial statements.

**Debt**

At June 30, 2021, the District had \$16,940,886 in outstanding debt, \$2,843,324 due within one year. Table 5 summarizes the District's outstanding debt:

**Table 5**  
**Outstanding Debt at Year End**

---

	Governmental Activities	
	2021	2020
2019 Farm Purchase	\$585,000	\$682,500
2012 Refunding of 1995 School Improvement Bonds	1,735,000	3,385,000
Premium on 2012 Refunding	16,713	50,080
2013 Refunding of 2007 School Improvement Bonds	0	7,585,000
2021 Refunding of 2013 School Improvement Bonds	6,805,000	0
Premium on 2013 Refunding	0	1,128,022
HB264 Bonds, Series 2014	1,637,531	1,815,915
2015 Refunding of 2007 School Improvement Bonds	5,655,000	5,655,000
Premium on 2015 Refunding of School Improvement Bonds	506,642	545,614
Totals	<u>\$16,940,886</u>	<u>\$20,847,131</u>

**Adams County/Ohio Valley School District, Ohio  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)**

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

**For the Future**

The two major power plants/employers in the County have announced their closure within the next 6 months. This will impact real estate taxes and tangible personal property taxes immediately. The filter down effect from several citizens losing their jobs and not being able to pay their personal taxes is not measurable. Adams County as a whole is facing a possible financial crisis.

**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 any questions about this report or need additional information, contact the Treasurer, Adams County/Ohio Valley School District, 141 Lloyd Road, West Union, OH 45693.



Adams County/Ohio Valley School District, Ohio  
Statement of Net Position  
June 30, 2021

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$36,008,802
Restricted Cash and Investments	2,118
Receivables (Net):	
Taxes	12,333,792
Accounts	999
Intergovernmental	1,172,740
Inventory	23,315
Nondepreciable Capital Assets	1,916,258
Depreciable Capital Assets, Net	59,416,497
Net OPEB Asset	2,868,416
	<hr/>
Total Assets	113,742,937
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	441,446
OPEB	9,138,109
	<hr/>
Total Deferred Outflows of Resources	11,118,186
Liabilities:	
Accounts Payable	90,145
Accrued Wages and Benefits	4,795,993
Accrued Interest Payable	35,425
Claims Payable	556,770
Long-Term Liabilities:	
Due Within One Year	2,862,495
Due In More Than One Year:	
Net Pension Liability	50,275,264
Net OPEB Liability	3,625,010
Other Amounts	15,554,144
	<hr/>
Total Liabilities	77,795,246
Deferred Inflows of Resources:	
Property Taxes	9,259,556
OPEB	5,606,697
Pension	1,078,068
	<hr/>
Total Deferred Inflows of Resources	15,944,321
Net Position:	
Net Investment in Capital Assets	44,833,315
Restricted for:	
Local Grants	113,330
Auxiliary Services	17,193
Debt Service	5,889,632
Capital Projects	1,620,779
Classroom Facilities Maintenance	1,360,960
Federal Grants	230,049
Other Purposes	300,273
Unrestricted	(23,243,975)
	<hr/>
Total Net Position	\$31,121,556

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley 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
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$23,743,984	\$10,141,307	\$2,471,698	(\$11,130,979)
Special	10,811,266	151,550	5,990,826	(4,668,890)
Vocational	2,315,264	255,446	707,058	(1,352,760)
Adult/Continuing	577,486	0	0	(577,486)
Other	764,724	225	0	(764,499)
<b>Support Services:</b>				
Pupil	2,730,234	1,145	1,214,033	(1,515,056)
Instructional Staff	1,019,640	0	229,794	(789,846)
General Administration	103,477	0	0	(103,477)
School Administration	4,476,849	0	309,996	(4,166,853)
Fiscal	9,599,548	0	3,461	(9,596,087)
Business	38,285	0	0	(38,285)
Operations and Maintenance	2,308,730	2,055	266,658	(2,040,017)
Pupil Transportation	3,029,861	0	226,703	(2,803,158)
Central	185,680	0	0	(185,680)
Operation of Non-Instructional Services	2,102,446	120,387	1,613,542	(368,517)
Extracurricular Activities	797,422	334,222	0	(463,200)
Interest and Fiscal Charges	334,096	0	0	(334,096)
<b>Totals</b>	<b>\$64,938,992</b>	<b>\$11,006,337</b>	<b>\$13,033,769</b>	<b>(40,898,886)</b>

**General Revenues:**

<b>Property Taxes Levied for:</b>	
General Purposes	8,273,240
Special Revenue Purposes	157,640
Debt Service Purposes	2,825,623
Capital Projects Purposes	190,921
Grants and Entitlements, Not Restricted	27,955,905
Unrestricted Contributions	15,699
Investment Earnings	(149,869)
Other Revenues	1,160,651

Total General Revenues 40,429,810

Change in Net Position (469,076)

Net Position - Beginning of Year, Restated 31,590,632

Net Position - End of Year \$31,121,556

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley School District, Ohio  
 Balance Sheet  
 Governmental Funds  
 June 30, 2021

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$26,543,007	\$5,137,890	\$4,327,905	\$36,008,802
Restricted Cash and Investments	2,118	0	0	2,118
<b>Receivables (Net):</b>				
Taxes	10,569,216	1,415,793	348,783	12,333,792
Accounts	999	0	0	999
Intergovernmental	0	0	1,172,740	1,172,740
Interfund	540,230	0	0	540,230
Inventory	0	0	23,315	23,315
<b>Total Assets</b>	<b>37,655,570</b>	<b>6,553,683</b>	<b>5,872,743</b>	<b>50,081,996</b>
<b>Liabilities:</b>				
Accounts Payable	83,655	0	6,490	90,145
Accrued Wages and Benefits	4,174,375	0	621,618	4,795,993
Compensated Absences	19,171	0	0	19,171
Interfund Payable	0	0	540,230	540,230
Claims Payable	556,770	0	0	556,770
<b>Total Liabilities</b>	<b>4,833,971</b>	<b>0</b>	<b>1,168,338</b>	<b>6,002,309</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	9,073,579	885,044	284,478	10,243,101
Grants and Other Taxes	0	0	1,172,740	1,172,740
<b>Total Deferred Inflows of Resources</b>	<b>9,073,579</b>	<b>885,044</b>	<b>1,457,218</b>	<b>11,415,841</b>
<b>Fund Balances:</b>				
Nonspendable	2,118	0	0	2,118
Restricted	0	5,668,639	3,380,733	9,049,372
Committed	966,392	0	840,113	1,806,505
Assigned	2,227,383	0	0	2,227,383
Unassigned	20,552,127	0	(973,659)	19,578,468
<b>Total Fund Balances</b>	<b>23,748,020</b>	<b>5,668,639</b>	<b>3,247,187</b>	<b>32,663,846</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$37,655,570</b>	<b>\$6,553,683</b>	<b>\$5,872,743</b>	<b>\$50,081,996</b>

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2021

Total Governmental Fund Balance		\$32,663,846
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		61,332,755
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	983,545	
Intergovernmental	<u>1,172,740</u>	
		2,156,285
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.		
		(35,425)
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		(1,456,582)
Deferred outflows of resources associated with long-term liabilities are not reported in the funds.		
		441,446
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	9,138,109	
Deferred inflows of resources related to pensions	(1,078,068)	
Deferred outflows of resources related to OPEB	1,538,631	
Deferred inflows of resources related to OPEB	<u>(5,606,697)</u>	
		3,991,975
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	2,868,416	
Net Pension Liability	(50,275,264)	
Net OPEB Liability	(3,625,010)	
Other Amounts	<u>(16,940,886)</u>	
		<u>(67,972,744)</u>
Net Position of Governmental Activities		<u><u>\$31,121,556</u></u>

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley 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
<b>Revenues:</b>				
Property and Other Taxes	\$8,225,280	\$2,807,403	\$346,427	\$11,379,110
Tuition and Fees	1,453,502	0	0	1,453,502
Investment Earnings	(142,875)	0	0	(142,875)
Intergovernmental	32,021,593	824,409	8,386,487	41,232,489
Extracurricular Activities	8,587	0	333,056	341,643
Charges for Services	9,088,750	0	120,387	9,209,137
Other Revenues	1,101,051	0	77,354	1,178,405
<b>Total Revenues</b>	<b>51,755,888</b>	<b>3,631,812</b>	<b>9,263,711</b>	<b>64,651,411</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	18,638,131	0	778,371	19,416,502
Special	6,283,590	0	3,967,319	10,250,909
Vocational	2,148,873	0	116,411	2,265,284
Adult/Continuing	577,486	0	0	577,486
Other	764,724	0	0	764,724
<b>Support Services:</b>				
Pupil	1,426,717	0	1,183,503	2,610,220
Instructional Staff	855,996	0	87,958	943,954
General Administration	102,095	0	0	102,095
School Administration	3,924,427	0	297,492	4,221,919
Fiscal	9,295,675	234,831	13,716	9,544,222
Business	37,697	0	0	37,697
Operations and Maintenance	2,717,282	0	1,003,985	3,721,267
Pupil Transportation	2,883,865	0	145,435	3,029,300
Central	197,963	0	0	197,963
Operation of Non-Instructional Services	16,024	0	2,096,066	2,112,090
Extracurricular Activities	438,768	0	344,041	782,809
Capital Outlay	0	0	1,336	1,336
<b>Debt Service:</b>				
Principal Retirement	0	2,608,384	97,500	2,705,884
Interest and Fiscal Charges	0	426,034	0	426,034
<b>Total Expenditures</b>	<b>50,309,313</b>	<b>3,269,249</b>	<b>10,133,133</b>	<b>63,711,695</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,446,575</b>	<b>362,563</b>	<b>(869,422)</b>	<b>939,716</b>
<b>Other Financing Sources (Uses):</b>				
Issuance of Refunded Bonds	0	6,805,000	0	6,805,000
Payments to Bond Escrow Account	0	(6,864,316)	0	(6,864,316)
Transfers In	0	226,075	779,811	1,005,886
Transfers (Out)	(1,005,886)	0	0	(1,005,886)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,005,886)</b>	<b>166,759</b>	<b>779,811</b>	<b>(59,316)</b>
<b>Net Change in Fund Balance</b>	<b>440,689</b>	<b>529,322</b>	<b>(89,611)</b>	<b>880,400</b>
<b>Fund Balance - Beginning of Year, Restated</b>	<b>23,307,331</b>	<b>5,139,317</b>	<b>3,336,798</b>	<b>31,783,446</b>
<b>Fund Balance - End of Year</b>	<b>\$23,748,020</b>	<b>\$5,668,639</b>	<b>\$3,247,187</b>	<b>\$32,663,846</b>

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley 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		\$880,400
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital assets used in governmental activities	2,137,023	
Depreciation Expense	<u>(3,511,449)</u>	(1,374,426)
<p>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 employee contributions are reported as pension and OPEB expenses.</p>		
District pension contributions	3,754,737	
Cost of benefits earned net of employee contributions - Pensions	(6,517,669)	
District OPEB contributions	121,244	
Cost of benefits earned net of employee contributions - OPEB	<u>152,747</u>	(2,488,941)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Delinquent Property Taxes	68,314	
Interest	(6,994)	
Intergovernmental	<u>(242,815)</u>	(181,495)
<p>In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.</p>		
Refunding Bonds	(6,805,000)	
Bonds Refunded	<u>6,805,000</u>	0
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		2,705,884
<p>In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.</p>		
		13,918
<p>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.</p>		
Compensated Absences	(161,752)	
Amortization of Bond Premium	1,200,361	
Amortization of Deferred Charge on Refunding	<u>(1,063,025)</u>	(24,416)
Change in Net Position of Governmental Activities		<u><u>(\$469,076)</u></u>

See accompanying notes to the basic financial statements.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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

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Adams County/Ohio Valley School District (the "District") is organized under Article IV, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally-elected board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by State statute and federal guidelines.

The Adams County/Ohio Valley School District serves an area of approximately 489 square miles, with 99 percent of its territory located in Adams County and the remaining one percent in Highland County. Political subdivisions included in the District are the Villages of West Union, Peebles, Winchester, Sinking Spring, Cherry Fork, and Seaman, the thirteen townships of Adams County and the southern half of Brush Creek Township in Highland County. The District is staffed by 202 non-certified employees and 295 certified employees as well as 36 administrative employees who provide services to 3,685 students and other community members. The District operates seven instructional buildings, one administrative building, one bus garage and a supply warehouse.

**Reporting Entity**

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

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

The following activities are included within the reporting entity:

*Non-Public Schools* - The Adams County Christian School is operated within the District boundaries. Current State legislation provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public schools by the Treasurer of the District, as directed by the non-public school. This activity is reflected in a special revenue fund and as part of governmental activities for financial reporting purposes.

The District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are:

Jointly Governed Organization:  
Metropolitan Educational Technology Association - META  
Hopewell Special Education Regional Resource Center  
Southwestern Ohio Educational Purchasing Council

Information about these organizations is presented in Note 13 to the basic financial statements.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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

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

**Measurement Focus**

**Government-wide Financial Statements**

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

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net position. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements**

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

**Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid-management by segregating transactions related to certain District function or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds of the District are reported as governmental funds.



**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Governmental Funds

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

**General Fund** – The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the 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 for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

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

**Basis of Accounting**

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

Revenues – Exchange and Non-exchange Transactions

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

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

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and interest.

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 relating to a deferred charge on refunding, OPEB, and pension are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

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 District, deferred inflows of resources include property taxes, grants and other taxes, pension, OPEB, 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. Grants and other taxes and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows related to pension and OPEB plans are reported in the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Expenses/Expenditures

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

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

**Equity in Pooled Cash and Investments**

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

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Non-negotiable certificates of deposit are reported at cost. For investments in money market mutual funds, the fair value is determined by the fund's current share price.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2021 amounted to (\$142,875) and \$0 in other governmental funds.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**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.

**Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories consist of purchased and donated food held for resale and consumable supplies.

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars. The 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.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	50 years
Buildings and Improvements	25 - 50 years
Furniture, Fixtures and Equipment	10 - 15 years
Vehicles	20 years

**Interfund Activity**

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

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

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

**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 District will compensate the employees for the benefits through paid time off or some other means. The 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 termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments.

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. The unmatured portion of the liability is not reported.

**Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current fiscal year. Bonds and long-term loans that will be paid from governmental funds are recognized as an expenditure and a liability in the governmental fund financial statements when due. 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.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of the other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent unclaimed monies.

**Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the 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 (unclaimed monies).

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

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District’s formal purchasing procedure by the Treasurer.

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 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.

**Bond Premiums**

In the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition of the face amount of the bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period in which the debt is issued.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Estimates**

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

**Net Position**

Net position represents the difference between assets and deferred inflows of resources, and liabilities and deferred outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for music and athletic programs and student activities, and federal and State grants restricted to expenditures for specified purposes.

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

The government-wide Statement of Net Position reports \$9,532,216 of restricted net position, none of which are restricted by enabling legislation.

**Note 3 - Deposits and Investments**

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Monies held by the District are classified by State statute into three categories. Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim 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

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agency securities shall be direct issuances of federal government agencies or instrumentalities.

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
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.

Protection of the 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.

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.

### **Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2021, \$17,235,387 of the District's bank balance of \$22,041,543 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

Investments

As of June 30, 2021, the District had the following investments, which are in an internal investment pool:

	<u>Fair Value</u>	<u>Fair Value Hierarchy</u>	<u>Weighted Average Maturity (Years)</u>
Commercial Paper	\$4,959,374	Level 2	1.35
Federal Home Loan Bank	1,734,820	Level 2	5.65
Negotiable CDs	6,430,504	Level 2	3.52
Municipal Bonds	831,636	N/A	6.42
Money Market Funds	911,676	N/A	0.00
Total Fair Value	<u>\$14,868,010</u>		
Portfolio Weighted Average Maturity			2.99

The 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 District's recurring fair value measurements as of June 30, 2021. All investments of the District are valued using quoted market prices.

Interest Rate Risk

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

Credit Risk

The District's investments in Federal Home Loan Bank was rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. Investments in Commercial Paper were rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. Municipal Bonds, Negotiable CDs and Money Market Funds were not rated.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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 Money Market Funds are exposed to custodial credit risk in that they



**Adams County/Ohio Valley School District, Ohio**  
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are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. Of the District's total investments, 12% in Federal Home Loan Bank, 6% is invested in Money Market Funds, 43% in Negotiable CDs, 33% in Commercial Paper, and 6% in Municipal Bonds.

**Note 4 - Property Taxes**

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Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2022 operations. The amount available for advance can vary based on the date the tax bills are sent.

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

	<u>2021 First Half Collections</u>		<u>2020 Second Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Estate	\$357,341,020	83.12%	\$356,656,650	87.37%
Public Utility	72,570,380	16.88%	51,543,950	12.63%
Total Assessed Value	<u>\$429,911,400</u>	<u>100.00%</u>	<u>\$408,200,600</u>	<u>100.00%</u>

**Adams County/Ohio Valley School District, Ohio**  
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**Note 5 – Receivables**

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Receivables at June 30, 2021, consisted of property taxes, accounts, interest, intergovernmental grants and interfund. All receivables are considered collectible in full and will be received within one year with the exception of the property taxes. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Intergovernmental Receivables at June 30, 2021 were as follows:

Other Governmental Funds:	
Public Preschool	\$60,182
Miscellaneous State Grants	12,365
IDEA-B	298,703
Carl Perkins	5,225
Title I	440,856
IDEA Preschool	4,906
Improving Teacher Quality	43,410
Miscellaneous Federal Grants	21,937
Career Development	9,326
ESSER	275,830
Total Other Governmental Funds	<u>1,172,740</u>

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**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**Note 6 - Capital Assets**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$1,916,258	\$0	\$0	\$1,916,258
Total Capital Assets, not being depreciated	1,916,258	0	0	1,916,258
<b>Capital Assets, being depreciated:</b>				
Land Improvements	9,887,823	0	0	9,887,823
Buildings and Improvements	94,498,942	1,496,300	0	95,995,242
Furniture, Fixtures and Equipment	18,419,754	260,936	0	18,680,690
Vehicles	6,699,953	379,787	0	7,079,740
<b>Total Capital Assets, being depreciated:</b>	<b>129,506,472</b>	<b>2,137,023</b>	<b>0</b>	<b>131,643,495</b>
Totals at Historical Cost	131,422,730	2,137,023	0	133,559,753
Less Accumulated Depreciation:				
Land Improvements	6,590,806	522,075	0	7,112,881
Buildings and Improvements	41,826,918	2,292,768	0	44,119,686
Furniture's, Fixtures and Equipment	15,630,019	455,826	0	16,085,845
Vehicles	4,667,806	240,780	0	4,908,586
Total Accumulated Depreciation	68,715,549	3,511,449	0	72,226,998
Governmental Activities Capital Assets, Net	<u>\$62,707,181</u>	<u>(\$1,374,426)</u>	<u>\$0</u>	<u>\$61,332,755</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$3,173,306
Special	628
Vocational	22,838
Support Services:	
Pupil	807
School Administration	6,919
Business	588
Operations and Maintenance	22,266
Pupil Transportation	264,929
Operation of Non-Instructional Services	13,525
Extracurricular Activities	5,643
Total Depreciation Expense	<u>\$3,511,449</u>

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Note 7 - Risk Management**

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The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As of July 1, 2017, the District obtained coverage through the School Insurance Consultants of Mason, Ohio, serving as the agent. General liability coverage, educator’s legal liability coverage, and auto liability and physical damage coverage are provided by Wright Specialty Insurance and AIG Insurance.

Property Coverage	(\$1,000 deductible)	\$300,000,000
Boiler and Machinery	(\$1,000 deductible)	50,000,000
Auto Liability/Physical Damage	(\$1,000 deductible)	6,000,000
General Liability	(\$0 deductible)	
Aggregate		\$3,000,000
Per Occurrence		1,000,000
Educator's Legal Liability	(\$2,500 deductible)	
Aggregate		\$8,000,000
Per Occurrence		6,000,000
Umbrella Coverage	(\$0 deductible)	
Aggregate		\$5,000,000
Per Occurrence		5,000,000

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

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

Beginning in fiscal year 2018, the District began to self-insure its medical health-insurance costs. The District contracts with Anthem for the service. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The District accounts for the activities of this program in the general fund in accordance with GASB Statement No. 10.

A summary of the changes in self-insurance health insurance claims liability is as follows:

	<u>2020</u>	<u>2021</u>
Claims Liability at Beginning of Year	\$264,993	\$228,926
Claims Incurred	7,800,874	8,067,139
Claims Paid	<u>(7,836,941)</u>	<u>(7,739,295)</u>
Claims Liability at the End of Year	<u>\$228,926</u>	<u>\$556,770</u>

**Note 8 - Defined Benefit Pension Plans**

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

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
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**Net Pension Liability/Net OPEB Liability (Asset)**

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

The net pension/OPEB liability (asset) represent the 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 District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the 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 9 for the required OPEB disclosures.

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

**Plan Description**

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

Age and service requirements for retirement are as follows:

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

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

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

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

**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 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 District's contractually required contribution to SERS was \$902,145 for fiscal year 2021. Of this amount \$195,083 is reported as accrued wages and benefits.

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

**Plan Description**

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

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

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

**Adams County/Ohio Valley School District, Ohio**  
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**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 District's contractually required contribution to STRS was \$2,852,592 for fiscal year 2021. Of this amount \$475,432 is reported as accrued wages and benefits.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,784,232	\$39,491,032	\$50,275,264
Proportion of the Net Pension Liability:			
Current Measurement Date	0.16304640%	0.16321008%	
Prior Measurement Date	<u>0.17156910%</u>	<u>0.16393621%</u>	
Change in Proportionate Share	-0.00852270%	-0.00072613%	
Pension Expense	\$1,010,615	\$5,507,054	\$6,517,669

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	\$20,948	\$88,608	\$109,556
Changes of assumptions	0	2,119,906	2,119,906
Net difference between projected and actual earnings on pension plan investments	684,580	1,920,453	2,605,033
Changes in employer proportionate share of net pension liability	0	548,877	548,877
Contributions subsequent to the measurement date	<u>902,145</u>	<u>2,852,592</u>	<u>3,754,737</u>
Total Deferred Outflows of Resources	<u>\$1,607,673</u>	<u>\$7,530,436</u>	<u>\$9,138,109</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$252,518	\$252,518
Changes in employer proportionate share of net pension liability	<u>403,716</u>	<u>421,834</u>	<u>825,550</u>
Total Deferred Inflows of Resources	<u>\$403,716</u>	<u>\$674,352</u>	<u>\$1,078,068</u>



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\$3,754,737 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	(\$289,741)	\$1,543,076	\$1,253,335
2023	91,873	662,728	754,601
2024	285,348	955,365	1,240,713
2025	214,332	842,323	1,056,655
<b>Total</b>	<b>\$301,812</b>	<b>\$4,003,492</b>	<b>\$4,305,304</b>

**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

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members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement. The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of 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	\$14,773,082	\$10,784,232	\$7,437,512

**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

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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.

**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	<u>1.00%</u>	2.25%
Total	<u><u>100.00%</u></u>	

\*10 Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, 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.

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**Discount Rate**

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

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

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

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$56,228,354	\$39,491,032	\$25,307,545

**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 9 - Defined Benefit OPEB Plans**

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See Note 8 for a description of the net OPEB liability (asset).

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

**Health Care Plan Description**

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

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

**Funding Policy**

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, 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 District's surcharge obligation was \$121,244.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$121,244 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](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy**

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

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

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	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability	\$3,625,010	\$0	\$3,625,010
Proportionate Share of the Net OPEB (Asset)	0	(2,868,416)	(2,868,416)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.16679540%	0.16321008%	
Prior Measurement Date	0.17570890%	0.16393621%	
Change in Proportionate Share	-0.00891350%	-0.00072613%	
OPEB Expense	(\$33,864)	(\$118,883)	(\$152,747)

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

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$47,610	\$183,796	\$231,406
Changes of assumptions	617,938	47,350	665,288
Net difference between projected and actual earnings on OPEB plan investments	40,846	100,528	141,374
Changes in employer proportionate share of net OPEB liability	189,692	189,627	379,319
Contributions subsequent to the measurement date	121,244	0	121,244
<b>Total Deferred Outflows of Resources</b>	<b>\$1,017,330</b>	<b>\$521,301</b>	<b>\$1,538,631</b>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$1,843,571	\$571,347	\$2,414,918
Changes of assumptions	91,305	2,724,516	2,815,821
Changes in employer proportionate share of net OPEB liability	362,237	13,721	375,958
<b>Total Deferred Inflows of Resources</b>	<b>\$2,297,113</b>	<b>\$3,309,584</b>	<b>\$5,606,697</b>

\$88,639 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:	SERS	STRS	Total
2022	(\$263,249)	(\$689,036)	(\$952,285)
2023	(260,295)	(620,991)	(881,286)
2024	(260,775)	(597,122)	(857,897)
2025	(289,670)	(608,810)	(898,480)
2026	(240,892)	(133,547)	(374,439)
Thereafter	(86,146)	(138,777)	(224,923)
<b>Total</b>	<b>(\$1,401,027)</b>	<b>(\$2,788,283)</b>	<b>(\$4,189,310)</b>

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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-normal distribution analysis in which best-estimate ranges of expected future real rates of return were

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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.



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	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
Proportionate share of the net OPEB liability	\$4,436,922	\$3,625,010	\$2,979,541
	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	\$2,854,420	\$3,625,010	\$4,655,487

**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

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from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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)	(\$2,495,707)	(\$2,868,416)	(\$3,184,643)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$3,165,014)	(\$2,868,416)	(\$2,507,112)

**Note 10 - Employee Benefits**

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**Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from board approved contracts and State laws. Eligible classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Up to two years' accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 215 days for administrators. One third of each administrator's accumulated sick leave over 200 days shall be paid out at the end of each fiscal year. Classified personnel may accumulate up to a maximum of 200 days for usage purposed; however, for retirement purposes, they may accumulate up to a maximum of 260 days. Certified personnel may accumulate up to a maximum of 200 days for usages; however, for retirement purposes, they may accumulate an unlimited number of days. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum payment of 50 days for administrators and 65 days for classified employees. The District offers a super-severance provision for employees who retire in their first year of eligibility. Under this policy, payment is made for one-half of the accumulated sick leave credit up to a maximum payment of 100 days.

Teachers, administrators, and classified personnel earn three days of personal leave per school year. Unused days are paid in July of each year, at the rate of \$150 per day for teachers and administrators. Classified personnel are paid at the rate of \$80 per day for unused days in July each year.

**Insurance Benefits**

The District provides life insurance and accidental death and dismemberment insurance to all employees through MetLife. The District has elected to provide medical/surgical, dental and vision benefits through Anthem Blue Cross and Blue Shield. Effective with the 2013-2014 fiscal year, teachers and administrators agreed to contribute ten percent of the monthly premium on all plans with the Board of Education assuming the remaining expense. Effective with the 2013-2014 school year, all classified staff agreed to contribute seven percent of the monthly premium and the Board of Education will assume the remaining expense. In addition to these percentages, all employees of the district have agreed to share in any premium increases over five percent; the additional increase above the five percent will be equally split or shared between the Board of Education and the employees.

**Perfect/Excellent Attendance Incentive**

Bonus checks are issued to employees who have perfect or excellent attendance in any full work year (July 1- June 30).

Eleven and twelve month classified employees with perfect attendance receive a bonus of \$500. Nine and ten month classified employees with perfect attendance receive a bonus of \$400.

Teachers with perfect attendance receive a bonus of \$225 per semester.

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**Note 11 - Long-Term Obligations**

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
<b>Governmental Activities:</b>					
2012 Refunding of 1995 School Improvement Bonds 1.15% - 4.00%	\$3,385,000	\$0	\$1,650,000	\$1,735,000	\$1,735,000
Premium on 2012 Refunding of School Improvement Bonds	50,080	0	33,367	16,713	0
2013 Refunding of 2007 School Improvement Bonds	7,585,000	0	7,585,000	0	0
Premium on 2013 Refunding of School Improvement Bonds	1,128,022	0	1,128,022	0	0
HB264 Bonds, Series 2014	1,815,915	0	178,384	1,637,531	183,824
2015 Refunding of 2007 School Improvements Bonds	5,655,000	0	0	5,655,000	0
Premium on 2015 Refunding of School Improvement Bonds	545,614	0	38,972	506,642	0
2019 Farm Purchase	682,500	0	97,500	585,000	97,500
2021 Refunding of 2013 Refunding of 2007 Bonds	0	6,805,000	0	6,805,000	827,000
Subtotal Bonds	20,847,131	6,805,000	10,711,245	16,940,886	2,843,324
Compensated Absences	2,904,937	283,654	1,712,838	1,475,753	19,171
Subtotal Bonds & Other Amounts	23,752,068	7,088,654	12,424,083	18,416,639	2,862,495
Net Pension Liability:					
STRS	36,253,508	3,237,524	0	39,491,032	0
SERS	10,265,280	518,952	0	10,784,232	0
Total Net Pension Liability	46,518,788	3,756,476	0	50,275,264	0
Net OPEB Liability:					
SERS	4,418,709	0	793,699	3,625,010	0
Total Net OPEB Liability	4,418,709	0	793,699	3,625,010	0
Total Long-Term Obligations	\$74,689,565	\$10,845,130	\$13,217,782	\$72,316,913	\$2,862,495

*School Improvement Bonds 1995* - On May 15, 1995, the District issued \$44,000,000 in voted general obligation bonds for the purpose of building new high schools and making improvements to existing buildings. The bonds were issued for a twenty-seven year period with final maturity at December 1, 2021. Manchester Local School District assumed \$16,801,260 of the outstanding bond amount as of July 1, 2004. The bonds will be retired from the Debt Service Fund.

Compensated absences will be paid from the Termination Benefits Fund and Food Service 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 requirements to retire general obligation debt at June 30, 2021, are as follows:

2012 Refunding of 1995 School Improvement Bonds			
Fiscal year	Principal	Interest	Total
Ending June 30,			
2022	1,735,000	32,965	1,767,965
Total	\$1,735,000	\$32,965	\$1,767,965

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**2021 Refunding of 2013 Refunding of 2007 School Improvement Bonds**

Fiscal year			
Ending June 30,	Principal	Interest	Total
2022	\$827,000	\$77,976	\$904,976
2023	832,000	67,856	899,856
2024	846,000	57,621	903,621
2025	844,000	47,312	891,312
2026	847,000	36,996	883,996
2027-2029	2,609,000	47,977	2,656,977
Total	<u>\$6,805,000</u>	<u>\$335,738</u>	<u>\$7,140,738</u>

**HB264 Bonds, Series 2014**

Fiscal year			
Ending June 30,	Principal	Interest	Total
2022	\$183,824	\$47,141	\$230,965
2023	189,431	41,449	230,880
2024	195,209	35,583	230,792
2025	201,162	29,539	230,701
2026	207,298	23,310	230,608
2027-2029	660,607	30,626	691,233
Total	<u>\$1,637,531</u>	<u>\$207,648</u>	<u>\$1,845,179</u>

**2015 Refunding of 2007 School Improvement Bonds**

Fiscal year			
Ending June 30,	Principal	Interest	Total
2022	\$0	\$226,200	\$226,200
2023	0	226,200	226,200
2024	0	226,200	226,200
2025	0	226,200	226,200
2026	0	226,200	226,200
2027-2031	2,010,000	1,051,400	3,061,400
2032-2034	3,645,000	222,900	3,867,900
Total	<u>\$5,655,000</u>	<u>\$2,405,300</u>	<u>\$8,060,300</u>

**2019 Farm Purchase**

Fiscal year			
Ending June 30,	Principal	Interest	Total
2022	97,500	0	97,500
2023	97,500	0	97,500
2024	97,500	0	97,500
2025	97,500	0	97,500
2026	97,500	0	97,500
2027	97,500	0	97,500
Total	<u>\$585,000</u>	<u>\$0</u>	<u>\$585,000</u>

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Note 12 - Interfund Activity**

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$540,230	\$0	\$0	\$1,005,886
Debt Service	0	0	226,075	0
Other Governmental Funds	0	540,230	779,811	0
Total All Funds	<u>\$540,230</u>	<u>\$540,230</u>	<u>\$1,005,886</u>	<u>\$1,005,886</u>

Interfund balances/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 budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. All interfund payables are expected to be repaid during the next fiscal year. The above interfund transactions comply with the requirements of the Ohio Revised Code.

**Note 13 - Jointly Governed Organizations**

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**META Solutions**

Metropolitan Educational Technology Association (META) is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs. The governing board of META consists of a president, vice president and six board members who represent the members of META. The Board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. Financial information can be obtained from the Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302. As of 7/1/2021 the district switched to Hamilton Clermont Cooperative Information Technology Center (HCC) to provide these services.

**Hopewell Special Education Regional Resource Center**

The Hopewell Special Education Regional Resource Center (Hopewell) is a jointly governed organization created by the Ohio Department of Education at the request of the participating school districts to offer direct and related services to low incidence handicapped students of the region. Local, city, and exempted village school districts receive services from Hopewell. Hopewell is operated under regulations and policies established by the Ohio Department of Education, and its own advisory board. The advisory board is made up of superintendents from the school districts or their designee, plus a representative from the Southern Ohio Educational Service Center, a representative from the board of mental retardation and developmental disabilities, two joint vocational school superintendents and five parents of handicapped children living in the region. The Southern Ohio Educational Service Center acts as fiscal agent. Hopewell receives funding from the contracts with each of the member school districts and federal and State grants. To obtain financial information, write to Hopewell at the Southern Ohio Educational Service Center, 3321 Airborne Drive, Wilmington, Ohio, 45177.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Southwestern Ohio Educational Purchasing Council**

The District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), a purchasing council made up of nearly 100 school districts in 12 counties. The purpose of the SOEPC is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Any district withdrawing from the SOEPC forfeits its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations during the one year period. Payments to SOEPC are made from the General Fund. To obtain financial information, write to the Director at Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**Note 14 - Set-Aside Calculations and Fund Reserves**

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

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

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2020	\$0
Current Year Set Aside Requirements	651,962
Qualified Disbursements	0
Prior Year Offset from Bond Proceeds	<u>(651,962)</u>
Set Aside Reserve Balance as of June 30, 2021	<u>\$0</u>
Restricted Cash as of June 30, 2021	<u>\$0</u>
Carried Forward to FY 2022	

Offset credits for capital activity during the year exceeded the amounts required for the set aside, resulting in offset credits of \$15,535,379 available for carryover to offset capital acquisition requirements of future years.

**Note 15 – Contingencies**

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**Foundation Funding**

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2021 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2021 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Grants**

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

**Litigation**

The District is not involved in any litigation as of June 30, 2021.

**Note 16 – Accountability**

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The following funds had deficit fund balances at June 30, 2021:

<u>Fund</u>	<u>Deficit</u>
Other Governmental Funds:	
EMIS	\$8,106
Public Preschool	62,247
Title I	417,267
IDEA B	297,643
Carl Perkins	2,992
IDEA Preschool	7,025
Improving Teacher Quality	48,551
Miscellaneous Federal Grants	2,900
Food Service	32,119
Career Development	3,109
ESSER: School Emergency Relief	91,700

These deficits were created by the recognition of accrued liabilities.

**Note 17 – Fund Balances**

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

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**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

Fund Balances	General	Debt Service	Other Governmental Funds	Total
<b>Nonspendable:</b>				
Unclaimed Monies	\$2,118	\$0	\$0	\$2,118
<b>Total Nonspendable</b>	<b>2,118</b>	<b>0</b>	<b>0</b>	<b>2,118</b>
<b>Restricted for:</b>				
Other Grants	0	0	89,698	89,698
Classroom Facilities Maintenance	0	0	1,347,740	1,347,740
Athletic	0	0	43,741	43,741
Auxiliary Services	0	0	17,193	17,193
Miscellaneous State Grants	0	0	5,050	5,050
Special Revenue	0	0	86,464	86,464
Student Activity	0	0	170,068	170,068
Debt Service	0	5,668,639	0	5,668,639
Capital Projects Replacement	0	0	1,620,779	1,620,779
<b>Total Restricted</b>	<b>0</b>	<b>5,668,639</b>	<b>3,380,733</b>	<b>9,049,372</b>
<b>Committed to:</b>				
Permanent Improvements	0	0	840,113	840,113
Termination Benefits	966,392	0	0	966,392
<b>Total Committed</b>	<b>966,392</b>	<b>0</b>	<b>840,113</b>	<b>1,806,505</b>
<b>Assigned to:</b>				
Encumbrances	2,050,988	0	0	2,050,988
Public Schools	176,395	0	0	176,395
<b>Total Assigned</b>	<b>2,227,383</b>	<b>0</b>	<b>0</b>	<b>2,227,383</b>
<b>Unassigned (Deficit)</b>	<b>20,552,127</b>	<b>0</b>	<b>(973,659)</b>	<b>19,578,468</b>
<b>Total Fund Balance</b>	<b>\$23,748,020</b>	<b>\$5,668,639</b>	<b>\$3,247,187</b>	<b>\$32,663,846</b>

**Note 18 – Implementation of New Accounting Principles and Restatement of Net Position/Fund Balance**

**New Accounting Principles**

For fiscal year 2021, the District implemented GASB Statement No. 84, Fiduciary Activities and related guidance from (GASB) Implementation Guide No. 2019-2, Fiduciary Activities, 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 District will no longer be reporting agency funds. The District reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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funds. If applicable, fund reclassifications resulted in the restatement of the 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:

	Other Governmental Funds
Fund Balance, June 30, 2020	\$3,060,963
Adjustments-Presentation Changes:	
GASB Statement No. 84	<u>275,835</u>
Restated Fund Balance, June 30, 2020	<u><u>\$3,336,798</u></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	\$31,314,797
Adjustments-Presentation Changes:	
GASB Statement No. 84	<u>275,835</u>
Restated Net Position, June 30, 2020	<u><u>\$31,590,632</u></u>

**Note 19 – COVID-19**

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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 20 – Subsequent Events**

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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.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

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Adams County Ohio Valley Schools, 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	0.16304640%	\$10,784,232	\$5,716,050	188.67%	68.55%
2020	0.17156910%	10,265,280	5,885,793	174.41%	70.85%
2019	0.18040110%	10,331,905	5,805,978	177.95%	71.36%
2018	0.16774770%	10,022,555	5,623,914	178.21%	69.50%
2017	0.16708540%	12,229,110	5,189,050	235.67%	62.98%
2016	0.16128860%	9,203,284	5,719,385	160.91%	69.16%
2015	0.15588100%	7,889,049	4,575,354	172.42%	71.70%
2014	0.15588100%	9,272,523	4,235,694	218.91%	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.

Adams County Ohio Valley Schools, 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	\$902,145	(\$902,145)	\$0	\$6,443,893	14.00%
2020	800,247	(800,247)	0	5,716,050	14.00%
2019	794,582	(794,582)	0	5,885,793	13.50%
2018	783,807	(783,807)	0	5,598,621	14.00%
2017	787,348	(787,348)	0	5,623,914	14.00%
2016	726,467	(726,467)	0	5,189,050	14.00%
2015	753,816	(753,816)	0	5,719,385	13.18%
2014	634,144	(634,144)	0	4,575,354	13.86%
2013	704,832	(704,832)	0	4,235,694	16.64%
2012	832,320	(832,320)	0	3,754,727	22.17%

See accompanying notes to the required supplementary information.

Adams County Ohio Valley Schools, 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	0.16321008%	\$39,491,032	\$20,241,600	195.10%	75.50%
2020	0.16393621%	36,253,508	19,811,914	182.99%	77.40%
2019	0.16658281%	36,627,820	19,109,571	191.67%	77.30%
2018	0.16193890%	38,468,932	17,080,457	225.22%	75.30%
2017	0.15847894%	53,047,678	16,090,886	329.68%	66.80%
2016	0.15331592%	42,372,036	15,738,007	269.23%	72.10%
2015	0.14893643%	36,226,494	16,387,738	221.06%	74.70%
2014	0.14893643%	43,036,549	15,086,293	285.27%	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.

Adams County Ohio Valley Schools, 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	\$2,852,592	(\$2,852,592)	\$0	\$20,375,657	14.00%
2020	2,833,824	(2,833,824)	0	20,241,600	14.00%
2019	2,773,668	(2,773,668)	0	19,811,914	14.00%
2018	2,675,340	(2,675,340)	0	19,109,571	14.00%
2017	2,391,264	(2,391,264)	0	17,080,457	14.00%
2016	2,252,724	(2,252,724)	0	16,090,886	14.00%
2015	2,203,320	(2,203,320)	0	15,738,007	14.00%
2014	2,130,406	(2,130,406)	0	16,387,738	13.00%
2013	2,223,864	(2,223,864)	0	15,086,293	14.74%
2012	2,024,364	(2,024,364)	0	14,472,888	13.99%

See accompanying notes to the required supplementary information.



Adams County Ohio Valley Schools, 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	0.16679540%	\$3,625,010	\$5,716,050	63.42%	18.17%
2020	0.17570890%	4,418,709	5,885,793	75.07%	15.57%
2019	0.18237080%	5,059,459	5,598,621	90.37%	13.57%
2018	0.17026500%	4,569,466	5,623,914	81.25%	12.46%
2017	0.16924712%	4,824,169	5,189,050	92.97%	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.

Adams County Ohio Valley Schools, 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	\$121,244	(\$121,244)	\$0	\$6,443,893	1.88%
2020	95,813	(95,813)	0	5,716,050	1.68%
2019	136,134	(136,134)	0	5,885,793	2.31%
2018	137,985	(137,985)	0	5,598,621	2.46%
2017	92,983	(92,983)	0	5,623,914	1.65%
2016	76,574	(76,574)	0	5,189,050	1.48%

(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.

Adams County Ohio Valley Schools, 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	0.16321008%	(\$2,868,416)	\$20,241,600	(14.17%)	182.13%
2020	0.16393621%	(2,715,177)	19,811,914	(13.70%)	174.74%
2019	0.16658281%	(2,676,815)	19,109,571	(14.01%)	176.00%
2018	0.16193890%	6,318,258	17,080,457	36.99%	47.10%
2017	0.15847894%	8,475,495	16,090,886	52.67%	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.

Adams County Ohio Valley Schools, 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	\$20,375,657	0.00%
2020	0	0	0	20,241,600	0.00%
2019	0	0	0	19,811,914	0.00%
2018	0	0	0	19,109,571	0.00%
2017	0	0	0	17,080,457	0.00%
2016	0	0	0	16,090,886	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.

Adams County/Ohio Valley 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
<b>Revenues:</b>				
Taxes	\$1,824,884	\$7,953,436	\$8,250,672	\$297,236
Tuition and Fees	321,374	1,400,650	1,452,995	52,345
Investment Earnings	34,441	150,103	155,713	5,610
Intergovernmental	7,082,538	30,867,995	32,021,593	1,153,598
Other Revenues	237,666	1,035,825	1,074,536	38,711
<b>Total Revenues</b>	<b>9,500,903</b>	<b>41,408,009</b>	<b>42,955,509</b>	<b>1,547,500</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	11,598,756	20,420,315	18,947,814	1,472,501
Special	3,851,293	6,780,436	6,291,501	488,935
Vocational	1,319,850	2,323,675	2,156,116	167,559
Adult/Continuing	366,322	644,932	598,426	46,506
Other	497,292	875,513	812,380	63,133
<b>Support Services:</b>				
Pupil	893,412	1,572,907	1,459,485	113,422
Instructional Staff	552,630	972,938	902,780	70,158
General Administration	72,984	128,493	119,227	9,266
School Administration	2,708,954	4,769,279	4,425,368	343,911
Fiscal	592,481	1,043,100	967,882	75,218
Business	35,602	62,679	58,159	4,520
Operations and Maintenance	1,937,605	3,411,271	3,165,286	245,985
Pupil Transportation	1,941,067	3,417,367	3,170,942	246,425
Central	208,518	367,108	340,636	26,472
Operation of Non-Instructional Services	710	1,250	1,160	90
Extracurricular Activities	250,505	441,029	409,227	31,802
<b>Total Expenditures</b>	<b>26,827,981</b>	<b>47,232,292</b>	<b>43,826,389</b>	<b>3,405,903</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(17,327,078)</b>	<b>(5,824,283)</b>	<b>(870,880)</b>	<b>4,953,403</b>
<b>Other Financing Sources (Uses):</b>				
Advances In	94,364	411,268	426,638	15,370
Advances (Out)	(327,637)	(576,826)	(535,231)	41,595
Transfers In	704,991	3,072,581	3,187,409	114,828
Transfers (Out)	(2,744,414)	(4,831,708)	(4,483,295)	348,413
<b>Total Other Financing Sources (Uses)</b>	<b>(2,272,696)</b>	<b>(1,924,685)</b>	<b>(1,404,479)</b>	<b>520,206</b>
<b>Net Change in Fund Balance</b>	<b>(19,599,774)</b>	<b>(7,748,968)</b>	<b>(2,275,359)</b>	<b>5,473,609</b>
<b>Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>19,026,573</b>	<b>19,026,573</b>	<b>19,026,573</b>	<b>0</b>
<b>Fund Balance - End of Year</b>	<b>(\$573,201)</b>	<b>\$11,277,605</b>	<b>\$16,751,214</b>	<b>\$5,473,609</b>

See accompanying notes to the required supplementary information.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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**Note 1 – Budgetary Process**

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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.

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.

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 Combined Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP 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. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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The following table summarizes the adjustments necessary to reconcile the GAAP basis to the budgetary basis for the General Fund.

	General
GAAP Basis	\$440,689
Revenue Accruals	(8,800,379)
Expenditure Accruals	8,566,578
Transfers In	3,187,409
Transfers (Out)	(3,477,409)
Advances In	426,638
Advances (Out)	(535,231)
Encumbrances	(2,083,653)
Funds Budgeted Elsewhere	(1)
Budget Basis	(\$2,275,359)

**Note 2 - Net Pension Liability**

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**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

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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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%.

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**

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**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:



**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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- (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%
- (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%

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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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,
- (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.

**Adams County/Ohio Valley School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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**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.

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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**ADAMS COUNTY/ OHIO VALLEY LOCAL SCHOOL DISTRICT  
ADAMS COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
<b>Child Nutrition Cluster:</b>			
Non-Cash Assistance:			
National School Lunch Program	10.555	3L60	132,293
Cash Assistance:			
National School Lunch Program	10.555	3L60	683,590
COVID 19 National School Lunch Program	10.555	3L60	131,122
Total - School Lunch Program			<u>947,005</u>
National School Breakfast Program	10.553	3L70	349,138
COVID 19 National School Breakfast Program	10.553	3L70	66,697
Total - School Breakfast Program			<u>415,835</u>
Total Child Nutrition Cluster			<b>1,362,840</b>
Total U.S. Department of Agriculture			<u><b>1,362,840</b></u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
Passed through Ohio Department of Education:			
COVID 19 Coronavirus Relief Fund-Rural and Small Town SD	21.019	5CV1	231,528
COVID 19 Coronavirus Relief Fund-BroadbandOhio Connectivity	21.019	5CV1	113,036
Total Coronavirus Relief Fund			<u>344,564</u>
Total U.S. Department of Treasury			<u><b>344,564</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through Ohio Department of Education:			
Title I			
Title I - FY 21	84.010	3M00	1,193,694
Title I - FY 20	84.010	3M00	218,481
Title I-D Neglected FY 20	84.010		9,698
Title I-D Neglected FY 21	84.010		17,511
School Quality Improvement	84.010		5,545
School Quality Improvement	84.010		93,266
Expanding Opportunities	84.010		12,898
Total Title I			<u>1,551,093</u>
Special Education Cluster:			
Special Education Grants to States			
IDEA Part B - FY 21	84.027	3M20	1,032,437
IDEA Part B - FY 20	84.027	3M20	99,874
Parent Mentor FY 21	84.027	3M20	18,704
Parent Mentor FY21 Supplemental	84.027	3M20	1,715
Total IDEA Part B			<u>1,152,730</u>
Preschool Early Childhood - FY 20	84.173	3C50	3,083
Preschool Early Childhood - FY 21	84.173	3C50	18,388
Preschool Restoration FY 20	84.173	3C50	4,372
Total Preschool Early Childhood			<u>25,843</u>
Total Special Education Cluster			<u><b>1,178,573</b></u>
Title II -A Improving Teacher Quality - FY 21	84.367	3Y60	157,187
Title II-A Improving Teacher Quality - FY 20	84.367	3Y60	28,929
Total Title II-A Improving Teacher Quality			<u>186,116</u>
Small, Rural School Achievement Program - FY 21	84.358	3Y80	<b>66,572</b>
Twenty First Century Grant FY 21	84.048	3Y20	3,167
Twenty First Century Grant FY 20	84.048	3Y20	103,738
Total Twenty First Century Grant			<u>106,905</u>
Title IV-A-Student Support & Academic Enrichment FY 21	84.424	3H10	65,048
Title IV-A-Student Support & Academic Enrichment FY 20	84.424	3H10	2,558
Total Title IV-A-Student Support & Academic Enrichment			<u>67,606</u>
COVID 19 - Education Stabilization Fund	84.425D	3HS0	<b>1,060,783</b>
Total U.S. Department of Education			<u><b>4,217,648</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><u><b>\$5,925,052</b></u></u>

The accompanying notes are an integral part of this schedule.

**ADAMS COUNTY/OHIO VALLEY LOCAL SCHOOL DISTRICT  
ADAMS COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Adams County/Ohio Valley 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 allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

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

**NOTE D – CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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



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

Adams County/ Ohio Valley Local School District  
Adams County  
141 Lloyd Road  
West Union, Ohio 45693

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 Adams County/ Ohio Valley Local School District, Adams County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 11, 2022. We noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We also noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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 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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
July 11, 2022



# OHIO AUDITOR OF STATE KEITH FABER



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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

Adams County/ Ohio Valley Local School District  
Adams County  
141 Lloyd Road  
West Union, Ohio 45693

To the Board of Education:

### ***Report on Compliance for each Major Federal Program***

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

### ***Management's Responsibility***

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

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

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

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

### ***Opinion on each Major Federal Program***

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
July 11, 2022

**ADAMS COUNTY/ OHIO VALLEY LOCAL SCHOOL DISTRICT  
ADAMS COUNTY**

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

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	AL# 21.019 Coronavirus Relief Fund AL# 84.425D Education Stabilization Fund AL# 84.027 and 84.173 Special Education Cluster
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	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

**4. OTHER – FINDINGS FOR RECOVERY**

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

**FINDING NUMBER 2021-001**

**Finding for Recovery Repaid Under Audit**

26 U.S.C 310s(a), require employers to withhold employment related taxes (such as Medicare) from employees' earnings and to remit the withholdings to the U.S. Treasury in a timely manner.

We found that through a clerical error, Anthony Henson did not have Medicare withheld or remitted by the District during fiscal year 2021. This resulted in Anthony Henson being overpaid by an amount of \$568.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Anthony Henson in the amount of \$568, and in favor of the Adams County/Ohio Valley Local School District General Fund, in the amount of \$568.

The District should withhold the correct amounts from payroll and submit the required reports and contribution/withholding remittances in a timely manner to ensure compliance with applicable laws and regulations and to avoid interest and penalties.

On June 14, 2022, the amount of \$284 was withheld from Mr. Henson's pay. On June 28, 2022, the remaining amount of \$284 was withheld from Mr. Henson's pay. This finding is considered paid in full.

**Officials' Response:**

We did not receive a response from Officials to this finding.

**Adams County Ohio Valley School District  
Treasurer's Office**

*141 Lloyd Road  
West Union, Ohio 45693-9237  
TELEPHONE: 937-544-5586  
FAX: 937-347-5897*

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

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Final appropriations not accurately reported in Statements	Corrective Action Taken and Finding is Fully Corrected	None



# OHIO AUDITOR OF STATE KEITH FABER



**ADAMS COUNTY/OHIO VALLEY LOCAL SCHOOL DISTRICT**

**ADAMS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/4/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)