



OHIO AUDITOR OF STATE  
**KEITH FABER**





**LIBERTY-BENTON LOCAL SCHOOL DISTRICT  
HANCOCK COUNTY  
JUNE 30, 2021**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	19
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds .....	21
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities .....	22
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual General Fund.....	23
Statement of Change in Fiduciary Net Position Custodial Fund .....	25
Notes to the Basic Financial Statements .....	26
Schedules of Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability School Employees Retirement System of Ohio .....	72
Schedule of the School District's Proportionate Share of the Net OPEB Liability School Employees Retirement System of Ohio .....	74
Schedule of the School District's Proportionate Share of the Net Pension Liability State Teachers Retirement System of Ohio .....	76
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset) State Teachers Retirement System of Ohio .....	78

**LIBERTY-BENTON LOCAL SCHOOL DISTRICT  
HANCOCK COUNTY  
JUNE 30, 2021**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Schedule of the School District's Contributions:	
School Employees Retirement System of Ohio .....	80
State Teachers Retirement System of Ohio.....	82
Notes to the Required Supplementary Information.....	84
Schedule of Expenditures of Federal Awards .....	87
Notes to the Schedule of Expenditures of Federal Awards .....	88
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	89
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	91
Schedule of Findings .....	93



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

## INDEPENDENT AUDITOR'S REPORT

Liberty-Benton Local School District  
Hancock County  
9190 County Road 9  
Findlay, Ohio 45840

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 Liberty-Benton Local School District, Hancock 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.

---

Efficient • Effective • Transparent

**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 and the budgetary comparison for the General fund 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 24 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*, 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 March 29, 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

March 29, 2022

**This page intentionally left blank.**



Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

---

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

### **Highlights**

Highlights for fiscal year 2021 were as follows:

Net position increased \$1,362,166, or approximately 6 percent. Increases in property tax and income tax revenue as well as COVID relief funding generally led to this increase. There was little change in total expenses from the prior fiscal year.

General revenues were \$15,256,785, or 75 percent of total revenues, and demonstrate the School District's significant dependence on property taxes and income taxes as well as State funding.

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

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Liberty-Benton Local School District as a financial whole, or as an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in a single column.

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

The statement of net position and the statement of activities reflect how the School District did financially during fiscal year 2021. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

---

In the statement of net position and the statement of activities, all of the School District's activities are reflected as governmental activities. The programs and services reported here include instruction, support services, non-instructional services, and extracurricular activities. These services are primarily funded by property taxes and income tax revenues as well as unrestricted State entitlements.

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

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's major funds are the General Fund and the Building and Classroom Facilities capital projects funds.

Governmental Funds - All of the School District's activities are reported in governmental funds which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

**The School District as a Whole**

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

Table 1  
Net Position

	Governmental Activities		
	2021	2020	Change
<u>Assets</u>			
Current and Other Assets	\$67,408,210	\$68,164,623	(\$756,413)
Net OPEB Asset	972,343	930,565	41,778
Capital Assets, Net	10,551,740	7,843,301	2,708,439
Total Assets	78,932,293	76,938,489	1,993,804

(continued)

Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

Table 1  
Net Position  
(continued)

	Governmental Activities		
	2021	2020	Change
<u>Deferred Outflows of Resources</u>			
Pension	\$3,040,655	\$3,075,619	(\$34,964)
OPEB	442,668	335,711	106,957
Total Deferred Outflows of Resources	<u>3,483,323</u>	<u>3,411,330</u>	<u>71,993</u>
<u>Liabilities</u>			
Current and Other Liabilities	2,054,151	1,678,387	(375,764)
Long-Term Liabilities			
Pension	17,152,041	15,868,746	(1,283,295)
OPEB	1,286,045	1,485,381	199,336
Other Amounts	27,872,282	28,683,772	811,490
Total Liabilities	<u>48,364,519</u>	<u>47,716,286</u>	<u>(648,233)</u>
<u>Deferred Inflows of Resources</u>			
Pension	306,559	777,812	471,253
OPEB	1,832,401	1,564,130	(268,271)
Other Amounts	6,513,836	6,255,456	(258,380)
Total Deferred Inflows of Resources	<u>8,652,796</u>	<u>8,597,398</u>	<u>(55,398)</u>
<u>Net Position</u>			
Net Investment in Capital Assets	9,993,243	7,843,301	2,149,942
Restricted	21,510,820	22,284,793	(773,973)
Unrestricted (Deficit)	(6,105,762)	(6,091,959)	(13,803)
Total Net Position	<u>\$25,398,301</u>	<u>\$24,036,135</u>	<u>\$1,362,166</u>

The net pension/OPEB liability (asset) reported by the School District at June 30, 2021, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", respectively. For reasons discussed below, end users of these financial statements will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

---

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB Statements No. 68 and No. 75 require the net pension liability and the net OPEB liability (asset) to equal the School District's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB Statements No. 68 and No. 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in the net pension liability and the net OPEB liability (asset), respectively, not accounted for as deferred outflows/inflows.

Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

Pension/OPEB related changes noted in the above table reflect an overall increase in deferred outflows and in deferred inflows. The increase in the net pension liability and decrease in the net OPEB liability represent the School District's proportionate share of the unfunded benefits. As indicated previously, changes in pension benefits, contribution rates, return on investments, and actuarial assumptions all affect the balance of the net pension/OPEB liability.

Aside from the changes related to pension/OPEB, there were several notable changes from the prior fiscal year as reflected in the above table. The decrease in current and other assets was largely due to a decrease in intergovernmental receivables (related to the progress of the Ohio Facilities Construction Commission project). However, there were increases in the receivables for property taxes (based on the assessed valuation of property) and income taxes (related to recovery from the pandemic year). The increase in net capital assets and the investment in capital assets was due to the Ohio Facilities Construction Commission ongoing construction. The increase in current and other liabilities was primarily construction related as there were outstanding liabilities for contracts at fiscal year end. The decrease in other long-term liabilities represents scheduled debt retirement.

Table 2 reflects the change in net position for fiscal year 2021 and fiscal year 2020:

Table 2  
Change in Net Position

	Governmental Activities		
	2021	2020	Change
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$2,701,753	\$2,846,137	(\$144,384)
Operating Grants, Contributions, and Interest	2,228,594	1,396,962	831,632
Capital Grants, Contributions, and Interest	169,390	0	169,390
Total Program Revenues	<u>5,099,737</u>	<u>4,243,099</u>	<u>856,638</u>
General Revenues			
Property Taxes	6,998,267	6,510,421	487,846
Income Taxes	2,415,288	2,000,722	414,566
Payment in Lieu of Taxes	32,806	50,545	(17,739)
Grants and Entitlements	5,448,201	26,478,405	(21,030,204)
Interest	80,384	520,049	(439,665)
Gifts and Donations	3,033	4,623	(1,590)
Miscellaneous	278,806	221,155	57,651
Total General Revenues	<u>15,256,785</u>	<u>35,785,920</u>	<u>(20,529,135)</u>
Total Revenues	<u>20,356,522</u>	<u>40,029,019</u>	<u>(19,672,497)</u>

(continued)

Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

Table 2  
Change in Net Position  
(continued)

	Governmental Activities		
	2021	2020	Change
<u>Expenses</u>			
Instruction:			
Regular	\$8,551,627	\$8,363,434	(\$188,193)
Special	1,896,841	1,794,217	(102,624)
Vocational	402,162	432,635	30,473
Support Services:			
Pupils	1,177,914	1,198,221	20,307
Instructional Staff	556,823	702,521	145,698
Board of Education	11,057	13,435	2,378
Administration	1,264,493	1,280,335	15,842
Fiscal	448,936	447,388	(1,548)
Business	691	576	(115)
Operation and Maintenance of Plant	1,444,945	1,430,568	(14,377)
Pupil Transportation	694,105	633,546	(60,559)
Central	230,704	217,700	(13,004)
Non-Instructional Services	703,706	661,031	(42,675)
Extracurricular Activities	728,748	779,856	51,108
Interest and Fiscal Charges	881,604	782,115	(99,489)
Total Expenses	<u>18,994,356</u>	<u>18,737,578</u>	<u>(256,778)</u>
Increase in Net Position	1,362,166	21,291,441	(19,929,275)
Net Position at Beginning of Year	<u>24,036,135</u>	<u>2,744,694</u>	<u>21,291,441</u>
Net Position at End of Year	<u>\$25,398,301</u>	<u>\$24,036,135</u>	<u>\$1,362,166</u>

For program revenues, the decrease in charges for services is generally due to a reduction in food service sales and other charges as a result of closures and limited activities during the pandemic. The increase in operating grants and contributions was due to some additional grant funding and from COVID relief resources. For general revenues, there was an increase in property tax and income tax revenue as addressed previously. The decrease in unrestricted grants and contributions is related to resources received from the Ohio Facilities Construction Commission (OFCC) in the prior fiscal year. The decrease in interest revenue is due to less resources invested as OFCC monies were spent on construction. The increase in expenses was not significant (1 percent).

Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported primarily from tax revenues and unrestricted State entitlements.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction:				
Regular	\$8,551,627	\$8,363,434	\$6,172,352	\$6,224,651
Special	1,896,841	1,794,217	807,886	714,127
Vocational	402,162	432,635	340,507	373,688
Support Services:				
Pupils	1,177,914	1,198,221	903,831	1,058,577
Instructional Staff	556,823	702,521	529,596	702,521
Board of Education	11,057	13,435	11,057	13,435
Administration	1,264,493	1,280,335	1,246,581	1,280,335
Fiscal	448,936	447,388	444,360	447,388
Business	691	576	691	576
Operation and Maintenance of Plant				
Pupil Transportation	1,444,945	1,430,568	1,391,634	1,430,568
Central	694,105	633,546	635,209	633,546
Non-Instructional Services	230,704	217,700	229,336	217,700
Extracurricular Activities	703,706	661,031	(197,686)	36,659
Interest and Fiscal Charges	728,748	779,856	497,661	578,593
Total Expenses	881,604	782,115	881,604	782,115
	<u>\$18,994,356</u>	<u>\$18,737,578</u>	<u>\$13,894,619</u>	<u>\$14,494,479</u>

With the substantial contribution of general revenues for funding the School District's activities, only a limited number of activities are affected by program revenues. Instruction costs are partially offset by tuition and fees and grants restricted for various instruction purposes. Non-instructional services costs are supported by cafeteria sales, state and federal subsidies, and donated commodities for food service operations. Extracurricular activities costs are supported by music and athletic fees, ticket sales, and gate receipts at musical and athletic events.

Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

---

**The School District's Funds**

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

Fund balance increased almost 14 percent in the General Fund. Revenues increased approximately 5 percent. Property taxes and income taxes increased as discussed previously and intergovernmental revenue increased from State foundation funding and COVID relief resources. There was little change in total expenditures.

The change in fund balance in the Building Fund was not significant.

The increase in the Classroom Facilities Fund was due to grant resources exceeding construction costs for the fiscal year.

**General Fund Budgeting Highlights**

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

During fiscal year 2021, the School District amended its General Fund budget as needed. For revenues, changes from the original budget to the final budget as well as from the final budget to actual revenues were not significant. For expenditures, there was no change from the original budget to the final budget and changes from the final budget to actual expenditures were not significant.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2021, the School District had \$10,551,740 invested in capital assets (net of accumulated depreciation). Additions included ongoing construction, two buses, and miscellaneous equipment. Disposals were not significant. For further information regarding the School District's capital assets, refer to Note 11 to the basic financial statements.

**Debt**

At June 30, 2021, the School District had outstanding general obligation bonds, in the amount of \$26,958,818. The School District's long-term obligations also include the net pension/OPEB liability and compensated absences. For further information regarding the School District's long-term obligations, refer to Note 17 to the basic financial statements.

**Current Issues**

Liberty-Benton Local School District is comprised of portions of Blanchard, Eagle, and Liberty Townships. It has a number of small and medium size businesses with agriculture contributing a significant influence on the local economy.



Liberty-Benton Local School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
Unaudited

---

As the coronavirus pandemic continued, the School District was able to welcome back students to the 2020-2021 school year in a limited capacity to support social distancing using an AM/PM Hybrid Learning Model. The model provided half-day instruction for two groups of students. The option of 100 percent remote learning was also provided. The School District returned to a traditional all day education model in February 2021.

In May 2019, the community generously passed a 7.3 mill levy which allows the School District to build a new pre-kindergarten through 8<sup>th</sup> grade building with the help of the Ohio Facilities Construction Commission. The School District began the schematic design phase in July 2020; the first of three design phases. The Developmental Design phase was approved in March 2021. Groundbreaking and early site construction for the new building began in June 2021. Completion is scheduled for the spring of 2023 in time to begin the 2023-2024 school year.

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lisa Dobbins, Treasurer, Liberty-Benton Local School District, 9190 County Road 9, Findlay, Ohio 45840.

This page intentionally left blank.

Liberty-Benton Local School District  
Statement of Net Position  
June 30, 2021

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$39,304,239
Accounts Receivable	74,669
Accrued Interest Receivable	30,585
Intergovernmental Receivable	19,822,252
Income Taxes Receivable	1,061,709
Prepaid Items	13,289
Inventory Held for Resale	3,787
Materials and Supplies Inventory	14,624
Property Taxes Receivable	7,031,094
Payment in Lieu of Taxes Receivable	51,962
Net OPEB Asset	972,343
Nondepreciable Capital Assets	4,171,566
Depreciable Capital Assets, Net	6,380,174
Total Assets	78,932,293
<u>Deferred Outflows of Resources:</u>	
Pension	3,040,655
OPEB	442,668
Total Deferred Outflows of Resources	3,483,323
<u>Liabilities:</u>	
Accounts Payable	81,156
Contracts Payable	320,404
Accrued Wages and Benefits Payable	1,137,619
Matured Compensated Absences Payable	18,784
Intergovernmental Payable	318,804
Accrued Interest Payable	153,526
Unearned Revenue	23,858
Long-Term Liabilities:	
Due Within One Year	795,443
Due in More Than One Year	
Net Pension Liability	17,152,041
Net OPEB Liability	1,286,045
Other Amounts Due in More Than One Year	27,076,839
Total Liabilities	48,364,519
<u>Deferred Inflows of Resources:</u>	
Property Taxes	6,461,874
Payment in Lieu of Taxes	51,962
Pension	306,559
OPEB	1,832,401
Total Deferred Inflows of Resources	8,652,796
<u>Net Position:</u>	
Net Investment in Capital Assets	9,993,243
Restricted For:	
Capital Projects	20,664,677
Debt Service	(129,343)
Food Service	186,842
Athletics and Music	65,510
Student Activities	114,886
Other Purposes	608,248
Unrestricted (Deficit)	(6,105,762)
Total Net Position	\$25,398,301

See Accompanying Notes to Basic Financial Statements

Liberty-Benton Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$8,551,627	\$2,165,546	\$213,729	\$0
Special	1,896,841	247,935	841,020	0
Vocational	402,162	0	61,655	0
Support Services:				
Pupils	1,177,914	0	196,452	77,631
Instructional Staff	556,823	0	27,227	0
Board of Education	11,057	0	0	0
Administration	1,264,493	0	17,912	0
Fiscal	448,936	0	4,576	0
Business	691	0	0	0
Operation and Maintenance of Plant	1,444,945	0	53,311	0
Pupil Transportation	694,105	0	58,896	0
Central	230,704	0	1,368	0
Non-Instructional Services	703,706	150,943	750,449	0
Extracurricular Activities	728,748	137,329	1,999	91,759
Interest and Fiscal Charges	881,604	0	0	0
Total Governmental Activities	<u>\$18,994,356</u>	<u>\$2,701,753</u>	<u>\$2,228,594</u>	<u>\$169,390</u>

General Revenues:

Property Taxes Levied for General Purposes  
Property Taxes Levied for Classroom Construction Maintenance  
Property Taxes Levied for Debt Service Purposes  
Income Taxes Levied for General Purposes  
Payment in Lieu of Taxes  
Grants and Entitlements not Restricted to Specific Programs  
Interest  
Gifts and Donations  
Miscellaneous  
Total General Revenues

Change in Net Position

Net Position at Beginning of Year  
Net Position at End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue  
and Change in  
Net Position

---

Governmental  
Activities

---

(\$6,172,352)  
(807,886)  
(340,507)

(903,831)  
(529,596)  
(11,057)  
(1,246,581)  
(444,360)  
(691)

(1,391,634)  
(635,209)  
(229,336)  
197,686  
(497,661)  
(881,604)

---

(13,894,619)

---

5,606,655  
109,292  
1,282,320  
2,415,288  
32,806  
5,448,201  
80,384  
3,033  
278,806

---

15,256,785

---

1,362,166

---

24,036,135

---

\$25,398,301

---

---

This page intentionally left blank.

Liberty-Benton Local School District  
Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Building	Classroom Facilities	Other Governmental	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$8,785,980	\$9,529,654	\$16,019,524	\$4,969,081	\$39,304,239
Accounts Receivable	50,076	0	0	24,593	74,669
Accrued Interest Receivable	9,536	7,893	13,156	0	30,585
Intergovernmental Receivable	24,144	0	19,710,650	87,458	19,822,252
Income Taxes Receivable	1,061,709	0	0	0	1,061,709
Prepaid Items	13,000	0	0	289	13,289
Inventory Held for Resale	0	0	0	3,787	3,787
Materials and Supplies Inventory	12,208	0	0	2,416	14,624
Property Taxes Receivable	5,640,039	0	0	1,391,055	7,031,094
Payment in Lieu of Taxes Receivable	42,442	0	0	9,520	51,962
Total Assets	<u>\$15,639,134</u>	<u>\$9,537,547</u>	<u>\$35,743,330</u>	<u>\$6,488,199</u>	<u>\$67,408,210</u>
<u>Liabilities:</u>					
Accounts Payable	\$61,733	\$0	\$0	\$19,423	\$81,156
Contracts Payable	0	16,595	95,780	208,029	320,404
Accrued Wages and Benefits Payable	1,117,576	0	0	20,043	1,137,619
Matured Compensated Absences Payable	18,784	0	0	0	18,784
Intergovernmental Payable	310,285	0	0	8,519	318,804
Unearned Revenue	3,741	0	0	20,117	23,858
Total Liabilities	<u>1,512,119</u>	<u>16,595</u>	<u>95,780</u>	<u>276,131</u>	<u>1,900,625</u>
<u>Deferred Inflows of Resources:</u>					
Property Taxes	5,176,067	0	0	1,285,807	6,461,874
Payment in Lieu of Taxes	42,442	0	0	9,520	51,962
Unavailable Revenue	215,360	3,817	18,801,967	46,148	19,067,292
Total Deferred Inflows of Resources	<u>5,433,869</u>	<u>3,817</u>	<u>18,801,967</u>	<u>1,341,475</u>	<u>25,581,128</u>
<u>Fund Balances:</u>					
Nonspendable	25,208	0	0	2,705	27,913
Restricted	0	9,517,135	16,845,583	3,074,027	29,436,745
Committed	118,990	0	0	54,386	173,376
Assigned	466,594	0	0	1,739,475	2,206,069
Unassigned	8,082,354	0	0	0	8,082,354
Total Fund Balances	<u>8,693,146</u>	<u>9,517,135</u>	<u>16,845,583</u>	<u>4,870,593</u>	<u>39,926,457</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$15,639,134</u>	<u>\$9,537,547</u>	<u>\$35,743,330</u>	<u>\$6,488,199</u>	<u>\$67,408,210</u>

See Accompanying Notes to the Basic Financial Statements

Liberty-Benton Local School District  
Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
June 30, 2021

Total Governmental Fund Balances \$39,926,457

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 10,551,740

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	55,224	
Accrued Interest Receivable	13,649	
Intergovernmental Receivable	18,828,815	
Income Taxes Receivable	140,479	
Delinquent Property Taxes Receivable	29,125	
		19,067,292

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest Payable	(153,526)	
General Obligation Bonds Payable	(26,958,818)	
Compensated Absences Payable	(913,464)	
		(28,025,808)

The net OPEB asset, net pension liability, and net OPEB liability are not due and payable in the current period, therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.

Net OPEB Asset	972,343	
Deferred Outflows - Pension	3,040,655	
Deferred Inflows - Pension	(306,559)	
Net Pension Liability	(17,152,041)	
Deferred Outflows - OPEB	442,668	
Deferred Inflows - OPEB	(1,832,401)	
Net OPEB Liability	(1,286,045)	
		(16,121,380)

Net Position of Governmental Activities \$25,398,301

See Accompanying Notes to the Basic Financial Statements



Liberty-Benton Local School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2021

	General	Building	Classroom Facilities	Other Governmental	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$5,601,966	\$0	\$0	\$1,390,636	\$6,992,602
Income Taxes	2,444,863	0	0	0	2,444,863
Payment in Lieu of Taxes	27,498	0	0	5,308	32,806
Intergovernmental	5,923,423	0	2,343,975	1,799,672	10,067,070
Interest	31,336	26,082	22,609	2,619	82,646
Tuition and Fees	2,398,807	0	0	0	2,398,807
Extracurricular Activities	0	0	0	136,538	136,538
Charges for Services	0	0	0	152,036	152,036
Gifts and Donations	3,033	0	0	93,561	96,594
Miscellaneous	233,758	0	0	82,366	316,124
Total Revenues	<u>16,664,684</u>	<u>26,082</u>	<u>2,366,584</u>	<u>3,662,736</u>	<u>22,720,086</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	7,776,759	0	0	178,603	7,955,362
Special	1,381,930	0	0	416,390	1,798,320
Vocational	374,943	0	0	2,708	377,651
Support Services:					
Pupils	1,062,639	0	0	47,103	1,109,742
Instructional Staff	438,419	0	0	83,996	522,415
Board of Education	10,743	0	0	0	10,743
Administration	1,140,420	0	0	21,162	1,161,582
Fiscal	402,349	0	0	28,663	431,012
Business	691	0	0	0	691
Operation and Maintenance of Plant	1,154,746	0	0	103,361	1,258,107
Pupil Transportation	628,012	0	0	131,262	759,274
Central	210,523	0	0	1,368	211,891
Non-Instructional Services	2,159	0	0	686,191	688,350
Extracurricular Activities	428,783	0	0	154,041	582,824
Capital Outlay	31,501	296,425	1,708,016	1,164,356	3,200,298
Debt Service:					
Principal Retirement	0	0	0	735,000	735,000
Interest and Fiscal Charges	0	0	0	948,650	948,650
Total Expenditures	<u>15,044,617</u>	<u>296,425</u>	<u>1,708,016</u>	<u>4,702,854</u>	<u>21,751,912</u>
Excess of Revenues Over (Under) Expenditures	<u>1,620,067</u>	<u>(270,343)</u>	<u>658,568</u>	<u>(1,040,118)</u>	<u>968,174</u>
<u>Other Financing Sources (Uses):</u>					
Transfers In	0	0	0	580,677	580,677
Transfers Out	(580,677)	0	0	0	(580,677)
Total Other Financing Sources (Uses)	<u>(580,677)</u>	<u>0</u>	<u>0</u>	<u>580,677</u>	<u>0</u>
Changes in Fund Balances	1,039,390	(270,343)	658,568	(459,441)	968,174
Fund Balances at Beginning of Year	7,653,756	9,787,478	16,187,015	5,330,034	38,958,283
Fund Balances at End of Year	<u>\$8,693,146</u>	<u>\$9,517,135</u>	<u>\$16,845,583</u>	<u>\$4,870,593</u>	<u>\$39,926,457</u>

See Accompanying Notes to the Basic Financial Statements

Liberty-Benton Local School District  
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to Statement of Activities  
 For the Fiscal Year Ended June 30, 2021

Changes in Fund Balances - Total Governmental Funds \$968,174

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

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current fiscal year.

Capital Outlay - Nondepreciable Capital Assets	3,123,166	
Capital Outlay - Depreciable Capital Assets	195,698	
Depreciation	(610,425)	
		2,708,439

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

Delinquent Property Taxes	5,665	
Income Taxes	(29,575)	
Intergovernmental	(2,343,370)	
Interest	(1,797)	
Tuition and Fees	14,674	
Extracurricular Activities	791	
Charges for Services	(1,093)	
Miscellaneous	(8,859)	
		(2,363,564)

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

735,000

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, this amount is deferred and amortized on the statement of activities.

Accrued Interest Payable	4,833	
Amortization of Premium	62,213	
		67,046

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

14,277

Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense on the statement of activities.

Pension	(2,133,060)	
OPEB	41,952	
		(2,091,108)

Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.

Pension	1,286,054	
OPEB	37,848	
		1,323,902

Change in Net Position of Governmental Activities \$1,362,166

See Accompanying Notes to the Basic Financial Statements

Liberty-Benton Local School District  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$5,507,498	\$5,571,085	\$5,641,964	\$70,879
Income Taxes	2,148,737	2,148,737	2,141,158	(7,579)
Payment in Lieu of Taxes	23,000	23,000	47,154	24,154
Intergovernmental	6,040,138	6,040,138	5,915,106	(125,032)
Interest	65,000	65,000	46,049	(18,951)
Tuition and Fees	2,286,112	2,286,112	2,386,654	100,542
Gifts and Donations	6,800	6,800	3,033	(3,767)
Miscellaneous	50,164	50,164	130,612	80,448
<b>Total Revenues</b>	<b>16,127,449</b>	<b>16,191,036</b>	<b>16,311,730</b>	<b>120,694</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	7,536,531	7,535,214	7,417,721	117,493
Special	1,156,497	1,156,347	1,010,351	145,996
Vocational	323,620	323,620	379,404	(55,784)
<b>Support Services:</b>				
Pupils	737,371	737,371	675,079	62,292
Instructional Staff	456,227	456,729	433,341	23,388
Board of Education	15,610	15,610	11,680	3,930
Administration	1,090,324	1,090,824	1,171,085	(80,261)
Fiscal	399,334	399,334	383,749	15,585
Business	1,347	1,347	1,142	205
Operation and Maintenance of Plant	638,587	638,587	613,555	25,032
Pupil Transportation	625,998	625,998	691,948	(65,950)
Central	240,860	240,860	216,660	24,200
Extracurricular Activities	455,996	456,654	437,737	18,917
Capital Outlay	27,411	27,411	35,873	(8,462)
<b>Board of Education Scholarship</b>				
Non-Instructional Services	1,200	1,200	1,200	0
<b>Rotary</b>				
Instructional Staff	12,164	12,164	3,712	8,452
<b>Emergency Levy</b>				
<b>Instruction:</b>				
Regular	338,353	338,353	336,326	2,027
Special	294,390	294,390	383,909	(89,519)
Vocational	97,000	97,000	502	96,498
<b>Support Services:</b>				
Pupils	370,201	370,201	396,798	(26,597)
Instructional Staff	12,009	12,009	12,197	(188)
Fiscal	24,308	24,308	24,508	(200)
Operation and Maintenance of Plant	728,080	727,747	704,179	23,568
Pupil Transportation	9,780	9,920	11,036	(1,116)
<b>Academic Incentives</b>				
Administration	55,307	55,307	26,791	28,516

(continued)

Liberty-Benton Local School District  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2021  
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
District Support				
Instruction:				
Regular	\$222,040	\$222,040	\$36,694	\$185,346
Support Services:				
Administration	0	0	8,047	(8,047)
Total Expenditures	<u>15,870,545</u>	<u>15,870,545</u>	<u>15,425,224</u>	<u>445,321</u>
Excess of Revenues Over Expenditures	<u>256,904</u>	<u>320,491</u>	<u>886,506</u>	<u>566,015</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	6,590	6,590	92,614	86,024
Transfers In	500	500	0	(500)
Transfers Out	(441,059)	(441,059)	(580,677)	(139,618)
Total Other Financing Sources (Uses)	<u>(433,969)</u>	<u>(433,969)</u>	<u>(488,063)</u>	<u>(54,094)</u>
Changes in Fund Balance	(177,065)	(113,478)	398,443	511,921
Fund Balance at Beginning of Year	7,668,308	7,668,308	7,668,308	0
Prior Year Encumbrances Appropriated	244,356	244,356	244,356	0
Fund Balance at End of Year	<u>\$7,735,599</u>	<u>\$7,799,186</u>	<u>\$8,311,107</u>	<u>\$511,921</u>

See Accompanying Notes to the Basic Financial Statements

Liberty-Benton Local School District  
Statement of Change in Fiduciary Net Position  
Custodial Fund  
For the Fiscal Year Ended June 30, 2021

Additions:

Charges Received for OHSAA	\$9,425
----------------------------	---------

Deductions:

Distributions on Behalf of OHSAA	9,425
----------------------------------	-------

---

Change in Net Position	0
------------------------	---

Net Position at Beginning of Year	0
-----------------------------------	---

Net Position at End of Year	\$0
-----------------------------	-----

---

See Accompanying Notes to the Basic Financial Statements

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

Liberty-Benton Local School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 1954. It is located in Hancock County and includes all of the Village of Benton Ridge, and part of Blanchard, Eagle, and Liberty Townships. It is staffed by sixty-three classified employees, ninety-six certified teaching personnel, and ten administrative employees who provide services to one thousand two hundred seventy-two students and other community members. The School District currently operates two instructional buildings.

**Reporting Entity**

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

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

The School District participates in three jointly governed organizations and three insurance pools. These organizations are the Northwest Ohio Area Computer Services Cooperative, Hancock County Local Professional Development Committee, Bay Area Council of Governments, Schools of Ohio Risk Sharing Authority, Hancock County Schools Health Benefit Fund, and the Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan. These organizations are presented in Notes 21 and 22 to the basic financial statements.

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

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

### **A. Basis of Presentation**

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

#### **Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the School District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants, contributions, and interest 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 School 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 School District.

#### **Fund Financial Statements**

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

**Note 2 - Summary of Significant Accounting Policies** (continued)

**B. Fund Accounting**

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

**Governmental Funds**

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

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

**Building Fund** - The Building Fund is used to accounts for bond proceeds restricted to acquire, construct, or improve capital facilities.

**Classroom Facilities Fund** - The Classroom Facilities Fund is used to account for resources received from the Ohio Facilities Construction Commission and restricted for the building and equipping of classroom facilities.

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics.

Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial fund is use to account for resources received on behalf of the Ohio High School Athletic Association.



**Note 2 - Summary of Significant Accounting Policies** (continued)

**C. Measurement Focus**

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, fiduciary funds are accounted for using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from fiduciary funds.

**D. 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; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

**Note 2 - Summary of Significant Accounting Policies** (continued)

Revenues - Exchange and Nonexchange 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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 School District, available means expected to be received within sixty days of fiscal year end.

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, interest, tuition, student fees, and charges for services.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not yet been met because these amounts have not yet been earned.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB and explained in Note 14 and Note 15 to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies** (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources consists of property taxes, payment in lieu of taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes accrued interest, intergovernmental revenue including grants, income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities on page 17. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and explained in Note 14 and Note 15 to the basic financial statements.

**Expenses/Expenditures**

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

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

**E. Budgetary Process**

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

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

**Note 2 - Summary of Significant Accounting Policies** (continued)

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

**F. Cash and Investments**

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

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

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million requiring the excess amount to be transacted the following business day(s) but only to the \$250 million limit. All accounts of the participant will be combined for this purpose.

The School District’s commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

The School District allocates interest earnings according to State statutes. Interest revenue credited to the General Fund during fiscal year 2021 was \$31,336, which included \$23,624 assigned from other School District funds.

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

**Note 2 - Summary of Significant Accounting Policies** (continued)

**G. 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 purchase and an expenditure/expense is reported in the year in which services are consumed.

**H. Inventory**

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption and donated and purchased food.

**I. Capital Assets**

All of the School District's capital assets are general capital assets generally resulting from expenditures in governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The School District maintains a capitalization threshold of one thousand five hundred dollars. 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 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>Useful Lives</u>
Land Improvements	20 years
Buildings and Building Improvements	18 - 109 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 15 years

**J. 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 the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

**Note 2 - Summary of Significant Accounting Policies** (continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on 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 are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year. The 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 to pay those benefits. Bonds are recognized as a liability on the fund financial statements when due.

**L. Unamortized Premiums**

On government-wide financial statements, premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable.

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

Under Ohio law, premiums on the original issuance of debt are to be deposited in the Bond Retirement Fund.

**Note 2 - Summary of Significant Accounting Policies** (continued)

**M. Net Position**

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for federal and state grants.

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

**N. Fund Balance**

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

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions.

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

Assigned - Amounts in the assigned classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. Fund balance policy of the Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated. Certain resources have also been assigned for extracurricular activities and permanent improvements.

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

**Note 2 - Summary of Significant Accounting Policies** (continued)

The School District first applies restricted resources when an expenditure is 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 can be used.

**O. Interfund Transactions**

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

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

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.

**P. Pension/Other Postemployment Benefits**

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, 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 systems. 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 systems report investments at fair value.

**Q. 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.

**Note 3 - Change in Accounting Principles**

For fiscal year 2021, the School District implemented GASB Implementation Guide No. 2019-1. These changes were incorporated in the School District's fiscal year 2021 financial statements; however, there was no effect on beginning net position/fund balance.



Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 4 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the 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 (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

The adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund are as follows:

Changes in Fund Balance	
GAAP Basis	\$1,039,390
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2020, Received in Cash FY 2021	1,115,676
Accrued FY 2021, Not Yet Received in Cash	(1,390,336)
Expenditure Accruals:	
Accrued FY 2020, Paid in Cash FY 2021	(1,434,981)
Accrued FY 2021, Not Yet Paid in Cash	1,508,378
Cash Adjustments:	
Unrecorded Activity FY 2020	34,749
Unrecorded Activity FY 2021	(20,429)
Materials and Supplies Inventory	440
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(454,444)
Budget Basis	\$398,443

**Note 5 - Deposits and Investments**

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 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;

**Note 5 - Deposits and Investments** (continued)

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

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

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

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$438,441 of the School District's bank balance of \$11,026,130 was exposed to custodial credit risk because it was uninsured and uncollateralized. One of the School District's financial institutions did not collateralize deposits within the School District's investment account.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured or by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 5 - Deposits and Investments** (continued)

Investments

Investments are reported at fair value or amortized cost. As of June 30, 2021, the School District had the following investments.

Measurement/Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level One Inputs					
Mutual Funds	\$8,762	\$8,762	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	6,345,517	1,944,497	2,496,069	1,015,961	888,990
Federal Farm Credit Bank Notes	3,495,920	0	1,000,730	1,496,940	998,250
Federal Home Loan Bank Notes	101,083	0	101,083	0	0
U.S.Treasury Notes/Bonds	2,721,112	100,313	101,188	1,522,231	997,380
Municipal Bonds	3,388,514	1,095,973	0	2,292,541	0
Commercial Paper	11,687,780	6,597,733	5,090,047	0	0
Total Fair Value - Level Two Inputs	27,739,926	9,738,516	8,789,117	6,327,673	2,884,620
Net Value Per Share					
STAR Ohio	695,271	695,271	0	0	0
Total Investments	\$28,443,959	\$10,442,549	\$8,789,117	\$6,327,673	\$2,884,620

The School District has categorized 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 chart identifies the School District's recurring fair value measurements as of June 30, 2021. The mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 5 - Deposits and Investments** (continued)

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

The negotiable certificates of deposit are generally covered by FDIC insurance. The mutual funds, federal agency securities, and U.S. treasury notes/bonds carry a rating of Aaa by Moody's or AA+ by Standard and Poor's. The municipal bonds carry a rating of Aaa, Aa1, Aa2, Aa3, or A1 by Moody's or AA by Standard and Poors. The commercial paper carries a rating of P-1 by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service, commercial paper must be rated in the highest category at the time of purchase by two nationally recognized standard rating services, and STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service

The School District places no limit on the amount it may invest in any one issuer or investment type. The following table indicates the percentage of investments to the School District's total portfolio:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Negotiable Certificates of Deposit	\$6,345,517	22.31%
Federal Farm Credit Bank	3,495,920	12.29
Federal Home Loan Bank	101,083	.36
U.S. Treasury	2,721,112	9.57
Municipal Bonds	3,388,514	11.91
Commercial Paper	11,687,780	41.09

**Note 6 - Receivables**

Receivables at June 30, 2021, consisted of accounts (student fees and billings for user charged services), accrued interest, intergovernmental, income taxes, property taxes, and payment in lieu of taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except income taxes and property taxes, are expected to be collected within one year. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

---

**Note 6 - Receivables** (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
East Central Ohio Educational Service Center	\$574
Hancock County	17
Ohio Department of Taxation	6,553
School Employees Retirement System	15,582
State of Ohio	1,418
Total General Fund	24,144
Classroom Facilities	
Ohio Facilities Construction Commission	19,710,650
Other Governmental Funds	
Food Service	69,830
Title I	17,628
Total Other Governmental Funds	87,458
Total Governmental Activities	\$19,822,252

**Note 7 - Income Taxes**

The School District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1995, and was renewed in 2020 for a ten year period. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

**Note 8 - Property Taxes**

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

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

---

**Note 8 - Property Taxes** (continued)

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

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

The School District receives property taxes from Hancock County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2021, was \$439,245 in the General Fund, \$7,915 in the Classroom Facilities Maintenance special revenue fund, and \$92,935 in the Bond Retirement debt service fund. The amount available as an advance at June 30, 2020, was \$479,243 in the General Fund, \$8,682 in the Classroom Facilities Maintenance special revenue fund and \$102,111 in the Bond Retirement debt service fund.

Collectible delinquent property taxes have been recorded as a receivable and revenue on an accrual basis. On a modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 8 - Property Taxes** (continued)

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

	2020 Second- Half Collections		2021 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$176,722,480	78.98%	\$179,352,330	78.56%
Industrial/Commercial	31,285,050	13.98	32,040,410	14.03
Public Utility	15,753,510	7.04	16,909,140	7.41
Total Assessed Value	<u>\$223,761,040</u>	<u>100.00%</u>	<u>\$228,301,880</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$43.21		\$43.17	

**Note 9 - Payment in Lieu of Taxes**

In accordance with agreements related to tax increment financing districts, the City of Findlay and Hancock County have entered into agreements with a number of property owners under which the City and County have granted property tax exemptions to those property owners. The property owners have agreed to make payments to the City and County which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The agreements provide for a portion of these payments to be paid to the School District. The property owners' contractually promise to make these payments in lieu of taxes until the agreement expires.

**Note 10 - Tax Abatements**

The School District's property taxes were reduced as follows under community reinvestment area agreements entered into by overlapping governments.

Overlapping Government	Amount of Fiscal Year 2021 Taxes Abated
Community Reinvestment Area City of Findlay	\$51,112



Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 11 - Capital Assets**

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

	Balance at 6/30/20	Additions	Reductions	Balance at 6/30/21
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$1,048,400	\$0	\$0	\$1,048,400
Construction in Progress		3,123,166	0	3,123,166
Total Nondepreciable Capital Assets	1,048,400	3,123,166	0	4,171,566
Depreciable Capital Assets				
Land Improvements	1,316,220	0	0	1,316,220
Buildings and Building Improvements	15,811,405	0	0	15,811,405
Furniture, Fixtures, and Equipment	1,887,006	18,948	(112,396)	1,793,558
Vehicles	1,392,562	176,750	0	1,569,312
Total Depreciable Capital Assets	20,407,193	195,698	(112,396)	20,490,495
Less Accumulated Depreciation				
Land Improvements	(1,012,520)	(70,085)	0	(1,082,605)
Buildings and Building Improvements	(10,672,791)	(341,149)	0	(11,013,940)
Furniture, Fixtures, and Equipment	(1,302,991)	(111,632)	112,396	(1,302,227)
Vehicles	(623,990)	(87,559)	0	(711,549)
Total Accumulated Depreciation	(13,612,292)	(610,425)	112,396	(14,110,321)
Depreciable Capital Assets, Net	6,794,901	(414,727)	0	6,380,174
Governmental Activities Capital Assets, Net	\$7,843,301	\$2,708,439	\$0	\$10,551,740

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$217,565
Special	15,629
Vocational	17,671
Support Services:	
Pupils	15,124
Instructional Staff	13,107
Administration	15,985
Fiscal	3,130
Operation and Maintenance of Plant	90,411
Pupil Transportation	89,195
Central	9,198
Non-Instructional Services	5,972
Extracurricular Activities	117,438
Total Depreciation Expense	<u>\$610,425</u>

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

---

**Note 12 - Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2021, the School District contracted for the following insurance coverage:

Coverage provided by The Schools of Ohio Risk Sharing Authority is as follows:	
Building and Contents	\$50,861,349
General School District Liability	
Per Occurrence	15,000,000
Aggregate	17,000,000
Automobile Liability	15,000,000
Uninsured Motorists	1,000,000

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

For fiscal year 2021, the School District participated in the Schools of Ohio Risk Sharing Authority (SORSA), an insurance purchasing pool. Each participant enters into an individual agreement with the SORSA for insurance coverage and pays annual premiums to the SORSA based on the types and limits of coverage and deductibles selected by the participant.

The School District participates in the Hancock County Schools Health Benefit Fund (Fund), a public entity shared risk pool consisting of seven local school districts, the Hancock County Educational Service Center, and the Blanchard Valley Board of Developmental Disabilities. The School District pays monthly premiums to the Fund for employee medical, dental, and vision insurance benefits. The Fund is responsible for the management and operations of the program. Upon withdrawal from the Fund, a participant is responsible for the payment of all Fund liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the Plan. The third party administrator, Sheakley Uniservice, Inc., reviews each participants' claims experience and determines the rating tier for that participant. A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the Plan.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

---

**Note 13 - Contractual Commitments**

At fiscal year end, the amount of significant encumbrances expected to be honored upon performance by the vendor in fiscal year 2022 are as follows:

General Fund	\$454,444
Building Fund	553,140
Classroom Facilities Fund	4,836,529
Other Governmental Funds	762,733
Total	<u>\$6,606,845</u>

**Note 14 - Defined Benefit Pension Plans**

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

**Net Pension Liability/Net OPEB Liability (Asset)**

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that have already occurred.

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

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

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 14 - Defined Benefit Pension Plans** (continued)

GASB Statements No. 68 and No. 75 assume the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contribution to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the amortization period exceeds thirty 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 health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a net OPEB asset or long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the fiscal year is included as an intergovernmental payable on both the accrual and modified accrual basis of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

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

Plan Description - School District nonteaching 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. The 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.

	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; 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; 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 thirty years. Final average salary is the average of the highest three years of salary.

**Note 14 - Defined Benefit Pension Plans** (continued)

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 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a .5 percent cost of living adjustment for eligible retirees and beneficiaries in 2021.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contributions to the Health Care Fund.

The School District's contractually required contribution to SERS was \$275,265 for fiscal year 2021. Of this amount, \$49,747 is reported as an intergovernmental payable.

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

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

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

The DBP offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients base benefit and past cost of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age sixty-five or thirty-five years of service credit and at least age sixty. Eligibility changes for DBP members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age sixty or thirty years of service credit at any age.

**Note 14 - Defined Benefit Pension Plans** (continued)

The DCP allows members to place all of their member contributions and 9.53 percent of the 14 percent employer contribution into an investment account. Investment allocation decisions are determined by the member among the various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer contribution rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age fifty and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The CP offers features of both the DBP and the DCP. In the CP, 12 percent of the 14 percent member rate is deposited into the member's DCP account and the remaining 2 percent is applied to the DBP. Member contributions to the DCP are allocated among investment choices by the member and contributions to the DBP from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DBP. The defined benefit portion of the CP payment is payable to a member on or after age sixty 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 DCP or CP 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 CP 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 Statement No. 68 reporting purposes.

A DBP or CP member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DCP 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 DCP dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2021, the employer and employee rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$1,010,789 for fiscal year 2021. Of this amount, \$188,859 is reported as an intergovernmental payable.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 14 - Defined Benefit Pension Plans** (continued)

**Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense.

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Prior Measurement Date	0.05755610%	0.05618540%	
Current Measurement Date	<u>0.05692680%</u>	<u>0.05532542%</u>	
Change in Proportionate Share	<u>0.00062930%</u>	<u>0.00085998%</u>	
Proportionate Share of the Net Pension Liability	\$3,765,259	\$13,386,782	\$17,152,041
Pension Expense	\$439,572	\$1,693,488	\$2,133,060

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences Between Expected and Actual Experience	\$7,313	\$30,036	\$37,349
Changes of Assumptions	0	718,611	718,611
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	239,018	651,001	890,019
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	2,134	106,488	108,622
School District Contributions Subsequent to the Measurement Date	<u>275,265</u>	<u>1,010,789</u>	<u>1,286,054</u>
Total Deferred Outflows of Resources	<u>\$523,730</u>	<u>\$2,516,925</u>	<u>\$3,040,655</u>
<b>Deferred Inflows of Resources</b>			
Differences Between Expected and Actual Experience	\$0	\$85,599	\$85,599
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	<u>22,223</u>	<u>198,737</u>	<u>220,960</u>
Total Deferred Inflows of Resources	<u>\$22,223</u>	<u>\$284,336</u>	<u>\$306,559</u>

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 14 - Defined Benefit Pension Plans** (continued)

\$1,286,054 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

Fiscal Year Ended June 30,	SERS	STRS	Total
2022	(\$12,098)	\$456,146	\$444,048
2023	63,879	165,184	229,063
2024	99,628	344,016	443,644
2025	74,833	256,454	331,287
Total	<u>\$226,242</u>	<u>\$1,221,800</u>	<u>\$1,448,042</u>

**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67 as part of the annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications as actual results are compared with past expectations and new estimates are made about the future.

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 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation
Actuarial Cost Method	entry age normal (level percent of payroll)



Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 14 - Defined Benefit Pension Plans** (continued)

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

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

The long-term return expectation for the pension plan investments has been determined using a building-block approach and assumes a time horizon as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating 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%
U.S. Stocks	22.50	5.75
Non-U.S. 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 7.5 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 (7.5 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.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 14 - Defined Benefit Pension Plans** (continued)

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.5 percent as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School District's Proportionate Share of the Net Pension Liability	\$5,157,944	\$3,765,259	\$2,596,769

**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	2.5 percent
Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7.45 percent net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost of Living Adjustments (COLA)	0 percent effective July 1, 2017

Postretirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age sixty-nine, 70 percent of rates between ages seventy and seventy-nine, 90 percent of rates between ages eighty and eighty-four, and 100 percent of rates thereafter, projected forward generationally using Mortality Improvement Scale MP-2016. Postretirement disabled mortality rates were 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. Preretirement mortality rates were based on the RP-2014 Employee Mortality Table, 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.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 14 - Defined Benefit Pension Plans** (continued)

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
	<u>100.00%</u>	

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes 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.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 14 - Defined Benefit Pension Plans** (continued)

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current rate.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net Pension Liability	\$19,060,449	\$13,386,782	\$8,578,824

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2021, four of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 15 - Defined Benefit OPEB Plans**

See Note 14 for a description of the net OPEB liability (asset).

**School Employees Retirement System (SERS)**

Plan Description - The School District contributes to the SERS Health Care Fund administered by SERS for nonteaching retirees and their beneficiaries. For GASB Statement No. 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. The SERS Health Care Plan provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need ten 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 sixty-five 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 State statute. The financial report of the Plan is included in the SERS Annual Financial Report which can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under employers/audit resources.

**Note 15 - Defined Benefit OPEB Plans** (continued)

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). The 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 establishes 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, prorated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. State statute provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$37,848.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, is the amount assigned to the Health Care Fund. The School District's contribution to SERS for health care was \$37,848 for fiscal year 2021. Of this amount, \$37,848 is reported as an intergovernmental payable.

**State Teachers Retirement System (STRS)**

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing health care plan for eligible retirees who participated in the defined benefit and combined pension plans offered by STRS. Ohio law authorizes STRS to offer the plan. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the STRS financial report which can be obtained by visiting the STRS website at [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 health care 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 postemployment 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 postemployment health care.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 15 - Defined Benefit OPEB Plans** (continued)

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability			
Prior Measurement Date	.05906580%	.05618540%	
Current Measurement Date	.05917400%	.05532542%	
Change in Proportionate Share	<u>.00010820%</u>	<u>.00085998%</u>	
Proportionate Share of the			
Net OPEB Liability	\$1,286,045	\$0	\$1,286,045
Net OPEB Asset		\$972,343	\$972,343
OPEB Expense	\$10,736	(\$52,688)	(\$41,952)

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences Between Expected and Actual			
Experience	\$16,891	\$62,303	\$79,194
Changes of Assumptions	219,226	16,051	235,277
Net Difference Between Projected and Actual			
Earnings on OPEB Plan Investments	14,491	34,077	48,568
Changes in Proportionate Share and Difference			
Between School District Contributions			
and Proportionate Share of Contributions	14,814	26,967	41,781
School District Contributions Subsequent to the			
Measurement Date	37,848	0	37,848
Total Deferred Outflows of Resources	<u>\$303,270</u>	<u>\$139,398</u>	<u>\$442,668</u>
<b>Deferred Inflows of Resources</b>			
Differences Between Expected and Actual			
Experience	\$654,044	\$193,677	\$847,721
Changes of Assumptions	32,393	923,562	955,955
Net Difference Between Projected and Actual			
Earnings on OPEB Plan Investments	0	0	0
Changes in Proportionate Share and Difference			
Between School District Contributions			
and Proportionate Share of Contributions	14,218	14,507	28,725
Total Deferred Inflows of Resources	<u>\$700,655</u>	<u>\$1,131,746</u>	<u>\$1,832,401</u>

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 15 - Defined Benefit OPEB Plans** (continued)

\$37,848 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

Fiscal Year Ended June 30,	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2022	(\$88,048)	(\$245,961)	(\$334,009)
2023	(86,999)	(222,895)	(309,894)
2024	(87,169)	(214,806)	(301,975)
2025	(84,187)	(217,642)	(301,829)
2026	(65,062)	(43,856)	(108,918)
Thereafter	<u>(23,768)</u>	<u>(47,188)</u>	<u>(70,956)</u>
Total	<u><u>(\$435,233)</u></u>	<u><u>(\$992,348)</u></u>	<u><u>(\$1,427,581)</u></u>

**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 modification 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.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 15 - Defined Benefit OPEB Plans** (continued)

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five year experience study. The most recent study covers fiscal years 2010 through 2015 and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.5 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 ten 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 SERS Health Care Plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.



Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 15 - Defined Benefit OPEB Plans** (continued)

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 the total OPEB liability prior to June 30, 2020, was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the retirement system at the State statute contribution rate of 2 percent of projected covered employee payroll each year which includes a 1.5 percent payroll surcharge and .5 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 Twenty-Year Municipal Bond Index Rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rates. The following table presents the net OPEB liability of SERS and what SERS' net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63 percent) or one percentage point higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6 percent decreasing to 3.75 percent) and one percentage point higher (8 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63)
School District's Proportionate Share of the Net OPEB Liability	\$1,574,087	\$1,286,045	\$1,057,052
	1% Decrease (6% Decreasing to 3.75%)	Current Trend Rate (7% Decreasing to 4.75%)	1% Increase (8% Decreasing to 5.75%)
School District's Proportionate Share of the Net OPEB Liability	\$1,012,662	\$1,286,045	\$1,651,627

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

---

**Note 15 - Defined Benefit OPEB Plans** (continued)

**Actuarial Assumptions - STRS**

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

Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7.45 percent net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.5 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

For healthy retirees, the mortality rates were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age sixty-nine, 70 percent of rates between ages seventy and seventy-nine, 90 percent of rates between ages eighty and eighty-four, and 100 percent of rates thereafter, projected forward generationally using Mortality Improvement Scale MP-2016. For disabled retirees, mortality rates were 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 cost process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021, premium based on the June 30, 2020, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021, from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS Health Care Plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 15 - Defined Benefit OPEB Plans** (continued)

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 of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and the Health Care Cost Trend Rates - 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%)
School District's Proportionate Share of the Net OPEB Asset	\$846,002	\$972,343	\$1,079,539
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Asset	\$1,072,885	\$972,343	\$849,868

**Note 16 - Other Employee Benefits**

**A. Compensated Absences**

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

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred twenty-five days for all employees. Upon retirement, payment is made for one-fourth of accrued but unused sick leave to a maximum of fifty-six and one-fourth days for all employees.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 16 - Other Employee Benefits** (continued)

**B. Health Care Benefits**

The School District provides medical, dental, and vision insurance to all employees through the Hancock County Schools Health Benefit Fund. The School District offers life insurance to all employees through the Ohio Schools Council. Depending upon the plan chosen, the employees share the cost of monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

**Note 17 - Long-Term Obligations**

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

	Balance at 6/30/20	Additions	Reductions	Balance at 6/30/21	Amounts Due Within One Year
General Obligation Bonds					
FY 2020 School Facilities					
Construction and Improvement Bonds					
Serial Bonds 3% - 5%	\$11,020,000	\$0	\$735,000	\$10,285,000	\$770,000
Term Bonds 3% - 4%	14,570,000	0	0	14,570,000	0
Premium	2,166,031	0	62,213	2,103,818	0
Total General Obligation Bonds	<u>27,756,031</u>	<u>0</u>	<u>797,213</u>	<u>26,958,818</u>	<u>770,000</u>
Net Pension Liability					
SERS	3,443,682	321,577	0	3,765,259	0
STRS	12,425,064	961,718	0	13,386,782	0
Total Net Pension Liability	<u>15,868,746</u>	<u>1,283,295</u>	<u>0</u>	<u>17,152,041</u>	<u>0</u>
Net OPEB Liability					
SERS	1,485,381	0	199,336	1,286,045	0
Compensated Absences Payable	<u>927,741</u>	<u>30,464</u>	<u>44,741</u>	<u>913,464</u>	<u>25,443</u>
Total Governmental Activities Long-Term Liabilities	<u>\$46,037,899</u>	<u>\$1,313,759</u>	<u>\$1,041,290</u>	<u>\$46,310,368</u>	<u>\$795,443</u>

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

---

**Note 17 - Long-Term Obligations** (continued)

FY 2020 School Facilities Construction and Improvement Bonds - On December 3, 2019, the School District issued general obligation bonds, in the amount of \$25,590,000, for improving and constructing school buildings and facilities. The bond issue includes serial and term bonds, in the original amount of \$11,020,000 and \$14,570,000, respectively. The bonds were issued for a thirty-five fiscal year period, with final maturity in fiscal year 2055. The bonds are being retired through the Bond Retirement debt service fund.

The term bonds maturing on November 1, 2044, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on November 1 in the years and the respective principal amounts as follows:

Year	Amount
2040	\$735,000
2041	765,000
2042	795,000
2043	830,000

The remaining principal, in the amount of \$860,000, will be paid at stated maturity on November 1, 2044.

The term bonds maturing on November 1, 2048, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on November 1 in the years and the respective principal amounts as follows:

Year	Amount
2045	\$895,000
2046	930,000
2047	970,000

The remaining principal, in the amount of \$1,010,000, will be paid at stated maturity on November 1, 2048.

The term bonds maturing on November 1, 2054, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on November 1 in the years and the respective principal amounts as follows:

Year	Amount
2049	\$1,050,000
2050	1,080,000
2051	1,110,000
2052	1,145,000
2053	1,180,000

The remaining principal, in the amount of \$1,215,000, will be paid at stated maturity on November 1, 2054.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 17 - Long-Term Obligations** (continued)

The serial bonds are subject to prior redemption on or after November 1, 2029, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2021, \$238,093 of bond proceeds had been spent.

There is no repayment schedule for the net pension/OPEB liability; however, employer contributions are made from the General Fund, and the Food Service and School Aged Child Care special revenue funds. For additional information related to the net pension liability and net OPEB liability, see Note 14 and Note 15 to the basic financial statements.

Compensated absences will be paid from the General Fund.

The School District's overall debt margin was (\$2,183,876) with an unvoted debt margin of \$228,302 at June 30, 2021. The School District has been authorized by the Ohio Superintendent of Public Instruction to exceed its overall limitation because it has been designated as a "special needs" school district.

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2021, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds			
	Serial	Term	Interest	Total
2022	\$770,000	\$0	\$918,550	\$1,688,550
2023	470,000	0	893,750	1,363,750
2024	370,000	0	876,950	1,246,950
2025	385,000	0	859,925	1,244,925
2026	400,000		840,300	1,240,300
2027-2031	2,330,000	0	3,874,050	6,204,050
2032-2036	2,880,000	0	3,326,775	6,206,775
2037-2041	2,680,000	735,000	2,776,525	6,191,525
2042-2046	0	4,145,000	2,026,500	6,171,500
2047-2051	0	5,040,000	1,131,350	6,171,350
2052-2055	0	4,650,000	284,250	4,934,250
	<u>\$10,285,000</u>	<u>\$14,570,000</u>	<u>\$17,808,925</u>	<u>\$42,663,925</u>

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**Note 18 - Fund Balance**

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

Fund Balance	General	Building Fund	Classroom Facilities	Other Governmental	Total Governmental Funds
Nonspendable for:					
Materials and Supplies					
Inventory	\$12,208	\$0	\$0	\$2,416	\$14,624
Prepaid Items	13,000	0	0	289	13,289
<b>Total Nonspendable</b>	<b>25,208</b>	<b>0</b>	<b>0</b>	<b>2,705</b>	<b>27,913</b>
Restricted for:					
Athletics and Music	0	0	0	61,329	61,329
Debt Retirement	0	0	0	2,123,955	2,123,955
Food Service Operations	0	0	0	181,407	181,407
Permanent Improvements	0	9,517,135	16,845,583	177,576	26,540,294
Regular Instruction	0	0	0	23,033	23,033
School Aged Childcare	0	0	0	118,738	118,738
Student Activities	0	0	0	113,853	113,853
Student Wellness	0	0	0	273,637	273,637
Vocational Instruction	0	0	0	499	499
<b>Total Restricted</b>	<b>0</b>	<b>9,517,135</b>	<b>16,845,583</b>	<b>3,074,027</b>	<b>29,436,745</b>
Committed for:					
Permanent Improvements	0	0	0	54,386	54,386
Scholarships	1,722	0	0	0	1,722
Termination Benefits	117,268	0	0	0	117,268
<b>Total Committed</b>	<b>118,990</b>	<b>0</b>	<b>0</b>	<b>54,386</b>	<b>173,376</b>
Assigned for:					
Extracurricular Activities	61,009	0	0	0	61,009
Permanent Improvements	0	0	0	1,739,475	1,739,475
Unpaid Obligations	405,585	0	0	0	405,585
<b>Total Assigned</b>	<b>466,594</b>	<b>0</b>	<b>0</b>	<b>1,739,475</b>	<b>2,206,069</b>
Unassigned	8,082,354	0	0	0	8,082,354
<b>Total Fund Balance</b>	<b>\$8,693,146</b>	<b>\$9,517,135</b>	<b>\$16,845,583</b>	<b>\$4,870,593</b>	<b>\$39,926,457</b>

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

---

**Note 19 - Set Asides**

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

The following cash basis information identifies the change in the fund balance set aside for capital improvements during fiscal year 2021.

	<u>Capital Improvements</u>
Balance June 30, 2020	\$0
Current Year Set Aside Requirement	262,137
Current Year Offsets	<u>(262,137)</u>
Balance June 30, 2021	<u>\$0</u>

**Note 20 - Interfund Transfers**

During fiscal year 2021, the General Fund made transfers to the other governmental funds, in the amount of \$580,677 to subsidize permanent improvements and operations of other governmental funds.

**Note 21 - Jointly Governed Organizations**

**A. Northwest Ohio Area Computer Services Cooperative**

The School District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam, Seneca, Van Wert, Wood, and Wyandot Counties and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology, with the aid of computers and other electronic equipment, to administrative and instructional functions among member educational entities. The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member entities within each county plus one representative from the fiscal agent school district. During fiscal year 2021, the School District paid \$45,981 to NOACSC for various services. Financial information can be obtained from Ray Burden, who serves as director, at 4277 East Road, Elida, Ohio 45807.



**Note 21 - Jointly Governed Organizations** (continued)

**B. Hancock County Local Professional Development Committee**

The Hancock County Local Professional Development Committee (HCLPDC) was established in 1999 to plan, promote, and facilitate effective and efficient professional educator license renewal standards and staff development activities. The HCLPDC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its members. The HCLPDC is governed by a fourteen member Executive Board. Financial information can be obtained from the Hancock County Educational Service Center, who serves as fiscal agent, 7746 County Road 140, Findlay, Ohio 45840.

**C. Bay Area Council of Governments**

The Bay Area Council of Governments (Council) is a jointly governed organization among school districts which was formed to purchase quality products and services at the lowest possible cost to the participants. The Council is governed by a board consisting of seven superintendents from the participating school districts. The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained from the Bay Area Council of Governments, North Point Educational Service Center, 1210 East Bogart Road, Sandusky, Ohio 44870.

The School District participates in the Council's prepaid natural gas program. This program allows the School District to purchase natural gas at reduced rates. The School District makes monthly payments based on estimated usage. Each month the estimates are compared to actual usage and adjustments are made.

**Note 22 - Insurance Pools**

**A. Schools of Ohio Risk Sharing Authority**

The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. SORSA is an incorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. SORSA's business and affairs are conducted by a board consisting of superintendents, treasurers, and business managers. Financial information can be obtained from SORSA, 555 Metro Place North, Suite 645, Dublin, Ohio 43017.

**B. Hancock County Schools Health Benefit Fund**

The Hancock County Schools Health Benefit Fund is a public entity shared risk pool consisting of seven local school districts, the Hancock County Educational Service Center, and the Blanchard Valley Board of Developmental Disabilities. The Fund is a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and vision insurance benefits to the employees of the participants. Each participant's superintendent is appointed to an Administrative Committee which advises the consultant concerning aspects of the administration of the Fund.

**Note 22 - Insurance Pools** (continued)

Each participant decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Fund is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Hancock County Educational Service Center, 7746 County Road 140, Findlay, Ohio 45840.

**C. Ohio Association of School Business Officials Workers' Compensation Group Rating Plan**

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan (Plan) was established through the Ohio Association of School Business Officials as an insurance purchasing pool. The Plan's business and affairs are conducted by a five member OASBO Board of Directors. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

**Note 23 - Contingencies**

**A. Grants**

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

**B. School Foundation**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2021 have been finalized and resulted in a liability to the School District totaling \$9,037. This amount was not reported on the financial statements.

**C. Litigation**

There are currently no matters in litigation with the School District as defendant.

Liberty-Benton Local School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

---

**Note 24 - COVID-19**

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

During fiscal year 2021, the School District received \$35,265 in donated personal protective equipment as an on-behalf of grant from another government.

**Note 25 - Subsequent Event**

For fiscal year 2022, School District foundation funding received from the State will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$121,532 in revenues and expenditures/expenses related to these programs.

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

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

	2021	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.05692680%	0.05755610%	0.05735210%	0.05742740%
School District's Proportionate Share of the Net Pension Liability	\$3,765,259	\$3,443,682	\$3,284,661	\$3,431,160
School District's Employee Payroll	\$2,005,764	\$1,979,200	\$1,886,052	\$1,877,786
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	187.72%	173.99%	174.16%	182.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%

(1) Information prior to 2014 is not available.

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

See Accompanying Notes to the Required Supplementary Information

---

2017	2016	2015	2014
0.05623430%	0.05273670%	0.04875700%	0.04875700%
\$4,115,831	\$3,009,207	\$2,467,564	\$2,899,422
\$1,756,264	\$1,597,193	\$1,583,924	\$1,594,695
234.35%	188.41%	155.79%	181.82%
62.98%	69.16%	71.70%	65.52%

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

	2021	2020	2019	2018
School District's Proportion of the Net OPEB Liability	0.05917400%	0.05906580%	0.05827800%	0.05827850%
School District's Proportionate Share of the Net OPEB Liability	\$1,286,045	\$1,485,381	\$1,616,790	\$1,564,042
School District's Employee Payroll	\$2,005,764	\$1,979,200	\$1,886,052	\$1,877,786
School District's Proportionate Share of the Net OPEB Liability as a Percentage of Employee Payroll	64.12%	75.05%	85.72%	83.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%

(1) Information prior to 2017 is not available.

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

See Accompanying Notes to the Required Supplementary Information

2017

0.05705380%

\$1,626,244

\$1,756,264

92.60%

11.49%

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

	2021	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.05532542%	0.05618540%	0.05546544%	0.05602550%
School District's Proportionate Share of the Net Pension Liability	\$13,386,782	\$12,425,064	\$12,195,605	\$13,308,978
School District's Employee Payroll	\$6,729,500	\$6,331,786	\$6,406,414	\$6,196,771
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	198.93%	196.23%	190.37%	214.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%	75.30%

(1) Information prior to 2014 is not available.

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

See Accompanying Notes to the Required Supplementary Information



2017	2016	2015	2014
0.05499964%	0.05506630%	0.05554252%	0.05554252%
\$18,410,039	\$15,218,715	\$13,509,863	\$16,092,861
\$5,679,329	\$5,766,814	\$5,698,431	\$5,411,062
324.16%	263.90%	237.08%	297.41%
66.80%	72.10%	74.70%	69.30%

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

	2021	2020	2019	2018
School District's Proportion of the Net OPEB Liability	0.05532542%	0.05618540%	0.05546544%	0.05602550%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$972,343)	(\$930,565)	(\$891,273)	\$2,185,908
School District's Employee Payroll	\$6,729,500	\$6,331,786	\$6,406,414	\$6,196,771
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Employee Payroll	-14.45%	-14.70%	-13.91%	35.27%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.70%	176.00%	47.10%

(1) Information prior to 2017 is not available.

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

See Accompanying Notes to the Required Supplementary Information

2017

0.05499964%

\$2,941,395

\$5,679,329

51.79%

37.30%

Liberty-Benton Local School District  
Required Supplementary Information  
Schedule of the School District's Contributions  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$275,265	\$280,807	\$267,192	\$254,617
Contributions in Relation to the Contractually Required Contribution	<u>(275,265)</u>	<u>(280,807)</u>	<u>(267,192)</u>	<u>(254,617)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll (1)	\$1,966,179	\$2,005,764	\$1,979,200	\$1,886,052
Pension Contributions as a Percentage of Employee Payroll	14.00%	14.00%	13.50%	13.50%
<b>Net OPEB Liability</b>				
Contractually Required Contribution (2)	\$37,848	\$38,493	\$46,333	\$41,333
Contributions in Relation to the Contractually Required Contribution	<u>(37,848)</u>	<u>(38,493)</u>	<u>(46,333)</u>	<u>(41,333)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Employee Payroll	<u>1.92%</u>	<u>1.92%</u>	<u>2.34%</u>	<u>2.19%</u>
Total Contributions as a Percentage of Employee Payroll (2)	<u>18.17%</u>	<u>15.92%</u>	<u>15.84%</u>	<u>15.69%</u>

(1) The School District's covered payroll is the same for Pension and OPEB

(2) Includes Surcharge

See Accompanying Notes to the Required Supplementary Information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$262,890	\$245,877	\$210,510	\$219,532	\$220,706	\$215,183
<u>(262,890)</u>	<u>(245,877)</u>	<u>(210,510)</u>	<u>(219,532)</u>	<u>(220,706)</u>	<u>(215,183)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,877,786	\$1,756,264	\$1,597,193	\$1,583,924	\$1,594,695	\$1,599,874
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
\$31,777	\$29,155	\$41,388	\$27,070	\$25,954	\$29,736
<u>(31,777)</u>	<u>(29,155)</u>	<u>(41,388)</u>	<u>(27,070)</u>	<u>(25,954)</u>	<u>(29,736)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.69%</u>	<u>1.66%</u>	<u>2.59%</u>	<u>1.71%</u>	<u>1.63%</u>	<u>1.86%</u>
<u>15.69%</u>	<u>15.66%</u>	<u>15.77%</u>	<u>15.57%</u>	<u>15.47%</u>	<u>15.31%</u>

Liberty-Benton Local School District  
Required Supplementary Information  
Schedule of the School District's Contributions  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$1,010,789	\$942,130	\$886,450	\$896,898
Contributions in Relation to the Contractually Required Contribution	<u>(1,010,789)</u>	<u>(942,130)</u>	<u>(886,450)</u>	<u>(896,898)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$7,219,921	\$6,729,500	\$6,331,786	\$6,406,414
Pension Contributions as a Percentage of Employee Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Employee Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Employee Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See Accompanying Notes to the Required Supplementary Information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$867,548	\$795,106	\$807,354	\$740,796	\$703,438	\$691,668
<u>(867,548)</u>	<u>(795,106)</u>	<u>(807,354)</u>	<u>(740,796)</u>	<u>(703,438)</u>	<u>(691,668)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,196,771	\$5,679,329	\$5,766,814	\$5,698,431	\$5,411,062	\$5,320,523
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$56,984	\$54,111	\$53,205
<u>0</u>	<u>0</u>	<u>0</u>	<u>(56,984)</u>	<u>(54,111)</u>	<u>(53,205)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Liberty-Benton Local School District  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2021

**Net Pension Liability**

**Changes in Assumptions - SERS**

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below.

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3 percent	3.25 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent	4 percent to 22 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation	7.75 percent net of investment expenses, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that were based on the RP-2014 Blue Collar Mortality Table with fully generational projections and a five year set back for both males and females. Amounts reported for fiscal year 2016 and prior use mortality assumptions that were based on the 1994 Group Annuity Mortality Table set back one year for both males and females. Special mortality tables were used the period after disability retirement.

**Changes in Assumptions - STRS**

Beginning with fiscal year 2018, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2017 and prior are presented below.

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.5 percent	2.75 percent
Projected Salary Increases	12.5 percent at age 20 to 2.5 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent net of investment expenses, including inflation	7.75 percent net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost of Living Adjustments (COLA)	0 percent effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date



Liberty-Benton Local School District  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2021

---

Beginning with fiscal year 2018, postretirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age sixty-nine, 70 percent of rates between ages seventy and seventy-nine, 90 percent of rates between ages eighty and eighty-four, and 100 percent of rates thereafter, projected forward generationally using Mortality Improvement Scale MP-2016. Postretirement disabled mortality rates were 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. Preretirement mortality rates were based on the RP-2014 Employee Mortality Table, projected forward generationally using Mortality Improvement Scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022-Scale AA) for males and females. Males ages were set back two years through age eighty-nine and no set back for age ninety and above. Females younger than age eighty were set back four years, one year set back from age eighty through eighty-nine, and no set back from age ninety and above.

**Net OPEB Liability**

**Changes in Assumptions - SERS**

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

Municipal Bond Index Rate	
Fiscal Year 2021	2.45 percent
Fiscal Year 2020	3.13 percent
Fiscal Year 2019	3.62 percent
Fiscal Year 2018	3.56 percent
Fiscal Year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense including inflation	
Fiscal Year 2021	2.63 percent
Fiscal Year 2020	3.22 percent
Fiscal Year 2019	3.7 percent
Fiscal Year 2018	3.63 percent
Fiscal Year 2017	2.98 percent

**Changes in Assumptions - STRS**

For fiscal year 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.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent.

Liberty-Benton Local School District  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2021

---

**Changes in Benefit Terms - STRS**

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B reimbursements will be discontinued beginning January 1, 2020.

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

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

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

**LIBERTY-BENTON LOCAL SCHOOL DISTRICT  
HANCOCK COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed Through Ohio Department of Education</i>		
<u>Child Nutrition Cluster</u>		
School Breakfast Program		
COVID-19 Cash Assistance	10.553	\$24,082
Cash Assistance	10.553	127,857
Total School Breakfast Program		<u>151,939</u>
National School Lunch Program		
COVID-19 Cash Assistance	10.555	46,809
Cash Assistance	10.555	364,001
Non-Cash Assistance (Food Distribution)	10.555	64,951
Total National School Lunch Program		<u>475,761</u>
Total Child Nutrition Cluster		<u>627,700</u>
<b>Total U.S. Department of Agriculture</b>		<b><u>627,700</u></b>
<b>U.S. DEPARTMENT OF TREASURY</b>		
<i>Passed Through Ohio Department of Education</i>		
COVID-19 Coronavirus Relief Fund - BroadbandOhio Connectivity	21.019	14,412
COVID-19 Coronavirus Relief Fund - Rural and Small Town School Districts	21.019	67,287
<i>Passed Through Ohio Office of Budget &amp; Management and Then Through Eagle Township</i>		
COVID-19 Coronavirus Relief Fund	21.019	19,218
Total COVID-19 Coronavirus Relief Fund		<u>100,917</u>
<b>Total U.S. Department of Treasury</b>		<b><u>100,917</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<i>Passed Through Ohio Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	94,464
<u>Special Education Cluster</u>		
Special Education Grants to States	84.027	287,465
Special Education Preschool Grants	84.173	6,408
Total Special Education Cluster		<u>293,873</u>
Supporting Effective Instruction State Grants	84.367	25,220
Student Support and Academic Enrichment Program	84.424	10,035
COVID-19 Education Stabilization Fund (ESSER I)	84.425D	77,621
COVID-19 Education Stabilization Fund (ESSER II)	84.425D	259,724
Total COVID-19 Education Stabilization Fund		<u>337,345</u>
<b>Total U.S. Department of Education</b>		<b><u>760,937</u></b>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$1,489,554</u></b>

*The accompanying notes are an integral part of this schedule.*

**LIBERTY-BENTON LOCAL SCHOOL DISTRICT  
HANCOCK COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D – CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F – TRANSFERS BETWEEN PROGRAM YEARS**

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

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred</u>
Coronavirus Relief Fund	21.019	\$518
Title I Grants to Local Educational Agencies	84.010	3,815
Education Stabilization Fund	84.425	451



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

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

Liberty-Benton Local School District  
Hancock County  
9190 County Road 9  
Findlay, Ohio 45840

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 Liberty-Benton Local School District, Hancock County, Ohio (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 29, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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

March 29, 2022

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Liberty-Benton Local School District  
Hancock County  
9190 County Road 9  
Findlay, Ohio 45840

To the Board of Education:

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

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

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

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

***Opinion on the Major Federal Program***

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

***Report on Internal Control Over Compliance***

The 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

March 29, 2022



**LIBERTY-BENTON LOCAL SCHOOL DISTRICT  
HANCOCK COUNTY**

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

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

<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>	Nutrition 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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

None

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

None

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**LIBERTY BENTON LOCAL SCHOOL DISTRICT**

**HANCOCK 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 4/12/2022**

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)