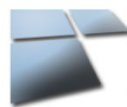


SYMMES VALLEY LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021



Millhuff-Stang

CERTIFIED PUBLIC ACCOUNTANT

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OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Board of Education
Symmes Valley Local School District
14778 State Route 141
Willow Wood, Ohio 45696

We have reviewed the *Independent Auditor's Report* of the Symmes Valley Local School District, Lawrence County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

April 18, 2022

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Symmes Valley Local School District
Lawrence County
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For the Fiscal Year Ended June 30, 2021

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Independent Auditor's Report

Board of Education
Symmes Valley Local School District
14778 State Route 141
Willow Wood, Ohio 45696

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Symmes Valley Local School District, Lawrence County, Ohio, as of June 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 23 to the financial statements for the fiscal year ended June 30, 2021, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School District. We did not modify our opinion regarding this matter.

As discussed in Note 3 to the financial statements, during 2021, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities". The School District restated their beginning net position and fund balances of a result of this implementation. 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 that the Management's Discussion and Analysis, the Schedules of the School District's Proportionate Share of the Net Pension and OPEB Liabilities/(Assets), and the Schedules of the School District's Contributions on pages 4 through 11 and 54 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

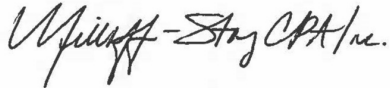
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The schedule of federal awards expenditures, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of federal awards expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards expenditures is fairly stated, in all material respects, in relation to the basic financial statements 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 School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 29, 2022

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2021 are as follows:

- Net position of governmental activities decreased \$884,382.
- General revenues accounted for \$9,338,350 in revenue or 72 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$3,577,809 or 28 percent of total revenues of \$12,916,159.
- The School District had \$13,800,541 in expenses related to governmental activities; only \$3,577,809 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily taxes and intergovernmental) of \$9,338,350 were not adequate to cover the remaining expenses.
- The School District's general fund had \$10,828,786 in revenues and \$10,219,900 in expenditures. The general fund's balance increased \$604,780.
- Total governmental funds had \$12,871,317 in revenues and \$12,945,427 in expenditures. The total governmental fund balance increased \$329,284.

USING THE BASIC FINANCIAL STATEMENTS

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2021?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School

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

District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of activities, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

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

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2021 compared to 2020.

Table 1
Net Position

	2021	2020*
Assets:		
Current and Other Assets	\$9,031,829	\$8,221,598
Capital Assets, Net	7,043,017	6,823,011
Total Assets	16,074,846	15,044,609
Deferred Outflows of Resources	2,667,327	2,821,492
Liabilities:		
Current and Other Liabilities	1,271,240	1,008,343
Long-Term Liabilities	14,196,748	12,798,208
Total Liabilities	15,467,988	13,806,551
Deferred Inflows of Resources	2,723,664	2,624,647
Net Position:		
Net Investment in Capital Assets	6,417,866	6,367,502
Restricted	404,744	342,666
Unrestricted (Deficit)	(6,272,089)	(5,275,265)
Total Net Position	\$550,521	\$1,434,903

*Restated. See note 3 of the notes to the basic financial statements.

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are a 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 healthcare to eligible benefit recipients.

The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

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

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

Total assets of governmental activities increased \$1,030,237. This is primarily due to increases in cash and cash equivalents in the amount of \$416,262, cash and cash equivalents with escrow agents in the amount of \$400,000, and capital assets, net in the amount of \$220,006. Cash and cash equivalents increased due to revenues in excess of expenses allowing for the set-aside of some additional internal reserve funds, and due to unspent student wellness and success grant funds. Cash and cash equivalents with escrow agents were recognized for lease-purchase agreement proceeds unspent at year-end. Capital assets, net increased due to additions, primarily for construction in progress for the energy conservation project, in excess of current year depreciation. Deferred outflows of resources changed due to pension and OPEB activity as reported by the state-wide retirement systems.

In total, liabilities increased \$1,661,437, due primarily to an increase in net pension liability of \$1,151,980, in addition to the recognition of \$400,000 in lease-purchase debt and \$230,946 in contracts payable related to the energy conservation project.

Deferred inflows of resources changed due to pension and OPEB activity as reported by the state-wide retirement systems.

Table 2 shows the changes in net position for the fiscal years ended June 30, 2021 and 2020.

Table 2
Change in Net Position

	2021	2020
Revenues		
Program Revenues:		
Charges for Services and Sales	\$978,529	\$934,262
Operating Grants and Contributions	2,597,403	1,858,031
Capital Grants and Contributions	1,877	19,445
Total Program Revenues	3,577,809	2,811,738
General Revenues:		
Property Taxes	1,449,846	1,627,292
Payments in Lieu of Taxes	9,567	0
Grants and Entitlements Not Restricted to Specific Programs	7,681,441	7,818,290
Investment Earnings	40,823	40,905
Insurance Recoveries	3,394	12,850
Miscellaneous	153,279	99,130
Total General Revenues	9,338,350	9,598,467
Total Revenues	12,916,159	12,410,205

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

Table 2
Change in Net Position
(Continued)

	2021	2020
Program Expenses:		
Instruction:		
Regular	\$5,750,140	\$5,433,234
Special	2,038,740	2,237,908
Vocational	230,554	227,132
Support Services:		
Pupils	490,959	489,272
Instructional Staff	48,993	167,950
Board of Education	253,522	246,603
Administration	740,430	800,161
Fiscal	445,647	402,020
Operation and Maintenance of Plant	1,235,945	1,279,456
Pupil Transportation	1,172,932	1,213,743
Central	469,887	383,362
Operation of Non-Instructional Services	527,312	452,470
Extracurricular Activities	390,432	308,727
Interest and Fiscal Charges	5,048	5,411
Total Expenses	13,800,541	13,647,449
Change in Net Position	(884,382)	(1,237,244)
Net Position at Beginning of Year-Restated	1,434,903	N/A
Net Position at End of Year	\$550,521	1,434,903

Operating grants and contributions increased significantly related to the receipt of COVID-related funding. Property taxes made up approximately 11 percent of revenues for governmental activities for the School District. Of the remaining revenues, the School District receives 80 percent from state foundation, federal, and state grants, and restricted interest; 7 percent from charges for services; and 2 percent from unrestricted interest and local entities.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. As the result of legislation enacted in 1976, the overall revenue generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increases in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay \$35.00.

This legislation helps explain the healthy increase in the School District's taxable value accompanied by only incremental increases in tax revenue. Property taxes made up 11 percent of revenues for governmental activities for the School District in 2021. Additionally, increases in property taxes would only have a nominal effect upon the School District's total revenue. This is due to the funding formula in place in Ohio, any increase in property tax revenue would be offset by a corresponding decrease in state funding the School District would receive.

The School District experienced fluctuations within various expense functions, which were significantly attributed to the COVID-19 pandemic. Approximately 58 percent of the School District's budget is used to fund instructional expenses. Support services make up 35 percent of expenses and 7 percent is used for interest and fiscal charges, extracurricular activities, and non-instructional services.

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

The statement of activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. In other words, it identifies the cost of those services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	2021 Total Cost of Services	2021 Net Cost of Services	2020 Total Cost of Services	2020 Net Cost of Services
Instruction:				
Regular	\$5,750,140	\$5,039,217	\$5,433,234	\$4,453,038
Special	2,038,740	700,087	2,237,908	1,002,975
Vocational	230,554	182,063	227,132	193,227
Support Services:				
Pupils	490,959	233,738	489,272	489,272
Instructional Staff	48,993	46,324	167,950	167,950
Board of Education	253,522	233,461	246,603	246,603
Administration	740,430	621,979	800,161	800,161
Fiscal	445,647	411,225	402,020	402,020
Operation and Maintenance of Plant	1,235,945	1,056,921	1,279,456	1,191,360
Pupil Transportation	1,172,932	1,031,372	1,213,743	1,213,743
Central	469,887	249,388	383,362	383,362
Operation of Non-Instructional Services	527,312	145,715	452,470	53,962
Extracurricular Activities	390,432	266,194	308,727	232,627
Interest and Fiscal Charges	5,048	5,048	5,411	5,411
Total Expenses	<u>\$13,800,541</u>	<u>\$10,222,732</u>	<u>\$13,647,449</u>	<u>\$10,835,711</u>

The dependence upon tax revenues and state subsidies for governmental activities is apparent. 74 percent of total expenses are supported through taxes and other general revenues.

THE SCHOOL DISTRICT FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12,871,317 and expenditures of \$12,945,427.

The fund balance of the general fund increased \$604,780. The general fund's unassigned fund balance of \$5,603,901 represented 55% of current year expenditures. The general fund's revenues stayed relatively consistent between years whereas expenditures decreased \$694,128, resulting in the increase in fund balance previously mentioned. The School District was able to save some general fund costs by expending federal funds for allowable purposes, particularly in relation to the COVID-19 pandemic.

The fund balance of the permanent improvement fund decreased \$374,727 as the School District made significant capital outlay expenditures from the fund during the fiscal year.

General Fund Budgeting Highlights

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

During the course of fiscal 2021, the School District did amend its general fund estimated revenues. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

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

For the general fund, the final budget basis revenue estimate was \$10,878,931, which represented a 3 percent increase from original estimates of \$10,542,500. The final budget basis expenditure estimate of \$10,301,758 represented a 3 percent decrease from original estimates of \$10,575,529.

The School District's ending unobligated general fund balance was \$5,817,443.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, the School District had \$7,043,017 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to 2020.

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

Governmental Activities		
	2021	2020
Land	\$111,779	\$111,779
Construction in Progress	769,496	0
Land Improvements	441,674	493,866
Buildings and Improvements	5,018,102	5,424,462
Furniture, Fixtures, and Equipment	340,537	428,005
Vehicles	361,429	364,899
Total	\$7,043,017	\$6,823,011

For additional information on capital assets, see note 12 to the basic financial statements.

Debt

At June 30, 2021, the School District had an energy conservation loan, a lease-purchase agreement, and a capital lease for Chromebooks outstanding. Table 5 shows fiscal year 2021 balances compared to 2020.

Table 5
 Outstanding Debt at June 30

Governmental Activities		
	2021	2020
Energy Conservation Loan	\$343,594	\$379,892
Lease-Purchase Agreement	400,000	0
Capital Lease	50,611	75,617
Total	\$794,205	\$455,509

For additional information on debt, see note 17 to the basic financial statements.

CURRENT ISSUES

The financial future of the School District is not without its challenges. These challenges are external and internal in nature. The internal challenges will continue to exist, as the School District must rely heavily on local property

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

taxes. Due to slow economic growth, the School District does not foresee any sustainable growth in revenue from property taxes. Thus management must diligently plan expenses from the modest growth attained, staying carefully within its five-year forecast. Additional revenues from what was estimated must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the five-year forecast.

Externally, the School District is largely dependent on state funding sources (approximately 80 percent of the School District's operating funds come from state foundation payments and other federal grants and entitlements). State foundation revenue is fundamentally a function of student enrollment and a district's property tax wealth. Though, the School District has started to realize small increases in student enrollment and while state revenue growth has shifted toward school districts with low property tax wealth, these changes are will not be enough to continue to offset the increased costs experienced over the last several years.

Although higher per-pupil funding has helped the School District lessen the impact of increased instructional expenses, much of the positive impact has been offset by other negative financial factors that occurred in the past year (increased utility and fuel costs, capital maintenance). Up to now, our concern has been that, in the long run, the fact remained that as long as the State avoids the complete systematic overhaul the Supreme Court ordered in its initial ruling, all schools in Ohio will be faced with the same problem in the future – either increasing its revenue (passing levies) or decreasing expenses (making budget cuts). However, changes have recently been made to the funding model. Those changes, as discussed below, will take effect for fiscal year 2022.

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$669,242 in expenditures/expenses related to these programs. Also during fiscal year 2021, the School district reported \$856,794 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each School District. The School District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

As the preceding information shows, the School District continues to depend upon its taxpayers. Although the School District has attempted to keep spending in line with revenues, and carefully watched financial planning, it must improve its revenue to expense ratios if the School District hopes to remain on firm financial footing.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions or need additional information, contact Brad Carpenter, Treasurer at Symmes Valley Local School District, 14778 State Route 141, Willow Wood, Ohio 45696.

Symmes Valley Local School District
Statement of Net Position
As of June 30, 2021

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$6,110,061
Cash and Cash Equivalents with Escrow Agents	400,000
Materials and Supplies Inventory	6,618
Intergovernmental Receivable	143,041
Property Taxes Receivable	1,715,136
Net OPEB Asset	656,973
Nondepreciable Capital Assets, net	881,275
Depreciable Capital Assets, net	6,161,742
<i>Total Assets</i>	16,074,846
Deferred Outflows of Resources:	
Pension	2,249,373
OPEB	417,954
<i>Total Deferred Outflows of Resources</i>	2,667,327
Liabilities:	
Accounts Payable	51,494
Accrued Wages and Benefits Payable	692,458
Contracts Payable	230,946
Intergovernmental Payable	175,228
Accrued Interest Payable	1,553
Vacation Benefits Payable	119,561
Long-Term Liabilities:	
Due Within One Year	103,321
Due in More Than One Year	1,191,049
Net Pension Liability	11,931,370
Net OPEB Liability	971,008
<i>Total Liabilities</i>	15,467,988
Deferred Inflows of Resources:	
Property Taxes not Levied to Finance Current Year Operations	1,236,563
Pension	182,865
OPEB	1,304,236
<i>Total Deferred Inflows of Resources</i>	2,723,664
Net Position:	
Net Investment in Capital Assets	6,417,866
Restricted for Debt Service	3,143
Restricted for Other Purposes	358,660
Restricted for Budget Stabilization	42,941
Unrestricted (Deficit)	(6,272,089)
<i>Total Net Position</i>	\$550,521

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

Symmes Valley Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction:					
Regular	\$5,750,140	\$399,477	\$311,446	\$0	(\$5,039,217)
Special	2,038,740	111,229	1,227,424	0	(700,087)
Vocational	230,554	17,063	31,428	0	(182,063)
Support Services:					
Pupils	490,959	23,856	233,365	0	(233,738)
Instructional Staff	48,993	2,669	0	0	(46,324)
Board of Education	253,522	20,061	0	0	(233,461)
Administration	740,430	54,056	64,395	0	(621,979)
Fiscal	445,647	34,422	0	0	(411,225)
Operation and Maintenance of Plant	1,235,945	88,103	89,044	1,877	(1,056,921)
Pupil Transportation	1,172,932	80,248	61,312	0	(1,031,372)
Central	469,887	25,164	195,335	0	(249,388)
Operation of Non-Instructional Services	527,312	4,551	377,046	0	(145,715)
Extracurricular Activities	390,432	117,630	6,608	0	(266,194)
Interest and Fiscal Charges	5,048	0	0	0	(5,048)
<i>Total Governmental Activities</i>	<u>\$13,800,541</u>	<u>\$978,529</u>	<u>\$2,597,403</u>	<u>\$1,877</u>	<u>(10,222,732)</u>
General Revenues:					
Property Taxes Levied for:					
General Purposes					1,425,770
Permanent Improvements					2,258
Classroom Facilities Maintenance					21,818
Payments in Lieu of Taxes					9,567
Grants and Entitlements not Restricted for Specific Programs					
Restricted for Specific Programs					7,681,441
Investment Earnings					40,823
Insurance Recoveries					3,394
Miscellaneous					153,279
<i>Total General Revenues</i>					<u>9,338,350</u>
<i>Change in Net Position</i>					(884,382)
<i>Net Position Beginning of Year-Restated</i>					<u>1,434,903</u>
<i>Net Position End of Year</i>					<u><u>\$550,521</u></u>

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

Symmes Valley Local School District
Balance Sheet
Governmental Funds
As of June 30, 2021

	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$5,763,350	\$0	\$303,770	\$6,067,120
Cash and Cash Equivalents with Escrow Agents	0	400,000	0	400,000
Materials and Supplies Inventory	0	0	6,618	6,618
Interfund Receivable	569,216	0	0	569,216
Intergovernmental Receivable	638	0	142,403	143,041
Property Taxes Receivable	1,689,166	0	25,970	1,715,136
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	42,941	0	0	42,941
<i>Total Assets</i>	<u>\$8,065,311</u>	<u>\$400,000</u>	<u>\$478,761</u>	<u>\$8,944,072</u>
Liabilities:				
Accounts Payable	\$44,698	\$0	\$6,796	\$51,494
Accrued Wages and Benefits	633,739	0	58,719	692,458
Contracts Payable	0	230,946	0	230,946
Interfund Payable	0	460,810	108,406	569,216
Intergovernmental Payable	170,391	0	4,837	175,228
<i>Total Liabilities</i>	848,828	691,756	178,758	1,719,342
Deferred Inflows of Resources:				
Property Taxes not Levied to Finance Current Year Operations	1,217,168	0	19,395	1,236,563
Unavailable Revenue:				
Grants	638	0	92,942	93,580
Delinquent Taxes	272,785	0	3,694	276,479
<i>Deferred Inflows of Resources</i>	1,490,591	0	116,031	1,606,622
Fund Balances:				
Nonspendable	0	0	6,618	6,618
Restricted	42,941	0	302,468	345,409
Assigned	79,050	0	0	79,050
Unassigned (Deficit)	5,603,901	(291,756)	(125,114)	5,187,031
<i>Total Fund (Deficit) Balances</i>	<u>5,725,892</u>	<u>(291,756)</u>	<u>183,972</u>	<u>5,618,108</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$8,065,311</u>	<u>\$400,000</u>	<u>\$478,761</u>	<u>\$8,944,072</u>

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

Symmes Valley Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 As of June 30, 2021*

Total Governmental Fund Balances \$5,618,108

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 7,043,017

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Grants	93,580	
Delinquent Taxes	276,479	
Total	370,059	370,059

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,553)

The net pension and OPEB liabilities (assets) are not due and payable (receivable) in the current period. Therefore, the liabilities (assets) and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows-Pension	2,249,373	
Deferred Outflows-OPEB	417,954	
Deferred Inflows-Pension	(182,865)	
Deferred Inflows-OPEB	(1,304,236)	
Net Pension Liability	(11,931,370)	
Net OPEB Asset	656,973	
Net OPEB Liability	(971,008)	
Total	(11,065,179)	(11,065,179)

Long-term liabilities, including bonds and related liabilities, capital leases, loans, lease-purchase agreements, and the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

HB 264 Energy Conservation Loan	(343,594)	
Lease-Purchase Agreement	(400,000)	
Chromebook Lease	(50,611)	
Vacation Leave Benefits Payable	(119,561)	
Sick Leave Benefits Payables	(500,165)	
Total	(1,413,931)	(1,413,931)

Net Position of Governmental Activities \$550,521

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

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

	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$1,388,454	\$23,900	\$21,376	\$1,433,730
Intergovernmental	8,406,765	9,317	1,821,998	10,238,080
Interest	40,823	1,877	2,773	45,473
Tuition and Fees	871,472	0	0	871,472
Extracurricular Activities	3,615	0	98,891	102,506
Gifts and Donations	3,226	0	9,433	12,659
Customer Sales and Services	0	0	4,551	4,551
Payments in Lieu of Taxes	9,567	0	0	9,567
Miscellaneous	104,864	0	48,415	153,279
<i>Total Revenues</i>	<u>10,828,786</u>	<u>35,094</u>	<u>2,007,437</u>	<u>12,871,317</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,679,243	0	296,160	4,975,403
Special	1,300,782	0	465,689	1,766,471
Vocational	199,391	0	1,483	200,874
Support Services:				
Pupils	277,617	0	157,049	434,666
Instructional Staff	31,329	0	0	31,329
Board of Education	234,900	0	0	234,900
Administration	580,142	0	61,326	641,468
Fiscal	387,325	1,657	744	389,726
Operation and Maintenance of Plant	1,029,217	0	93,168	1,122,385
Pupil Transportation	920,446	0	0	920,446
Central	294,551	0	160,060	454,611
Operation of Non-Instructional Services	0	0	481,188	481,188
Extracurricular Activities	219,343	0	120,227	339,570
Capital Outlay	0	808,164	78,612	886,776
Debt Service:				
Principal	61,304	0	0	61,304
Interest	4,310	0	0	4,310
<i>Total Expenditures</i>	<u>10,219,900</u>	<u>809,821</u>	<u>1,915,706</u>	<u>12,945,427</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	608,886	(774,727)	91,731	(74,110)
Other Financing Sources (Uses):				
Transfers In	0	0	7,500	7,500
Insurance Recoveries	3,394	0	0	3,394
Proceed from Lease-Purchase Agreement	0	400,000	0	400,000
Transfers Out	(7,500)	0	0	(7,500)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,106)</u>	<u>400,000</u>	<u>7,500</u>	<u>403,394</u>
<i>Net Change in Fund Balances</i>	604,780	(374,727)	99,231	329,284
<i>Fund Balances at Beginning of Year-Restated</i>	<u>5,121,112</u>	<u>82,971</u>	<u>84,741</u>	<u>5,288,824</u>
<i>Fund (Deficit) Balances at End of Year</i>	<u>\$5,725,892</u>	<u>(\$291,756)</u>	<u>\$183,972</u>	<u>\$5,618,108</u>

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

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

Net Change in Fund Balances - Total Governmental Funds \$329,284

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

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

Capital Asset Additions	886,776	
Current Year Depreciation	(666,770)	
Total	220,006	220,006

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

Grants	25,332	
Delinquent Taxes	16,116	
Total	41,448	41,448

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

Pension	777,240	
OPEB	28,928	
Total	806,168	806,168

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities (assets) are reported as pension/OPEB expense in the statement of activities.

Pension	(1,845,311)	
OPEB	(10,368)	
Total	(1,855,679)	(1,855,679)

Long-term debt proceeds are other financing sources in the governmental funds but the issuance increases the long-term liabilities on the statement of net position.

Proceeds from Lease-Purchase Agreement	(400,000)	
Total	(400,000)	(400,000)

Repayments of long-term debt are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position. 61,304

Interest is reported as an expenditure when due in the governmental funds, but is accrued as outstanding debt on the statement of net position. (738)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Sick Leave Benefits Payable	(35,066)	
Vacation Leave Benefits Payable	(51,109)	
Total	(86,175)	(86,175)

Net Change in Net Position of Governmental Activities (\$884,382)

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

Symmes Valley Local School District
*Statement of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$1,175,000	\$1,416,381	\$1,416,381	\$0
Intergovernmental	8,391,216	8,423,859	8,423,859	0
Interest	32,000	40,828	40,828	0
Tuition and Fees	875,500	871,472	871,472	0
Extracurricular Activities	0	60	60	0
Payments in Lieu of Taxes	4,784	9,567	9,567	0
Miscellaneous	64,000	116,764	116,764	0
<i>Total Revenues</i>	10,542,500	10,878,931	10,878,931	0
Expenditures:				
Current:				
Instruction:				
Regular	4,937,180	4,663,574	4,663,574	0
Special	1,514,389	1,316,409	1,316,409	0
Vocational	193,057	197,352	197,352	0
Support Services:				
Pupils	255,562	272,821	272,821	0
Instructional Staff	42,855	42,127	42,127	0
Board of Education	224,130	259,374	259,374	0
Administration	517,080	571,224	571,224	0
Fiscal	320,637	365,356	365,356	0
Operation and Maintenance of Plant	1,087,669	1,050,717	1,050,717	0
Pupil Transportation	1,016,662	928,780	928,780	0
Central	203,230	339,444	339,444	0
Extracurricular Activities	223,578	228,466	228,466	0
Capital Outlay	0	500	500	0
Debt Service:				
Principal	36,000	61,304	61,304	0
Interest	3,500	4,310	4,310	0
<i>Total Expenditures</i>	10,575,529	10,301,758	10,301,758	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,029)	577,173	577,173	0
Other Financing Sources (Uses):				
Transfers In	7,500	265,000	265,000	0
Insurance Recoveries	0	3,394	3,394	0
Transfers Out	(47,500)	(272,500)	(272,500)	0
Advances Out	0	(460,810)	(460,810)	0
<i>Total Other Financing Sources (Uses)</i>	(40,000)	(464,916)	(464,916)	0
<i>Net Change in Fund Balance</i>	(73,029)	112,257	112,257	0
<i>Fund Balance at Beginning of Year-Restated</i>	5,632,157	5,632,157	5,632,157	0
<i>Prior Year Encumbrances Appropriated</i>	73,029	73,029	73,029	0
<i>Fund Balance at End of Year</i>	<u>\$5,632,157</u>	<u>\$5,817,443</u>	<u>\$5,817,443</u>	<u>\$0</u>

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

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 1 - Description of the School District and Reporting Entity

Symmes Valley Local School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by State statute and federal guidelines. This Board of Education controls the School District's two instructional/support facilities staffed by 36 classified employees and 62 certified teaching and 16 administrative personnel who provide services to 840 students and other community members.

Reporting Entity

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

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

The School District participates in four organizations, the Metropolitan Educational Technology Association, a jointly governed organization, and the Better Business Bureau of Central Ohio Workers' Compensation Group Retrospective Rating Program, the Ohio School Plan, and the Lawrence County Schools Council of Governments Health Benefits Program, which are defined as insurance purchasing pools. These organizations are presented in notes 19 and 20 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

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. The statements usually distinguish between those activities that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

considered business-type activities (primarily supported by fees and charges). The School District, however, 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; grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental 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 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.

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 School District utilizes one fund category: governmental.

Governmental Funds

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

General Fund - The general fund accounts for and reports 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 and transferred according to the general laws of Ohio.

Permanent Improvement Fund - The permanent improvement capital projects fund accounts for and reports transactions related to the acquiring, constructing, or improving of such permanent improvements.

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

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, liabilities, and deferred inflows/outflows of resources associated with the operation of the School District are

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

included on the statement of net position. The statement of activities accounts for increases (revenues) and decreases (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, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (revenues and other financing sources) and uses (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.

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or 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.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note 8). 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported in the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in notes 13 and 14.

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which are levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found within the basic financial statements. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see notes 13 and 14).

Expenses/Expenditures

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds, except cash held with escrow agents, all 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".

The School District entered into a lease-purchase agreement in fiscal year 2021. The proceeds from that agreement were deposited into an escrow account with Huntington National Bank. Funds will be drawn by the School District as they are needed for the project for which the agreement was entered into. The balance of this account is reported as "cash and cash equivalents with escrow agents" in the accompanying financial statements.

During fiscal year 2021, investments were limited to money market accounts and money market mutual funds. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund, permanent improvement fund, and other governmental funds during fiscal year 2021 amounted to \$40,823, \$1,877, and \$2,773, respectively.

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

Inventory

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

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of certain assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	20 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	3 - 10 years

Internal Activity

Transfers within governmental activities are eliminated on the government-wide 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 aren’t 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.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets include amounts required by statute to be set-aside by the School District for budget stabilization. See note 21 for additional information regarding set-asides.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as “vacation benefits payable”, rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year earned.

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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 employees with ten or more years of current service with the School District.

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as 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 employee will be paid. The School District did not have any matured compensated absences as of June 30, 2021.

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year.

Bonds, loans, and capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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 fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" 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 it is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Education. Those 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 the use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or State Statute.

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

Interfund Balances

Interfund receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of position.

Estimates

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

Net Position

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

Net position restricted for other purposes include resources restricted for food service operations and federal and state grants restricted for specific purposes.

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The School District reported no extraordinary or special items for the year ended June 30, 2021.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate appropriations to the function and object levels.

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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 in the amended certificate in effect when final appropriations for the fiscal year were passed.

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from the 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 the employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

Note 3 – New Accounting Principles

For fiscal year 2021, the School District implemented GASB Statement No. 84, “Fiduciary Activities” and related guidance from (GASB) Implementation Guide No. 2019-2, “Fiduciary Activities.” GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the School District will no longer be reporting agency funds. The School District reviewed its agency funds and determined that certain funds should be reclassified as governmental funds. These fund reclassifications resulted in the restatement of the School District’s financial statements.

Restatement of Fund Balances and Net Position

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

	Other Governmental Funds
Fund Balance, As Reported, June 30, 2020	\$14,545
<i>Adjustments:</i>	
GASB 84	70,196
Fund Balance, As Restated, July 1, 2020	\$84,741

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

	Governmental Activities	Private Purpose Trust
Net Position, As Reported, June 30, 2020	\$1,364,707	\$11,497
<i>Adjustments:</i>		
GASB 84	70,196	(11,497)
Net Position, As Restated, July 1, 2020	\$1,434,903	\$0

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 4 – Accountability

At June 30, 2021, the permanent improvement major capital project fund and the lunchroom, title I, IDEA-B, federal preschool, and miscellaneous federal grant nonmajor special revenue funds had deficit fund balances of \$291,756, \$66,807, \$22,273, \$24,077, \$3,283, and \$2,056, respectively. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 – Fund Balances

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

Fund Balances	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Inventory	\$0	\$0	\$6,618	\$6,618
Total	0	0	6,618	6,618
<i>Restricted for</i>				
Debt Payments	0	0	3,143	3,143
Student Activities	0	0	64,984	64,984
State Grants	0	0	22,219	22,219
Student Wellness and Success	0	0	166,016	166,016
Other Purposes	0	0	46,106	46,106
Budget Stabilization	42,941	0	0	42,941
Total	42,941	0	302,468	345,409
<i>Assigned for</i>				
Other Purposes	61,518	0	0	61,518
Public School Support	17,532	0	0	17,532
Total	79,050	0	0	79,050
<i>Unassigned (Deficit)</i>	5,603,901	(291,756)	(125,114)	5,187,031
<i>Total</i>	<u>\$5,725,892</u>	<u>(\$291,756)</u>	<u>\$183,972</u>	<u>\$5,618,108</u>

Note 6 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (budget basis) 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 GAAP (modified accrual) 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).

Symmes Valley Local School District
Notes to the Basic Financial Statements
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3. Encumbrances are treated as expenditures (budget basis) rather than committed or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Funds treated as general fund equivalents on the GAAP basis are not included on the budget basis.

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

Net Change in Fund Balance	
	General
GAAP Basis	\$604,780
Adjustments:	
Revenue Accruals	57,074
Expenditure Accruals	(14,037)
Encumbrances	(73,851)
Advances	(460,810)
Perspective Differences	(899)
Budget Basis	\$112,257

Note 7 - Deposits and Investments

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

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

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

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

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

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

Symmes Valley Local School District
Notes to the Basic Financial Statements
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5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio); and
8. Certain bankers’ acceptances (for a period not to exceed one hundred and eighty days) and commercial paper noted (for a period not to exceed two hundred and 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. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim monies available for investment at the time of purchase.

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. Investments may only be made through specified dealers and institutions.

Deposits - Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. The School District has no policy for custodial credit risk beyond the requirements of the State statute.

As of June 30, 2021, the School District’s bank balance of \$6,235,363 was either covered by FDIC or collateralized by the financial institutions’ public entity deposit pools in the manner described above.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>S&P Credit Rating</u>	<u>% of Portfolio</u>
Money Market-Edward Jones	\$32	< 1 Year	N/A	0%
Money Market Mutual Funds	17,063	< 1 Year	N/A	4%
Money Market-Federated Treasury Obligations Fund	400,000	< 1 Year	AAAm	96%
Total	<u>\$417,095</u>			<u>100%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District’s recurring fair value measurements as of June 30, 2021. All investments of the School District are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the School District manages its exposure to declines in fair values by keeping the portfolio sufficiently liquid to enable the School District to meet all operating requirements.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District limits its investments to those authorized by State statute, which include STAR Ohio, money market funds, certificates of deposit, and U.S. Government agency securities as described in Ohio Revised Code Section 135.143A(2).

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The School District’s investment policy allows investments in eligible securities as described in the Ohio Revised Code.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a policy for custodial credit risk. All of the School District’s investments are either insured and registered in the name of the School District or at least registered in the name of the School District.

Note 8 - Property Taxes

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

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

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

The School District receives property taxes from Lawrence and Gallia Counties. 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 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2021, was \$199,213 in the general fund and \$2,881 in the classroom facilities maintenance nonmajor special revenue fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as unavailable revenue.

Symmes Valley Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

	2020 Second-Half Collections		2021 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$61,353,730	79.29%	\$61,440,070	80.03%
Public Utility Personal	16,022,040	20.71%	15,329,290	19.97%
Total Assessed Value	\$77,375,770	100.00%	\$76,769,360	100.00%
Tax Rate per \$1,000 of Assessed Valuation	\$23.00		\$21.20	

Note 9 - Receivables

Receivables at June 30, 2021, consisted of property taxes, interfund, and intergovernmental grants. 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 fiscal year guarantee of federal funds.

All receivables, except delinquent property taxes, are expected to be collected in one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<i>Major Fund:</i>	
General	\$638
<i>Nonmajor Funds:</i>	
Title I-A	37,091
Title I School Improvement	36,575
Expanding Opportunities	4,419
Title II-A	51
Title IV-A	16,187
Title V-B	14,655
IDEA-B	9,213
IDEA Early Childhood	2,027
Early Childhood	6,640
ESSER	12,545
High Schools That Work	3,000
Total Nonmajor Funds	142,403
Total All Funds	\$143,041

Note 10 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year are as follows:

General Fund	\$74,151
Permanent Improvement Fund	437,485
Other Governmental Funds	8,774
Total Governmental Funds	\$520,410

Symmes Valley Local School District
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Contractual Commitments

At June 30, 2021, the School District had the following significant outstanding contractual commitment.

<u>Contract/Contractor</u>	<u>Contract Amount</u>	<u>Payments Made as of 6/30/21</u>	<u>Balance at 6/30/21</u>
HB264 Energy Conservation Project – Vista Consulting Group	\$975,655	\$538,550	\$437,105

Note 11 - 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. For fiscal year 2021, the School District contracted with Hylant Administrative Services for property and fleet insurance. The type and amount of coverage provided follows:

<u>Coverage</u>	<u>Deductible</u>	<u>Limits of Coverage</u>
Buildings and Contents – Replacement Cost	\$1,000	\$41,453,540
Vehicles:		
Bodily Injury:		
Per Person	1,000	1,000,000
Per Accident	1,000	1,000,000
Property Damage	1,000	3,000,000
Uninsured Motorist:		
Per Person	1,000	1,000,000
Per Accident	1,000	1,000,000

The School District has joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays its annual premium to the OSP (see note 20).

The types and amounts of coverage provided by the Ohio School Plan are as follows:

<u>Coverage</u>	<u>Deductible</u>	<u>Limits of Coverage</u>
General Liability:		
Each Occurrence	\$0	\$3,000,000
Aggregate Limit	0	5,000,000
Products – Completed Operations Aggregate Limit	0	3,000,000
Fire Legal Liability	0	500,000
Medical Expense Liability – Per Person/Accident	0	10,000
Employers’ Liability:		
Each Occurrence	0	3,000,000
Per Disease – Each Employee	0	3,000,000
Per Disease – Aggregate	0	3,000,000
Employee Benefits Liability:		
Each Occurrence	2,500	3,000,000
Aggregate Limit	2,500	5,000,000
Educational Liability:		
Errors and Omissions – Each Occurrence	2,500	3,000,000
Errors and Omissions – Aggregate Limit	2,500	5,000,000

Symmes Valley Local School District
Notes to the Basic Financial Statements
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Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior fiscal year.

For fiscal year 2021, the School District participated in the Better Business Bureau of Central Ohio Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool (Note 20). The intent of the GRP 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 GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate of the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. Managed Care Organization provides administrative, cost control, and actuarial services to the GRP.

Group Health

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program to provide employee medical benefits. Rates are set through an annual calculation process. The School District pays monthly premiums to the fiscal agent, which is placed into a Council Fund from which claim payments are made for all participating school districts. The School District pays 80% to 90% of the premium for all employees.

Claims are paid for all participants regardless of claims flow. Upon withdrawal from the program, no further contribution will be made and the school district will be distributed their net pooled share and all claims submitted by covered members of the school district after the distribution will be exclusively the liability of the school district.

Note 12 - Capital Assets

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

	Ending Balance 6/30/20	Additions	Deletions	Ending Balance 6/30/21
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$111,779	\$0	\$0	\$111,779
Construction in Progress	0	769,496	0	769,496
Total Capital Assets Not Being Depreciated	111,779	769,496	0	881,275
Capital Assets Being Depreciated				
Land Improvements	1,383,620	0	0	1,383,620
Buildings and Improvements	16,480,410	0	0	16,480,410
Furniture and Equipment	1,280,353	17,300	0	1,297,653
Vehicles	1,737,361	99,980	0	1,837,341
Total Capital Assets Being Depreciated	20,881,744	117,280	0	20,999,024
Less Accumulated Depreciation				
Land Improvements	(889,754)	(52,192)	0	(941,946)
Buildings and Improvements	(11,055,948)	(406,360)	0	(11,462,308)
Furniture and Equipment	(852,348)	(104,768)	0	(957,116)
Vehicles	(1,372,462)	(103,450)	0	(1,475,912)
Total Accumulated Depreciation	(14,170,512)	(666,770)	0	(14,837,282)
Total Capital Assets Being Depreciated, Net	6,711,232	(549,490)	0	6,161,742
Governmental Activities Capital Assets, Net	\$6,823,011	\$220,006	0	\$7,043,017

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Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$217,335
Special	91,252
Vocational	10,481
<i>Support Services:</i>	
Pupils	17,364
Instructional Staff	13,036
Administration	30,962
Fiscal	13,036
Operation and Maintenance of Plant	46,415
Pupil Transportation	173,472
Central	6,794
Operation of Non-Instructional Services	24,831
Extracurricular Activities	21,792
Total Depreciation Expense	<u>\$666,770</u>

Note 13 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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 and OPEB are components 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 pension 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 these estimates 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.

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

Symmes Valley Local School District
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eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See note 14 for the required OPEB disclosures.

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. That report can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent 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 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

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The School District's contractually required contributions to SERS were \$191,128 for fiscal year 2021. Of this amount, \$28,405 was reported as an intergovernmental payable.

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 stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

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

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

Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan

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dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2021 employer and employee contribution rate was 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 contributions to STRS were \$586,112 for fiscal year 2021. Of this amount, \$107,920 is reported as an intergovernmental payable.

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

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

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net Pension Liability			
Current Measurement Date	0.04364020%	0.03738118%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.04248840%</u>	<u>0.03724829%</u>	
Change in Proportionate Share	<u>0.00115180%</u>	<u>0.00013289%</u>	
			<u>Total</u>
Proportionate Share of the Net			
Pension Liability	\$2,886,455	\$9,044,915	\$11,931,370
Pension Expense	\$471,233	\$1,374,078	\$1,845,311

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$5,607	\$20,295	\$25,902
Changes of assumptions	0	485,539	485,539
Net difference between projected and actual earnings on pension plan investments	183,232	439,855	623,087
Changes in proportions and differences between Entity contributions and proportionate share of contributions	57,179	280,426	337,605
School District contributions subsequent to the measurement date	<u>191,128</u>	<u>586,112</u>	<u>777,240</u>
Total Deferred Outflows of Resources	<u>\$437,146</u>	<u>\$1,812,227</u>	<u>\$2,249,373</u>

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	SERS	STRS	Total
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$57,836	\$57,836
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	50,114	74,915	125,029
Total Deferred Inflows of Resources	\$50,114	\$132,751	\$182,865

\$777,240 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 year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	\$8,551	\$441,420	\$449,971
2023	53,611	166,400	220,011
2024	76,374	287,886	364,260
2025	57,368	197,658	255,026
Total	\$195,904	\$1,093,364	\$1,289,268

Actuarial Assumptions - SERS

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

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

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

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

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Wage Inflation	3 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.5 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

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

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

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	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$3,954,091	\$2,886,455	\$1,990,688

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

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

Sensitivity of the 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	\$12,878,385	\$9,044,915	\$5,796,369

Note 14 - Postemployment Benefits

See Note 13 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy.

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For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District’s surcharge obligation was \$28,928. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District’s contractually required contribution to SERS for health care was \$28,928 for fiscal year 2021. Of this amount, \$28,928 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 Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

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

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

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.04467840%	0.03738118%	
Proportion of the Net OPEB Liability			
Prior Measurement Date	<u>0.04368200%</u>	<u>0.03724829%</u>	
Change in Proportionate Share	<u>0.00099640%</u>	<u>0.00013289%</u>	
			<u>Total</u>
Proportionate Share of the Net			
Net OPEB Liability	\$971,008	\$0	\$971,008
Net OPEB (Asset)	\$0	(\$656,973)	(\$656,973)
OPEB Expense	\$34,347	(\$23,979)	\$10,368

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$12,753	\$42,097	\$54,850
Changes of assumptions	165,524	10,845	176,369
Net difference between projected and actual earnings on OPEB plan investments	10,941	23,024	33,965
Changes in proportion and differences between Entity contributions and proportionate share of contributions	69,688	54,154	123,842
School District contributions subsequent to the measurement date	28,928	0	28,928
Total Deferred Outflows of Resources	<u>\$287,834</u>	<u>\$130,120</u>	<u>\$417,954</u>
Deferred Inflows of Resources			
Changes of assumptions	\$24,457	\$624,014	\$648,471
Differences between expected and actual experience	493,826	130,858	624,684
Changes in proportion and differences between Entity contributions and proportionate share of contributions	22,026	9,055	31,081
Total Deferred Inflows of Resources	<u>\$540,309</u>	<u>\$763,927</u>	<u>\$1,304,236</u>

\$28,928 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 in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	(\$56,168)	(\$154,563)	(\$210,731)
2023	(55,379)	(138,980)	(194,359)
2024	(55,505)	(133,510)	(189,015)
2025	(54,571)	(146,239)	(200,810)
2026	(43,502)	(28,801)	(72,303)
Thereafter	(16,278)	(31,714)	(47,992)
Total	<u>(\$281,403)</u>	<u>(\$633,807)</u>	<u>(\$915,210)</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 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

Symmes Valley Local School District
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employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

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

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

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

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

The 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 discussed in note 13.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2020 was 3.22 percent. The projection of cash flows

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, and what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
School District's proportionate share of the net OPEB liability	\$1,188,489	\$971,008	\$798,110

	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$764,595	\$971,008	\$1,247,035

Actuarial Assumptions – STRS

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

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5 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 initial, 4 percent ultimate

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

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

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

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

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 discussed in note 13.

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB liability	(\$571,610)	(\$656,973)	(\$729,402)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	(\$724,906)	(\$656,973)	(\$574,222)

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Note 15 - Employee Benefits

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 vacation per fiscal year, depending upon length of service. Vacation from one fiscal year may be carried forward to future fiscal years. 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 the rate of one and one-fourth days per month. There is no limit to the amount of sick leave that may be accumulated. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave to a maximum of 85 days.

Insurance Benefits

The School District provides medical, health, and prescription card coverage through Anthem Blue Cross and Blue Shield. The School District pays 90% of the total monthly premiums for those employees with the School District prior to June 30, 2013, and 80% for those employees hired after June 30, 2013, of \$2,214.34 for family coverage and \$896.49 for single coverage.

The School District provides life insurance and accidental death and dismemberment insurance to certificated and administrative employees through Guardian Insurance Company in the amount of \$45,000.

The School District provides dental insurance through Guardian Insurance Company. The School District pays 75% of the total monthly premium of \$66.55 for family coverage and \$20.17 for single coverage.

Note 16 – Capital Leases

In a prior fiscal year, the School District entered into a capital lease for Chromebooks. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. Capital assets acquired by lease have been capitalized in the amount of \$100,425, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the statement of net position. During fiscal year 2021, the School District made principal payments in the amount of \$25,006, paid by the general fund.

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

<u>Fiscal Year Ending June 30,</u>	
2022	\$25,608
2023	<u>25,406</u>
Total	51,014
Less: Amount Representing Interest	<u>(403)</u>
Present Value of Net Minimum Lease Payments	<u>\$50,611</u>

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Note 17 - Long-Term Obligations

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

	Amount Outstanding 6/30/20	Additions	Deductions	Amount Outstanding 6/30/21	Due Within One Year
<i>Governmental Activities</i>					
2014 HB264 Energy Conservation Loan – 1.00%	\$379,892	\$0	(\$36,298)	\$343,594	\$36,662
2021 Lease-Purchase Agreement	0	400,000	0	400,000	27,435
Total	379,892	400,000	(36,298)	743,594	64,097
Sick Leave Benefits	465,099	102,956	(67,890)	500,165	14,019
Capital Leases	75,617	0	(25,006)	50,611	25,205
Net Pension Liability	10,779,390	1,151,980	0	11,931,370	0
Net OPEB Liability	1,098,510	0	(127,502)	971,008	0
Total Governmental Activities Long-Term Obligations	\$12,798,508	\$1,654,936	(\$256,696)	\$14,196,748	\$103,321

House Bill 264 Energy Conservation Obligations

On September 19, 2014, the School District entered into a \$555,960 energy conservation loan and entered into a \$145,074 lease-purchase agreement for the purpose of improving and reducing energy consumption in each of the School District’s instructional facilities. These obligations were issued through a loan and a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code.

In accordance with the lease terms, the project assets were leased to US Bank Equipment Finance, and then subleased back to the School District. The lease-purchase agreement was issued through a series of annual leases with an initial lease term of five years which included the right to renew for five successive one-year terms through December 31, 2018, subject to annual appropriations. To satisfy the trustee requirements, the School District was required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 2.62%. The final payment on the lease-purchase agreement was made in fiscal year 2020.

In accordance with the energy conservation loan agreement, the lender has the right pursue any one or more of the following remedies on default upon an event of default by the School District: a) termination of obligation of any undisbursed amounts remaining on the loan; b) declaration of all payments under the loan to be immediately due and payable; and c) increase in interest rate on the outstanding balance of the loan up to 10% per annum. In addition, if required reports are not submitted by the School District to the lender, the School District shall pay the lender liquidated damages calculated at a rate of \$250 for each calendar month or part of a month that such information is not received after the respective date said information is to be provide.

On May 25, 2021, the School District entered into a lease-purchase agreement with Huntington Public Capital Corporation to provide \$400,000 in funds to finance energy conservation measures and improvements to the high school roof. Semi-annual lease payments are due on May 1st and November 1st of each year, commencing November 1, 2021. The lease-purchase agreement will carry an interest rate of 2.65% and a final payment date of May 1, 2036. Funds were deposited into an escrow account with Huntington National Bank and will be drawn upon as needed by the School District as the project progresses.

The lease-purchase agreement contains default stipulations. Upon the occurrence of an event of default, the lessor may, at its sole option, exercise any one or more of the following remedies, as summarized: (a) declare an amount equal to all amounts then currently due together with interest on such amounts at the default interest rate immediately due and payable; (b) request lessee to promptly return the equipment to lessor and/or enter upon the premises where the

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equipment is located, disable the equipment subject to all leases owned by it to prevent further use thereof by lessee, and take immediate possession of and remove the same; (c) sell, lease or otherwise dispose of any equipment; (d) demand payment of all out-of-pocket costs and expenses incurred by lessor as a result (directly or indirectly) of the event of default, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning, or disposition of any equipment; and (e) exercise any other right, remedy or privilege which may be available to it under applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of, recover damages for the breach of, or to rescind, a Lease as to any or all of the equipment.

On May 18, 2021, the School District issued \$695,700 in limited tax energy conservation general obligation bonds to the Ohio Development Services Agency (ODSA) for the purpose of the acquisition, construction, and equipping relating to the (a) replacement of a chiller, LED lighting retrofit, retro-commission ventilator controls and freezer improvements, boiler replacement, installation of a solar PV system, system commissioning and management, and other energy conservation improvements at various buildings and facilities within the School District as more specifically identified in the energy performance contract for the project, including all costs of such acquisition, equipping, and installation, as well as costs of issuance, design, engineering, installation, and related capital costs and expenses, and (b) pay certain costs of issuance in connection with the issuance of the Series 2021 Bond. These funds will be held by the Director of ODSA and a loan in the amount of \$695,700 may be drawn upon by the School District upon the satisfaction of the conditions of disbursement as set forth in the loan agreement. The School District did not initiate any draw requests during fiscal year 2021. The terms of the repayment of the loan shall be set for in the bond and the School District will make all payments as set forth in the bond when due. The bonds carry an interest rate of 0.25% and a maturity date of December 1, 2034. The bonds are term bonds subject to mandatory sinking fund redemptions in part at 100% of the principal amount so redeemed plus accrued interest to the date of redemption, according to the table below.

Redemption Date	Principal Amount to be Redeemed	Redemption Date	Principal Amount to be Redeemed	Redemption Date	Principal Amount to be Redeemed
6/1/22	\$25,931	12/1/26	\$26,520	6/1/31	\$27,123
12/1/22	25,996	6/1/27	26,586	12/1/31	27,191
6/1/23	26,061	12/1/27	26,653	6/1/32	27,259
12/1/23	26,126	6/1/28	26,720	12/1/32	27,327
6/1/24	26,191	12/1/28	26,786	6/1/33	27,395
12/1/24	26,257	6/1/29	26,853	12/1/33	27,464
6/1/25	26,322	12/1/29	26,921	6/1/34	27,532
12/1/25	26,388	6/1/30	26,988	12/1/34	27,601
6/1/26	26,454	12/1/30	27,055	Total	<u>\$695,700</u>

These bonds are subject to default stipulations. Whenever an event of default shall have occurred and be continuing, any one or more of the following remedial steps may be taken: (a) if the entire loan amount has not been disbursed, the Director of ODSA may terminate any and all of the Director’s obligations under the agreement and the commitment; (b) the Director may declare all payments under the bonds to be immediately due and payable, whereupon the same shall become immediately due and payable; (c) the Director may increase the interest rate on the outstanding balance of the loan up to ten percent (10%) per annum, subject to appropriation and applicable debt limitations; (d) the Director may exercise any or all or any combination of the remedies specified in any loan document; (e) the Director may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the agreement, the bond or any other loan documents, or to enforce the performance and observance of any other obligation or agreement of the borrower under the loan documents; and (f) upon an event of default occurring as a result of the borrower’s failure to deliver the reports required to be delivered to the Director pursuant to Section 4.2 of the agreement, then in addition to any remedies the Director shall have under this agreement, subject to appropriation, the borrower shall pay to the Director liquidated damages calculated at the rate of \$500.00 for each calendar month or part of a month that such information is not received after the respective date said information is to be provided.

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Annual base rent requirements to retire the HB264 energy conservation loan and lease-purchase agreement outstanding at June 30, 2021, are as follows:

Fiscal Year Ending June 30,	2014 HB264 Energy Conservation Loan		2021 Lease-Purchase Agreement	
	Principal	Interest	Principal	Interest
2022	\$36,662	\$2,508	\$27,435	\$9,893
2023	37,030	2,232	22,316	9,873
2024	37,401	1,954	22,909	9,281
2025	37,776	1,673	23,517	8,675
2026	38,155	1,389	24,142	8,051
2027-2031	156,570	2,618	130,684	30,313
2032-2036	0	0	148,997	12,053
Total	\$343,594	\$12,374	\$400,000	\$88,139

The energy conservation loan and lease-purchase agreement will be repaid from the general fund. There is no repayment schedule for sick leave benefits or net pension and OPEB liabilities. However, employer pension contributions are made from the following funds: general fund, and the food service, title VI-B IDEA, and the title I nonmajor special revenue funds. For additional information related to the net pension liability and net OPEB liability see notes 13 and 14.

The School District's overall legal debt margin was \$6,168,791, with an unvoted debt margin of \$76,769 at June 30, 2021.

Note 18 - Interfund Activity and Balances

Transfers

During fiscal year 2021, the general fund made transfers to the athletics nonmajor special revenue funds in the amount of \$7,500. These transfers were used to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund Balances

Interfund balances at June 30, 2021 arise from the provision of cash flow resources from the general fund until the receipt of grant monies by the nonmajor special revenue funds or lease-purchase proceeds held by an escrow agent for the permanent improvement fund.

	Receivables	Payables
<i>Major Funds:</i>		
General	\$569,216	\$0
Permanent Improvement	0	460,810
<i>Nonmajor Funds:</i>		
Lunchroom	0	55,549
Early Childhood Education	0	6,640
IDEA-B	0	8,211
Title I	0	7,318
Title II-A	0	3,283
Miscellaneous Federal Grants	0	27,405
Total Nonmajor Funds	0	108,406
Total	\$569,216	\$569,216

Note 19 - Jointly Governed Organization

Metropolitan Educational Technology Association

The School District participates in the Metropolitan Educational Technology Association (META), formed from the merger of the Metropolitan Educational Council (MEC) and the South Central Ohio Computer Association Regional Council of Governments (SCOCARCoG) during fiscal year 2016, which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During 2021, the School District paid \$97,125 for services with META. Financial information can be obtained from Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

Note 20 - Insurance Purchasing Pools

Lawrence County Schools Council of Governments Health Benefits Program

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program (Council), a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The Council is governed by a council, which consists of the superintendent from each participating school district. The council elects officers for one-year terms to serve on the Board of Directors. The council exercises control over the operation of the Council. All council revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. The Lawrence County Educational Service Center is the fiscal agent of the council. Each School District reserves the right to withdraw from the plan. If this is done, no further contributions will be made and the school district's net pooled share will be distributed and all claims submitted by covered members of the school district after the distribution will be exclusively the liability of the school district.

Better Business Bureau of Central Ohio Workers' Compensation Group Retrospective Rating Program

The School District participates in the Better Business Bureau of Central Ohio Worker's Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of trustees consisting of the President, the Vice President, and the Secretary. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Ohio School Plan

The School District participates in the Ohio School Plan (OSP), and insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between the OSP and member school districts.

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Note 21 - Set-Aside Calculations

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

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirements for school districts to establish and appropriate money for the budget stabilization was deleted from law. A school district may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a school district's budget reserve set-aside as of April 10, 2001, may at the discretion of the board of education be returned to the school district's general fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future years. The bill placed special conditions on any Bureau or Workers' Compensation monies remaining in the budget reserve. During fiscal year 2002, the Board of Education passed a resolution to maintain only the refunds from the Bureau of Workers' Compensation in the budget reserve pursuant to State Statute and at June 30, 2021, this is all that continues to be set aside.

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

	Capital Improvements	Budget Reserve
Set-Aside Balance as of June 30, 2020	\$0	\$42,941
Current Fiscal Year Set-Aside Requirement	141,518	0
Current Fiscal Year Off-Sets	(66,553)	0
Current Fiscal Year Qualifying Expenditures	(586,238)	0
Total	(\$511,273)	\$42,941
Set-Aside Balance as of June 30, 2021	\$0	\$42,941
Required Set-Aside Balance Carried Forward to Fiscal Year 2022	\$0	\$42,941

The School District has qualifying disbursements and offsets during the fiscal year that reduced the capital improvements set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future fiscal years.

Note 22 - Contingencies

Grants

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

Litigation

The School District is currently party to a legal proceeding. However, management is of the opinion that there will not be a material adverse effect, if any, on the School District's financial condition as a result of these proceedings.

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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 the fiscal year end. ODE has finalized the impact of enrollment adjustments to the June 30, 2021 foundation funding for the School District and does not anticipate any further FTE adjustments for fiscal year 2021. Those adjustments did not have a significant impact on the School District's funding.

Note 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the 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 Coronavirus Aid, Relief, and Economic Security (CARES) Act funding in the amount of \$320,946. None of the amounts received was subgranted to other governments or organizations, returned to the granting agency, or spent on-behalf of other governments. Additionally, the School District did not receive a significant amount of donated personal protective equipment as an on-behalf of grant from another government.

Note 24 – Subsequent Events

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$669,242 in expenditures/expenses related to these programs. Also during fiscal year 2021, the School district reported \$856,794 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each School District. The School District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

On September 3, 2022, the School District processed a \$695,700 request for reimbursement from the Ohio Development Services Agency from the 2021 energy conservation loan proceeds which were awarded in fiscal year 2021. In October 2022, the School District received these funds.

Symmes Valley Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Eight Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021
<i>State Teachers Retirement System</i>								
School District's proportion of the net pension liability	0.03342978%	0.03342978%	0.03330307%	0.03434197%	0.03644934%	0.03606826%	0.03724829%	0.03738118%
School District's proportionate share of the net pension liability	\$9,685,927	\$8,131,279	\$9,203,995	\$11,492,292	\$8,658,618	\$7,930,600	\$8,237,235	\$9,044,915
School District's covered-employee payroll	\$3,508,777	\$3,417,831	\$3,624,729	\$3,473,321	\$4,199,743	\$4,185,864	\$4,301,921	\$4,599,493
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	276.0%	237.9%	253.9%	330.9%	206.2%	189.5%	191.5%	196.7%
Plan fiduciary net position as a percentage of the total pension liability	69.3%	74.7%	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%
<i>School Employees Retirement System</i>								
School District's proportion of the net pension liability	0.03834300%	0.03843000%	0.07977000%	0.03850130%	0.04088180%	0.00041050%	0.04248840%	0.04364020%
School District's proportionate share of the net pension liability	\$2,280,135	\$1,940,517	\$2,094,184	\$2,817,940	\$2,442,597	\$2,351,021	\$2,542,155	\$2,886,455
School District's covered-employee payroll	\$939,834	\$1,119,459	\$1,142,830	\$1,161,586	\$1,443,957	\$1,406,474	\$1,468,593	\$1,486,807
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	242.6%	173.3%	183.2%	242.6%	169.2%	167.2%	173.1%	194.1%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	71.7%	69.2%	63.0%	69.5%	71.4%	70.9%	68.6%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.
Information not available prior to 2014.
See the accompanying notes to the required supplementary information.

Symmes Valley Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Last Five Fiscal Years

	2017	2018	2019	2020	2021
<i>State Teachers Retirement System</i>					
School District's proportion of the net OPEB liability (asset)	0.03434197%	0.03644934%	0.03606826%	0.03724829%	0.03738118%
School District's proportionate share of the net OPEB liability (asset)	\$1,836,617	\$1,422,118	(\$579,580)	(\$616,921)	(\$656,973)
School District's covered-employee payroll	\$3,473,321	\$4,199,743	\$4,185,864	\$4,301,921	\$4,599,493
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	52.9%	33.9%	-13.8%	-14.3%	-14.3%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%
<i>School Employees Retirement System</i>					
School District's proportion of the net OPEB liability	0.03907780%	0.04141910%	0.04184550%	0.04368200%	0.04467840%
School District's proportionate share of the net OPEB liability	\$1,113,862	\$1,111,581	\$1,160,907	\$1,098,510	\$971,008
School District's covered-employee payroll	\$1,161,586	\$1,443,957	\$1,406,474	\$1,468,593	\$1,486,807
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	95.9%	77.0%	82.5%	74.8%	65.3%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%	15.6%	18.2%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.
Information not available prior to 2017.
See the accompanying notes to the required supplementary information.

Symmes Valley Local School District
Required Supplementary Information
Schedule of School District Contributions
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>State Teachers Retirement System</i>										
Contractually required contribution - pension	\$518,975	\$456,141	\$444,318	\$507,462	\$486,265	\$587,964	\$586,021	\$602,269	\$643,929	\$586,112
Contractually required contribution - OPEB	39,921	35,088	34,178	0	0	0	0	0	0	0
Contractually required contribution - total	558,896	491,229	478,496	507,462	486,265	587,964	586,021	602,269	643,929	586,112
Contributions in relation to the contractually required contribution	558,896	491,229	478,496	507,462	486,265	587,964	586,021	602,269	643,929	586,112
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered-employee payroll	\$3,992,115	\$3,508,777	\$3,417,831	\$3,624,729	\$3,473,321	\$4,199,743	\$4,185,864	\$4,301,921	\$4,599,493	\$4,186,514
Contributions as a percentage of covered-employee payroll - pension	13.00%	13.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<i>School Employees Retirement System</i>										
Contractually required contribution - pension	\$135,065	\$130,073	\$155,157	\$150,625	\$162,622	\$202,154	\$189,874	\$198,260	\$208,153	\$191,128
Contractually required contribution - OPEB (1)	5,523	1,504	1,658	9,371	0	0	7,032	7,343	0	0
Contractually required contribution - total	140,588	131,577	156,815	159,996	162,622	202,154	196,906	205,603	208,153	191,128
Contributions in relation to the contractually required contribution	140,588	131,577	156,815	159,996	162,622	202,154	196,906	205,603	208,153	191,128
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered-employee payroll	\$1,004,201	\$939,834	\$1,119,459	\$1,142,830	\$1,161,586	\$1,443,957	\$1,406,474	\$1,468,593	\$1,486,807	\$1,365,200
Contributions as a percentage of covered-employee payroll - pension	13.45%	13.84%	13.86%	13.18%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	0.55%	0.16%	0.14%	0.82%	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.

See the accompanying notes to the required supplementary information.

Symmes Valley Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

State Teachers Retirement System

Pension

Changes in benefit terms

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

Changes in assumptions

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

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

- Inflation assumptions were lowered from 2.75 percent to 2.50 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered from 3.50 percent to 3.00 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2019 through 2021.

OPEB

Changes in benefit terms

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

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

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

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

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

Symmes Valley Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

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

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

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

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

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

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

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

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

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

Symmes Valley Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

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

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

School Employees Retirement System

Pension

Changes in benefit terms

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

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

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

There were no changes to benefit terms for fiscal years 2019 through 2021.

Changes in assumptions

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

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00-22.00 percent to 3.50-18.20 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disable member was updated to the following:
 - 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.

There were no changes in assumptions for fiscal years 2019 through 2021.

Symmes Valley Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

OPEB

Changes in benefit terms

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

Changes in assumptions

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00-22.00 percent to 3.50-18.2 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to the following:
 - 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.

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

- The discount rate was increased from 2.98 percent to 3.63.
- The municipal bond index rate increased from 2.95 percent to 3.56 percent.

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

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
 - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

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

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
 - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – 7 to 4.75 percent

Symmes Valley Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

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

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

Symmes Valley Local School District
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal Assistance Listing Number	Federal Awards Expenditures
<u>United States Department of Agriculture</u>			
<i>Passed through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
COVID-19 School Breakfast Program	3L70	10.553	\$23,654
School Breakfast Program	3L70	10.553	117,760
COVID-19 National School Lunch Program	3L60	10.555	38,186
National School Lunch Program	3L60	10.555	205,069
National School Lunch Program - Non-Cash Assistance	N/A	10.555	15,058
Total Child Nutrition Cluster			<u>399,727</u>
Total United States Department of Agriculture			399,727
<u>United States Department of Treasury</u>			
<i>Passed through the Ohio Department of Education</i>			
COVID-19 Coronavirus Relief Fund-Broadband Ohio Connectivity	5CV1	21.019	61,169
COVID-19 Coronavirus Relief Fund-Rural and Small Town School Districts	5CV1	21.019	93,899
Total Coronavirus Relief Fund			<u>155,068</u>
Total United States Department of Treasury			155,068
<u>United States Department of Education</u>			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster (IDEA):			
Special Education-Grants to States	3M20	84.027A	182,587
Special Education-Preschool Grants	3C50	84.173A	1,995
Total Special Education Cluster (IDEA)			<u>184,582</u>
Title I Grants to Local Educational Agencies	3M00	84.010A	216,507
Title I Grants to Local Educational Agencies-School Improvement	3M00	84.010A	5,000
Total Title I Grants to Local Educational Agencies			<u>221,507</u>
Rural Education	3Y80	84.358B	14,655
COVID-19 Education Stabilization Fund	3HS0	84.425D	165,878
Supporting Effective Instruction State Grants	3Y60	84.367A	32,394
Student Support and Academic Enrichment Program	3HI0	84.424A	46,143
Total United States Department of Education			<u>665,159</u>
Total Federal Financial Assistance			<u>\$1,219,954</u>

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

Symmes Valley Local School District
Notes to the Schedule of Federal Awards Expenditures
2 CFR 200.510(b)(6)
For the Fiscal Year Ended June 30, 2021

Note 1 – Basis of Presentation

The accompanying schedule of federal awards expenditures (the schedule) is a summary of the activity of the School District's federal award programs. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

Note 2 – 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Note 3 – Indirect Cost Rate

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

Note 4 – Child Nutrition Cluster

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

Note 5 – Food Donation Program

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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Education
Symmes Valley Local School District
14778 State Route 141
Willow Wood, Ohio 45696

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Symmes Valley Local School District, Lawrence County, Ohio (the School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 29, 2022, wherein we noted that the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School District. We also noted the School District restated its beginning net position and fund balances as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities".

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

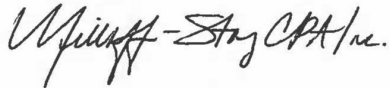
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School District's Response to Findings

The School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 29, 2022

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Education
Symmes Valley Local School District
14778 State Route 141
Willow Wood, Ohio 45696

Report on Compliance for Each Major Federal Program

We have audited Symmes Valley Local School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021.

Symmes Valley Local School District
Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance

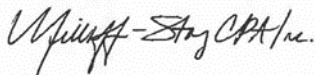
Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

March 29, 2022

Symmes Valley Local School District
Lawrence County
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major program(s):	Special Education Cluster (IDEA), AL #84.027 & AL #84.173; Child Nutrition Cluster, AL #10.553 & AL #10.555
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2021-001

Financial Reporting

A monitoring system by the School District should be in place to prevent or detect misstatements for the accurate presentation of the School District’s financial statements. Errors were identified in the financial statements of the School District. These were due to errors in the computation of intergovernmental revenue and intergovernmental receivables for other governmental funds as well as the major permanent improvement fund being improperly included in other governmental funds. These items were adjusted in the financial statements. We also noted a reclassification from equity in pooled cash and cash equivalents to cash with fiscal agents. This reclassification was deemed immaterial; therefore correction in the financial statements was waived. We recommend the School District work with their consultant to implement additional monitoring procedures to ensure the accurate presentation of the financial statements.

Section III – Federal Award Findings and Questioned Costs

None



Symmes Valley Local Schools

Greg Bowman
Superintendent

Brad Carpenter
Treasurer

14778 State Route 141
Willow Wood, Ohio 45696
(740) 643-2451
Fax: (740) 643-1219

*Corrective Action Plan
For the Year Ended June 30, 2021*

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	We will work with our compiler in the future to ensure all data is reported accurately.	7/1/2022	Brad Carpenter, Treasurer



Mission Statement

The mission of the Symmes Valley Local Schools is to academically prepare all students to become lifelong learners.

OHIO AUDITOR OF STATE KEITH FABER



SYMMES VALLEY LOCAL SCHOOL DISTRICT

LAWRENCE 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 5/5/2022

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