OHIO AUDITOR OF STATE
KEITH FABER

PATRICK HENRY LOCAL SCHOOL DISTRICT
HENRY COUNTY

TABLE OF CONTENTS

TITLE	PAGE

PATRICK HENRY LOCAL SCHOOL DISTRICT
HENRY COUNTY

TABLE OF CONTENTS
(CONTINUED)

TITLE **PAGE**

OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Patrick Henry Local School District
Henry County
6900 State Route 18
Hamler, Ohio 43524-9781

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Patrick Henry Local School District, Henry County, Ohio (the School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note 26 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2022, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

April 18, 2022

This page intentionally left blank.

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

Highlights

Highlights for fiscal year 2021 are as follows:

In total, net position increased $511,073 or almost 5 percent, from the prior fiscal year.

General revenues were $13,802,203 for fiscal year 2021, or 83 percent of total revenues, and reflect the School District's significant dependence on property taxes and income taxes as well as unrestricted state entitlements.

Using the Basic Financial Statements

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

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

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, with all other nonmajor funds presented in total in a single column. For Patrick Henry Local School District, the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund are the most significant funds.

Reporting the School District as a Whole

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

These statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial 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 reflected as governmental activities including instruction, support services, non-instructional services, extracurricular activities, and intergovernmental activities.

Reporting the School District's Most Significant Funds

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

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

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

The School District as a Whole

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

Table 1
Net Position

	Governmental Activities		
	2021	2020	Change
Assets:			
Current and Other Assets	$25,597,652	$33,780,805	($8,183,153)
Net OPEB Asset	685,101	646,076	39,025
Capital Assets, Net	34,852,595	27,586,955	7,265,640
Total Assets	61,135,348	62,013,836	(878,488)

(continued)

Table 1
Net Position
(continued)

	Governmental Activities		
	2021	2020	Change
Deferred Outflows of Resources:			
Pension	$2,274,735	$2,269,298	$5,437
OPEB	418,045	304,459	113,586
Other Amounts	727,921	733,873	(5,952)
Total Deferred Outflows of Resources	3,420,701	3,307,630	113,071
Liabilities:			
Current and Other Liabilities	1,984,084	3,928,748	1,944,664
Long-Term Liabilities			
Pension	12,658,590	11,520,662	(1,137,928)
OPEB	1,100,534	1,243,883	143,349
Other Amounts	29,267,055	30,849,881	1,582,826
Total Liabilities	45,010,263	47,543,174	2,532,911
Deferred Inflows of Resources:			
Pension	161,352	625,037	463,685
OPEB	1,389,921	1,144,251	(245,670)
Other Amounts	6,884,998	5,410,562	(1,474,436)
Total Deferred Inflows of Resources	8,436,271	7,179,850	(1,256,421)
Net Position:			
Net Investment in Capital Assets	8,532,346	7,733,429	798,917
Restricted	1,637,417	1,349,395	288,022
Unrestricted	939,752	1,515,618	(575,866)
Total Net Position	$11,109,515	$10,598,442	$511,073

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

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

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

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

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

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

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

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

Aside from the changes related to pension/OPEB, there were several other changes of note in the above table. The decrease in current and other assets was primarily a decrease in cash and cash equivalents as resources were spent for ongoing construction (see the increase in net capital assets). The increase in current and other liabilities was also related to ongoing construction as there were outstanding payables to contractors at fiscal year end. The decrease in other long-term liabilities represents scheduled debt retirement.

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

Table 2
Change in Net Position

	Governmental Activities		
	2021	2020	Change
Revenues:			
Program Revenues			
Charges for Services	$947,520	$1,034,701	($87,181)
Operating Grants and Contributions	1,761,829	1,081,683	680,146
Capital Grants and Contributions	26,568	0	26,568
Total Program Revenues	2,735,917	2,116,384	619,533
General Revenues			
Property Taxes	6,084,025	8,005,611	(1,921,586)
Income Taxes	2,407,637	2,176,842	230,795
Grants and Entitlements	5,004,637	4,874,596	130,041
Interest	42,483	266,458	(223,975)
Gifts and Donations	75	8,148	(8,073)
Miscellaneous	263,346	166,363	96,983
Total General Revenues	13,802,203	15,498,018	(1,695,815)
Total Revenues	16,538,120	17,614,402	(1,076,282)

(continued)

Table 2
Change in Net Position
(continued)

	Governmental Activities 2021	Governmental Activities 2020	Change
Expenses:			
Instruction:			
Regular	$6,684,620	$6,164,119	($520,501)
Special	2,164,758	2,154,968	(9,790)
Vocational	108,597	94,739	(13,858)
Support Services:			
Pupils	786,174	687,649	(98,525)
Instructional Staff	208,720	219,062	10,342
Board of Education	17,565	22,718	5,153
Administration	974,907	980,384	5,477
Fiscal	467,173	445,683	(21,490)
Business	119,732	119,677	(55)
Operation and Maintenance of Plant	1,174,325	1,248,319	73,994
Pupil Transportation	666,631	612,247	(54,384)
Central	618,589	605,794	(12,795)
Non-Instructional Services	523,130	458,033	(65,097)
Extracurricular Activities	616,961	613,099	(3,862)
Intergovernmental	4,878	5,213	335
Interest and Fiscal Charges	890,287	500,886	(389,401)
Total Expenses	16,027,047	14,932,590	(1,094,457)
Increase in Net Position	511,073	2,681,812	(2,170,739)
Net Position at Beginning of Year	10,598,442	7,916,630	2,681,812
Net Position at End of Year	$11,109,515	$10,598,442	$511,073

Program revenues increased 29 percent from the prior fiscal year. Charges for services decreased due to a reduction in food service sales (pandemic related due to closings and remote learning). The increase in operating grants and contributions was due to the receipt of COVID relief resources. For general revenues, there was a significant decrease in property tax revenue. At the end of the prior fiscal year, there was $1.2 million in taxes that had been collected that was available to be advanced to the School District and reflected as revenue for fiscal year 2020. At the end of fiscal year 2021, this amount was only $237,000. There was also a decrease in the assessed valuation of property. The decrease in interest revenue was due to low interest rates and lower market values. The increase in miscellaneous revenue was generally due to workers' compensation reimbursements.

The increase in total expenses was generally due to salary and benefit increases and an increase in interest on scheduled debt payments.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction:				
Regular	$6,684,620	$6,164,119	$5,748,581	$5,382,044
Special	2,164,758	2,154,968	1,391,047	1,514,884
Vocational	108,597	94,739	104,611	86,947
Support Services:				
Pupils	786,174	687,649	552,646	562,475
Instructional Staff	208,720	219,062	208,720	219,062
Board of Education	17,565	22,718	17,565	22,718
Administration	974,907	980,384	974,907	980,384
Fiscal	467,173	445,683	467,173	445,683
Business	119,732	119,677	119,732	119,677
Operation and Maintenance of Plant	1,174,325	1,248,319	1,094,055	1,248,319
Pupil Transportation	666,631	612,247	636,353	610,337
Central	618,589	605,794	587,305	600,394
Non-Instructional Services	523,130	458,033	89,383	127,957
Extracurricular Activities	616,961	613,099	403,887	389,226
Intergovernmental	4,878	5,213	4,878	5,213
Interest and Fiscal Charges	890,287	500,886	890,287	500,886
Total Expenses	$16,027,047	$14,932,590	$13,291,130	$12,816,206

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

The School District's Funds

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

There was almost no change in fund balance in the General Fund from the prior fiscal year.

Fund balance decreased in the Bond Retirement debt service fund as debt service requirements exceeded property tax and related revenue and resources transferred from other funds for debt payments.

Fund balance decreased substantially in the Building Fund due to spending resources for ongoing construction.

General Fund Budgeting Highlights

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

During fiscal year 2021, the School District amended its General Fund budget as needed. For revenues, the final budget increased over 13 percent from the original budget due to adjusted projections for property taxes and State foundation revenues. Changes from the final budget to actual revenues were not significant. For expenditures, changes from the original budget to the final budget were not significant; savings from the final budget to actual expenditures were generally due to conservative budgeting.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the School District had $34,852,595 invested in capital assets (net of accumulated depreciation). Additions included ongoing construction and a bus. There were no disposals. For further information regarding the School District's capital assets, refer to Note 10 to the basic financial statements.

Debt

At June 30, 2021, the School District had outstanding general obligation bonds, in the amount of $2,745,000, and certificates of participation, in the amount of $25,722,323. In addition, the School District's long-term obligations include the net pension/OPEB liability and compensated absences. For further information regarding the School District's long-term obligations, refer to Note 17 to the basic financial statements.

Current Issues

The School District's current five-year forecast indicates the School District is in a sound financial position throughout fiscal years 2022 through 2026. All of the School District's levies are continuing levies, except for the emergency levy. The emergency levy, originally passed in March 2012 was renewed in March 2015 and again in November 2018 for an additional three years. Since the original passage, the levy has been over collected twice. In October 2015 and October 2018, the County Budget Commission adjusted the millage to offset the over collection. This levy was again renewed in November 2020 for an additional five years.

In the summer of 2019, the School District installed a new HVAC system in the High School gymnasium. This was considered Phase I of a Capital Improvement Plan set forth by the Board of Education and Administration. To continue with the improvement plan, the School District issued new debt in fiscal year 2020. Phase II of the plan included renovating the entire High School and Phase III included a storage building, updating the playground, reworking the sign at the front entry and replacing the bleachers on the stage. The School District plans to renovate the Athletic Building in the near future, however, specific plans have not yet been approved.

At the beginning of fiscal year 2020, the School District negotiated a new three-year contract for both certified and classified employees. Both unions received a 3 percent increase each of the three years. The School District has been using a traditional based bargaining model of negotiating successfully over the past decade or more and will once again negotiate with both unions in the spring of 2022.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Breanna DeWit, Treasurer, Patrick Henry Local School District, 6900 State Route 18, Hamler, Ohio 43524.

This page intentionally left blank.

Patrick Henry Local School District
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	$17,127,126
Accounts Receivable	19,744
Accrued Interest Receivable	2,781
Intergovernmental Receivable	184,155
Income Taxes Receivable	897,623
Prepaid Items	9,311
Inventory Held for Resale	2,606
Materials and Supplies Inventory	539
Property Taxes Receivable	7,353,767
Net OPEB Asset	685,101
Nondepreciable Capital Assets	16,573,399
Depreciable Capital Assets, Net	18,279,196
Total Assets	61,135,348
Deferred Outflows of Resources:	
Deferred Charge on Refunding	727,921
Pension	2,274,735
OPEB	418,045
Total Deferred Outflows of Resources	3,420,701
Liabilities:	
Accounts Payable	103,247
Contracts Payable	180,871
Accrued Wages and Benefits Payable	1,355,699
Matured Compensated Absences Payable	17,072
Intergovernmental Payable	252,168
Accrued Interest Payable	75,027
Long-Term Liabilities:	
Due Within One Year	1,376,015
Due in More Than One Year	
Net Pension Liability	12,658,590
Net OPEB Liability	1,100,534
Other Amounts Due in More Than One Year	27,891,040
Total Liabilities	45,010,263
Deferred Inflows of Resources:	
Property Taxes Receivable	6,884,998
Pension	161,352
OPEB	1,389,921
Total Deferred Inflows of Resources	8,436,271
Net Position:	
Net Investment in Capital Assets	8,532,346
Restricted For:	
Capital Projects	830,226
Classroom Facilities	351,001
Athletics and Music	156,916
Student Wellness	144,662
Other Purposes	154,612
Unrestricted	939,752
Total Net Position	$11,109,515

See Accompanying Notes to Basic Financial Statements

Patrick Henry Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2021

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	$6,684,620	$601,901	$334,138	$0
Special	2,164,758	103,815	669,896	0
Vocational	108,597	20	3,966	0
Support Services:				
Pupils	786,174	0	233,528	0
Instructional Staff	208,720	0	0	0
Board of Education	17,565	0	0	0
Administration	974,907	0	0	0
Fiscal	467,173	0	0	0
Business	119,732	0	0	0
Operation and Maintenance of Plant	1,174,325	0	80,270	0
Pupil Transportation	666,631	0	3,710	26,568
Central	618,589	0	31,284	0
Non-Instructional Services	523,130	51,764	381,983	0
Extracurricular Activities	616,961	190,020	23,054	0
Intergovernmental	4,878	0	0	0
Interest and Fiscal Charges	890,287	0	0	
Total Governmental Activities	$16,027,047	$947,520	$1,761,829	$26,568

General Revenues:
Property Taxes Levied for General Purposes
Property Taxes Levied for Classroom Facilities Purposes
Property Taxes Levied for Debt Service
Property Taxes Levied for Permanent Improvements
Income Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Interest
Gifts and Donations
Miscellaneous
Total General Revenues

Change in Net Position

Net Position Beginning of Year
Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Change in Net Position
Governmental Activities
($5,748,581)
(1,391,047)
(104,611)
(552,646)
(208,720)
(17,565)
(974,907)
(467,173)
(119,732)
(1,094,055)
(636,353)
(587,305)
(89,383)
(403,887)
(4,878)
(890,287)
(13,291,130)
5,372,739
1,650
313,880
395,756
2,407,637
5,004,637
42,483
75
263,346
13,802,203
511,073
10,598,442
$11,109,515

Patrick Henry Local School District
Balance Sheet
Governmental Funds
June 30, 2021

	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	$13,961,325	$557,212	$1,143,854	$1,464,735	$17,127,126
Accounts Receivable	10,155	0	0	9,589	19,744
Accrued Interest Receivable	2,781	0	0	0	2,781
Interfund Receivable	68,889	0	0	0	68,889
Intergovernmental Receivable	12,833	0	0	171,322	184,155
Income Taxes Receivable	897,623	0	0	0	897,623
Prepaid Items	9,097	0	0	214	9,311
Inventory Held for Resale	0	0	0	2,606	2,606
Materials and Supplies Inventory	0	0	0	539	539
Property Taxes Receivable	6,492,034	387,996	0	473,737	7,353,767
Total Assets	21,454,737	945,208	1,143,854	2,122,742	25,666,541
Liabilities:					
Accounts Payable	$86,125	$0	$6,289	$10,833	$103,247
Contracts Payable	0	0	179,055	1,816	180,871
Accrued Wages and Benefits Payable	1,293,734	0	0	61,965	1,355,699
Matured Compensated Absences Payable	17,072	0	0	0	17,072
Interfund Payable	0	0	0	68,889	68,889
Intergovernmental Payable	245,340	0	0	6,828	252,168
Total Liabilities	1,642,271	0	185,344	150,331	1,977,946
Deferred Inflows of Resources:					
Property Taxes Receivable	6,078,679	361,953	0	444,366	6,884,998
Unavailable Revenue	332,866	11,324	0	139,208	483,398
Total Deferred Inflows of Resources	6,411,545	373,277	0	583,574	7,368,396
Fund Balances:					
Nonspendable	9,097	0	0	753	9,850
Restricted	0	571,931	958,510	1,439,176	2,969,617
Assigned	489,274	0	0	0	489,274
Unassigned (Deficit)	12,902,550	0	0	(51,092)	12,851,458
Total Fund Balances	13,400,921	571,931	958,510	1,388,837	16,320,199
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$21,454,737	$945,208	$1,143,854	$2,122,742	$25,666,541

See Accompanying Notes to the Basic Financial Statements

Patrick Henry Local School District
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2021

Total Governmental Fund Balances		$16,320,199
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		34,852,595
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Accounts Receivable	6,903	
Accrued Interest Receivable	1,201	
Intergovernmental Receivable	127,067	
Income Taxes Receivable	147,913	
Deliquent Property Taxes Receivable	200,314	
		483,398
Deferred outflows of resources include deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds.		727,921
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued Interest Payable	(75,027)	
General Obligation Bonds Payable	(2,745,000)	
Certificates of Participation Payable	(25,722,323)	
Compensated Absences Payable	(799,732)	
		(29,342,082)
The net OPEB asset, net pension liability, and net OPEB liability are not due and payable in the current period, therefore, the asset, liability, and related deferred outflows/inflows are not reported in the governmental funds.		
Net OPEB Asset	685,101	
Deferred Outflows - Pension	2,274,735	
Deferred Inflows - Pension	(161,352)	
Net Pension Liability	(12,658,590)	
Deferred Outflows - OPEB	418,045	
Deferred Inflows - OPEB	(1,389,921)	
Net OPEB Liability	(1,100,534)	
		(11,932,516)
Net Position of Governmental Activities		$11,109,515

See Accompanying Notes to the Basic Financial Statements

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

	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Revenues:					
Property Taxes	$5,394,208	$316,534	$0	$398,563	$6,109,305
Income Taxes	2,445,613	0	0	0	2,445,613
Intergovernmental	5,215,586	36,483	0	1,415,148	6,667,217
Interest	36,523	0	7,048	0	43,571
Tuition and Fees	716,879	0	0	0	716,879
Extracurricular Activities	8,935	0	0	181,058	189,993
Charges for Services	0	0	0	51,764	51,764
Gifts and Donations	75	0	0	25,054	25,129
Miscellaneous	254,935	0	0	8,411	263,346
Total Revenues	14,072,754	353,017	7,048	2,079,998	16,512,817
Expenditures:					
Current:					
Instruction:					
Regular	5,693,963	0	0	295,047	5,989,010
Special	1,704,386	0	0	333,015	2,037,401
Vocational	107,442	0	0	0	107,442
Support Services:					
Pupils	633,074	0	0	127,571	760,645
Instructional Staff	186,256	0	0	0	186,256
Board of Education	17,382	0	0	0	17,382
Administration	874,984	0	0	20,013	894,997
Fiscal	438,467	14,116	0	3,538	456,121
Business	113,543	0	0	0	113,543
Operation and Maintenance of Plant	864,749	0	0	189,609	1,054,358
Pupil Transportation	508,558	0	0	92,989	601,547
Central	501,529	0	0	83,543	585,072
Non-Instructional Services	75,783	0	0	430,613	506,396
Extracurricular Activities	333,711	0	0	212,382	546,093
Capital Outlay	0	0	7,846,607	21,942	7,868,549
Intergovernmental	4,878	0	0	0	4,878
Debt Service:					
Principal Retirement		1,430,000	0	0	1,430,000
Interest and Fiscal Charges		925,561	0	0	925,561
Interest on Capital Appreciation Bonds	0	170,000	0	0	170,000
Total Expenditures	12,058,705	2,539,677	7,846,607	1,810,262	24,255,251
Excess of Revenues Over (Under) Expenditures	2,014,049	(2,186,660)	(7,839,559)	269,736	(7,742,434)
Other Financing Sources (Uses):					
Transfers In	0	2,105,664	0	55,584	2,161,248
Transfers Out	(2,015,248)	0	0	(146,000)	(2,161,248)
Total Other Financing Sources (Uses)	(2,015,248)	2,105,664	0	(90,416)	0
Changes in Fund Balances	(1,199)	(80,996)	(7,839,559)	179,320	(7,742,434)
Fund Balances Beginning of Year	13,402,120	652,927	8,798,069	1,209,517	24,062,633
Fund Balances End of Year	$13,400,921	$571,931	$958,510	$1,388,837	$16,320,199

See Accompanying Notes to the Basic Financial Statements

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

Changes in Fund Balances - Total Governmental Funds		($7,742,434)
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current fiscal year.		
Capital Outlay - Nondepreciable Capital Assets	7,714,844	
Capital Outlay - Depreciable Capital Assets	131,991	
Depreciation	(581,195)	
		7,265,640
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Deliquent Property Taxes	(25,280)	
Income Taxes	(37,976)	
Intergovernmental	100,763	
Interest	(1,088)	
Tuition and Fees	(11,116)	
		25,303
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.		
General Obligation Bonds	145,000	
Certificates of Participation	1,285,000	
		1,430,000
Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities. Accounting losses are amortized over the life of the debt on the statement of activities.		
Accrued Interest Payable	4,206	
Annual Accretion on Capital Appreciation Bonds	(9,275)	
Payment of Accretion on Capital Appreciation Bonds	170,000	
Amortization of Premium	46,295	
Amortization of Deferred Charge on Refunding	(5,952)	
		205,274
Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(54,194)

(continued)

Patrick Henry Local School District
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to Statement of Activities
For the Fiscal Year Ended June 30, 2021
(continued)

Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense on the statement of activities.	
Pension	($1,624,971)
OPEB	16,822
Contractually required contributions are reported as expenditures in the governmental funds, however, the statement of net position reports these amounts as deferred outflows.	
Pension	956,165
OPEB	33,468
Change in Net Position of Governmental Activities	$511,073

See Accompanying Notes to the Basic Financial Statements

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

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
Revenues:				
Property Taxes	$5,965,696	$6,376,241	$6,370,186	($6,055)
Income Taxes	2,188,829	2,298,829	2,297,571	(1,258)
Intergovernmental	4,102,791	5,205,497	5,202,825	(2,672)
Interest	115,000	53,000	40,409	(12,591)
Tuition and Fees	626,761	719,401	717,068	(2,333)
Extracurricular Activities	9,810	9,460	8,935	(525)
Gifts and Donations	6,775	6,300	75	(6,225)
Miscellaneous	111,359	241,634	225,093	(16,541)
Total Revenues	13,127,021	14,910,362	14,862,162	(48,200)
Expenditures:				
Current:				
Instruction:				
Regular	5,736,875	5,812,565	5,576,593	235,972
Special	1,787,335	1,819,500	1,717,477	102,023
Vocational	100,000	110,000	107,442	2,558
Support Services:				
Pupils	705,960	652,235	632,651	19,584
Instructional Staff	219,745	215,095	186,635	28,460
Board of Education	29,275	31,375	21,328	10,047
Administration	1,031,088	1,041,463	870,244	171,219
Fiscal	445,220	485,135	434,147	50,988
Business	118,775	121,475	112,933	8,542
Operation and Maintenance of Plant	1,000,416	915,726	859,388	56,338
Pupil Transportation	529,165	557,435	505,280	52,155
Central	551,923	549,238	498,523	50,715
Non-Instructional Services	31,000	84,330	75,783	8,547
Extracurricular Activities	322,415	340,540	334,114	6,426
Intergovernmental	0	0	5,213	(5,213)
Total Expenditures	12,609,192	12,736,112	11,937,751	798,361
Excess of Revenues Over Expenditures	517,829	2,174,250	2,924,411	750,161
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	60,500	53,075	34,029	(19,046)
Refund of Prior Year Receipts	(5,080)	(11,280)	(7,796)	3,484
Transfers Out	(1,967,584)	(2,012,584)	(2,015,248)	(2,664)
Total Other Financing Sources (Uses)	(1,912,164)	(1,970,789)	(1,989,015)	(18,226)
Changes in Fund Balance	(1,394,335)	203,461	935,396	731,935
Fund Balance Beginning of Year	13,089,275	13,089,275	13,089,275	0
Prior Year Encumbrances Appropriated	890	890	890	0
Fund Balance End of Year	$11,695,830	$13,293,626	$14,025,561	$731,935

See Accompanying Notes to the Basic Financial Statements

Patrick Henry Local School District
Statement of Fiduciary Net Position
Private Purpose Trust Fund
June 30, 2021

	Private Purpose Trust
Assets:	
Equity in Pooled Cash and Cash Equivalents	$7,288
Net Position:	
Held in Trust for Scholarships	5,589
Endowment	1,699
Total Net Position	$7,288

See Accompanying Notes to the Basic Financial Statements

Patrick Henry Local School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	Private Purpose Trust	Custodial
Additions:		
Charges Received for OHSAA	$0	$6,189
Interest	6	0
Gifts and Donations	3,270	0
Total Additions	3,276	6,189
Deductions:		
Non-Instructional Services	1,822	0
Distributions on Behalf of OHSAA	0	6,189
Total Deductions	1,822	6,189
Changes in Net Position	1,454	0
Net Position Beginning of Year	5,834	0
Net Position End of Year	$7,288	$0

See Accompanying Notes to the Basic Financial Statements

Note 1 - Description of the School District and Reporting Entity

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

The School District is staffed by fifty-two classified employees, sixty-nine certified teaching personnel, and twelve administrative employees who provide services to eight hundred forty students and other community members. The School District currently operates three instructional buildings.

Reporting Entity

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

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

The School District participates in three jointly governed organizations, a related organization, and three insurance pools. These organizations are the Northwest Ohio Computer Association, Northern Buckeye Education Council, Four County Career Center, Patrick Henry School District Public Library, the Schools of Ohio Risk Sharing Authority, the Northern Buckeye Health Plan, and the Northern Buckeye Workers' Compensation Group Rating Plan. These organizations are presented in Notes 22, 23, and 24 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Note 2 - Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Note 2 - Summary of Significant Accounting Policies (continued)

Governmental Funds

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

> General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> Bond Retirement Fund - The Bond Retirement Fund is used to account for property taxes restricted for the payment of principal, interest, and related costs on general obligation and certificate of participation debt.
>
> Building Fund - The Building Fund is used to account for debt proceeds restricted for the construction and renovation of school buildings.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report activities that are not required to be reported in a trust fund. The School District's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. The School District's custodial fund is used to account for resources held on behalf of the Ohio High School Athletic Association.

C. Measurement Focus

Government-Wide Financial Statements

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

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

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

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

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the School District, deferred outflows of resources includes a deferred charge on refunding reported on the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Deferred outflows of resources are also reported on the government-wide statement of net position for pension and OPEB and explained in Notes 14 and 15 to the basic financial statements.

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources consists of property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. This amount has been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes accrued interest, intergovernmental revenue including grants, income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities on page 19. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and explained in Notes 14 and 15 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

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

F. Cash and Investments

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

Note 2 - Summary of Significant Accounting Policies (continued)

During fiscal year 2021, investments consisted of nonnegotiable certificates of deposit and STAR Ohio. Nonnegotiable certificates of deposit are reported at cost. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted Governmental Accounting Standards Board Statement No. 79, "Certain External Investment Pools and Pool Participants". The School District measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV that approximates fair value.

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

The Board of Education allocates interest according to State statute. Interest revenue credited to the General Fund during fiscal year 2021 was $36,523, which includes $6,583 assigned from other School District funds.

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

G. Prepaid Items

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

H. Inventory

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

I. Capital Assets

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

Note 2 - Summary of Significant Accounting Policies (continued)

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The School District maintains a capitalization threshold of two thousand five hundred dollars. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Useful Lives
Land Improvements	5 - 30 years
Buildings and Building Improvements	15 - 99 years
Furniture, Fixtures, and Equipment	5 - 30 years
Vehicles	8 years

J. Deferred Charge on Refunding

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflows of resources on the statement of net position.

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund loans and for services provided are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities are eliminated on the statement of net position.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year. 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. General obligation bond and certificates of participation are reported on the fund financial statements when due.

N. Unamortized Premiums

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

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

Under Ohio law, premiums on the original issuance of debt are to be deposited in the Bond Retirement Fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to a bond escrow agent.

O. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for food service operations and federal and state grants. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 2 - Summary of Significant Accounting Policies (continued)

P. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. The Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated. The Board of Education has also assigned fund balance to cover a gap between estimated resources and appropriations in the fiscal year 2022 budget. Certain resources have been assigned for educational activities.

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

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

Q. Interfund Transactions

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

R. Pension/Postemployment Benefits

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

S. Estimates

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

Note 3 - Change in Accounting Principles

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

Note 4 - Accountability

At June 30, 2021, the 21st Century, Title I, Title II-A, and the ESSER Grant special revenue funds had deficit fund balances, in the amount of \$24,633, \$151, \$32, and \$26,276, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

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

The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

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

Changes in Fund Balance

GAAP Basis	($1,199)
Increase (Decrease) Due To:	
Revenue Accruals:	
Accrued FY 2020, Received in Cash FY 2021	1,827,318
Accrued FY 2021, Not Yet Received in Cash	(1,003,881)
Expenditure Accruals:	
Accrued FY 2020, Paid in Cash FY 2021	(1,525,186)
Accrued FY 2021, Not Yet Paid in Cash	1,642,271
Prepaid Items	726
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(4,653)
Budget Basis	$935,396

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio (if training requirements have been met);

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Note 6 - Deposits and Investments (continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio); and

8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed two hundred seventy days in an amount not to exceed 40 percent of the interim monies available for investment at any one time (if training requirements have been met).

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

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

Investments

As of June 30, 2021, the net value per share of funds on deposit with STAR Ohio was $10,485,361. The School District's investment in STAR Ohio has an average maturity of 54.4 days. STAR Ohio carries a rating of AAA by Standard and Poor's. The School District has no investment policy dealing with interest rate or credit risk beyond the requirements of State statute. Ohio law requires STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

Note 7 - Receivables

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

Note 7 - Receivables (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
Medicaid	$3,063
Northwest Ohio ESC	9,770
Total General Fund	12,833
Other Governmental Funds	
High Schools That Work	2,400
21st Century	72,306
Broadband Connectivity	1,294
Title I	46,064
ESSER Grant	49,258
Total Other Governmental Funds	171,322
Total Governmental Activities	$184,155

Note 8 - Income Taxes

The School District levies a voted tax of 1.75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is for a continuing period. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

Note 9 - Property Taxes

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

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

Note 9 - Property Taxes (continued)

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

The School District receives property taxes from Henry, Putnam, and Wood Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2021, was $236,506 in the General Fund, $2,681 in the Classroom Maintenance special revenue fund, $14,719 in the Bond Retirement debt service fund, and $14,549 in the Permanent Improvement capital projects fund. The amount available as an advance at June 30, 2020, was $1,212,484 in the General Fund, $68,227 in the Classroom Maintenance special revenue fund, $81,281 in the Bond Retirement debt service fund, and $14,505 in the Permanent Improvement capital projects fund.

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

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

	2020 Second-Half Collections		2021 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	$166,586,440	54.04%	$142,261,850	52.10%
Industrial/Commercial	7,820,460	2.54	7,371,840	2.70
Public Utility Real	349,010	.11	379,470	.14
Public Utility Personal	133,532,320	43.31	123,040,410	45.06
Total Assessed Value	$308,288,230	100.00%	$273,053,570	100.00%
Tax rate per $1,000 of assessed valuation	$40.30		$40.30	

Note 10 - Capital Assets

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

	Balance at 6/30/20	Additions	Reductions	Balance at 6/30/21
Governmental Activities				
Nondepreciable Capital Assets				
Land	$591,100	$0	$0	$591,100
Construction in Progress	8,267,455	7,714,844	0	15,982,299
Total Nondepreciable Capital Assets	8,858,555	7,714,844	0	16,573,399
Depreciable Capital Assets				
Land Improvements	926,261	0	0	926,261
Buildings and Building Improvements	22,369,285	18,224	0	22,387,509
Furniture, Fixtures, and Equipment	1,581,442	33,618	0	1,615,060
Vehicles	1,507,653	80,149	0	1,587,802
Total Depreciable Capital Assets	26,384,641	131,991	0	26,516,632
Less Accumulated Depreciation				
Land Improvements	(464,116)	(25,754)	0	(489,870)
Buildings and Building Improvements	(4,801,901)	(400,973)	0	(5,202,874)
Furniture, Fixtures, and Equipment	(1,162,635)	(61,344)	0	(1,223,979)
Vehicles	(1,227,589)	(93,124)	0	(1,320,713)
Total Accumulated Depreciation	(7,656,241)	(581,195)	0	(8,237,436)
Depreciable Capital Assets, Net	18,728,400	(449,204)	0	18,279,196
Governmental Activities Capital Assets, Net	$27,586,955	$7,265,640	$0	$34,852,595

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$228,005
Special	16,042
Vocational	1,155
Support Services:	
Pupils	2,032
Instructional Staff	19,684
Administration	24,568
Fiscal	980
Operation and Maintenance of Plant	104,550
Pupil Transportation	110,810
Central	25,095
Non-Instructional Services	6,307
Extracurricular Activities	41,967
Total Depreciation Expense	$581,195

Note 11 - Interfund Assets/Liabilities

At June 30, 2021, the General Fund had an interfund receivable from other governmental funds, in the amount of $68,889, for short-term loans made to those funds. This amount is expected to be repaid within one year.

Note 12 - Risk Management

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

Coverage provided through Schools of Ohio Risk Sharing Authority is as follows:	
General School District Liability	
Per Occurrence	$15,000,000
Total Per Year	17,000,000
Vehicle Liability	15,000,000
Building and Contents	44,658,646

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

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

The School District participates in the Northern Buckeye Health Plan (Plan), a public entity shared risk pool consisting of entities throughout the state. The School District pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees including medical, dental, vision, and life insurance. The Northern Buckeye Education Council is responsible for the management and operations of the Plan. The agreement for the Plan provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Plan, a participant is responsible for any claims not processed and paid and any related administrative costs.

The School District participates in the Northern Buckeye Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Participation in the Plan is limited to participants that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis, and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

Note 13 - Contractual Commitments

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

General Fund	$4,653
Building Fund	29,700
Other Governmental Funds	90,313
Total	$124,666

Note 14 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that have already occurred.

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

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

Note 14 - Defined Benefit Pension Plans (continued)

GASB Statements No. 68 and No. 75 assume the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contribution to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care cost in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within thirty years. If the amortization period exceeds thirty years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - School District nonteaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available stand-alone financial report that includes financial statements, required supplementary information, and detailed information about SERS' fiduciary net position. The report can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Age and service requirements for retirement are as follows.

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

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

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

Note 14 - Defined Benefit Pension Plans (continued)

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three year COLA suspension is in effect for all benefit recipients for 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a .5 percent cost of living adjustment for eligible retirees and beneficiaries in 2021.

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

The School District's contractually required contribution to SERS was $253,196 for fiscal year 2021. Of this amount, $57,205 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

Note 14 - Defined Benefit Pension Plans (continued)

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

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

New members who choose the DCP or CP will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CP account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

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

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

The School District's contractually required contribution to STRS was $702,969 for fiscal year 2021. Of this amount, $122,036 is reported as an intergovernmental payable.

Note 14 - Defined Benefit Pension Plans (continued)

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

The net pension liability was measured as of June 30, 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.

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	0.04837140%	0.03900860%	
Current Measurement Date	0.04878050%	0.03898154%	
Change in Proportionate Share	0.00040910%	0.00002706%	
Proportionate Share of the Net Pension Liability	$3,226,445	$9,432,145	$12,658,590
Pension Expense	$411,224	$1,213,747	$1,624,971

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	$6,267	$21,164	$27,431
Changes of Assumptions	0	506,324	506,324
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	204,814	458,686	663,500
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	28,793	92,522	121,315
School District Contributions Subsequent to the Measurement Date	253,196	702,969	956,165
Total Deferred Outflows of Resources	$493,070	$1,781,665	$2,274,735
Deferred Inflows of Resources			
Differences Between Expected and Actual Experience	$0	$60,313	$60,313
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	0	101,039	101,039
Total Deferred Inflows of Resources	$0	$161,352	$161,352

Note 14 - Defined Benefit Pension Plans (continued)

$956,165 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows.

	SERS	STRS	Total
Fiscal Year Ended June 30,			
2022	$22,881	$352,595	$375,476
2023	67,498	134,537	202,035
2024	85,371	227,613	312,984
2025	64,124	202,599	266,723
Total	$239,874	$917,344	$1,157,218

Actuarial Assumptions - SERS

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

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

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

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

Inflation	3 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation
Actuarial Cost Method	entry age normal (level percent of payroll)

Note 14 - Defined Benefit Pension Plans (continued)

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	1.85%
U.S. Stocks	22.50	5.75
Non-U.S. Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	660
Multi-Asset Strategies	5.00	6.65
Total	100.00%	

Discount Rate - The total pension liability was calculated using the discount rate of 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.5 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

Note 14 - Defined Benefit Pension Plans (continued)

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School District's Proportionate Share of the Net Pension Liability	$4,419,836	$3,226,445	$2,225,168

Actuarial Assumptions - STRS

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

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

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

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

Note 14 - Defined Benefit Pension Plans (continued)

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

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

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

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

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	$13,429,733	$9,432,145	$6,044,523

Note 14 - Defined Benefit Pension Plans (continued)

Social Security

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

Note 15 - Defined Benefit OPEB Plans

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

School Employees Retirement System (SERS)

Plan Description - The School District contributes to the SERS Health Care Fund administered by SERS for nonteaching retirees and their beneficiaries. For GASB Statement No. 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. The SERS Health Care Plan provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need ten years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of sixty-five and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by State statute. The financial report of the Plan is included in the SERS Annual Financial Report which can be obtained by visiting the SERS website at www.ohsers.org 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). The SERS Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Note 15 - Defined Benefit OPEB Plans (continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2021, this amount was $23,000. State statute provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was $33,468.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, is the amount assigned to the Health Care Fund. The School District's contribution to SERS for health care was $33,468 for fiscal year 2021. Of this amount, $33,468 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing health care plan for eligible retirees who participated in the defined benefit and combined pension plans offered by STRS. Ohio law authorizes STRS to offer the plan. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the STRS financial report which can be obtained by visiting the STRS website at www.strsoh.org or by calling (888) 227-7877.

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

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

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

Note 15 - Defined Benefit OPEB Plans (continued)

	SERS	STRS	Total
Proportion of the Net OPEB Liability			
Prior Measurement Date	.04946270%	.03900860%	
Current Measurement Date	.05063820%	.03898154%	
Change in Proportionate Share	.00117550%	.00002706%	
Proportionate Share of the			
Net OPEB Liability	$1,100,534	$0	$1,100,534
Net OPEB Asset	$0	$685,101	$685,101
OPEB Expense	$13,693	($30,515)	($16,822)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	$14,454	$43,898	$58,352
Changes of Assumptions	187,603	11,309	198,912
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	12,401	24,010	36,411
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	55,296	35,606	90,902
School District Contributions Subsequent to the Measurement Date	33,468	0	33,468
Total Deferred Outflows of Resources	$303,222	$114,823	$418,045
Deferred Inflows of Resources			
Differences Between Expected and Actual Experience	$559,698	$136,462	$696,160
Changes of Assumptions	27,720	650,730	678,450
Changes in Proportionate Share and Difference Between School District Contributions and Proportionate Share of Contributions	12,370	2,941	15,311
Total Deferred Inflows of Resources	$599,788	$790,133	$1,389,921

Note 15 - Defined Benefit OPEB Plans (continued)

$33,468 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows.

	SERS	STRS	Total
Fiscal Year Ended June 30,			
2022	($67,315)	($166,692)	($234,007)
2023	(66,418)	(150,441)	(216,859)
2024	(66,564)	(144,741)	(211,305)
2025	(63,230)	(148,488)	(211,718)
2026	(48,631)	(31,838)	(80,469)
Thereafter	(17,876)	(33,110)	(50,986)
Total	($330,034)	($675,310)	($1,005,344)

Actuarial Assumptions - SERS

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

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

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

Note 15 - Defined Benefit OPEB Plans (continued)

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

Inflation	3 percent
Wage Increases	3.5 percent to 18.2 percent
Investment Rate of Return	7.5 percent net of investment expenses, including inflation
Municipal Bond Index Rate	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including inflation	
Measurement Date	2.63 percent
Prior Measurement Date	3.22 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7 to 4.75 percent

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five year experience study. The most recent study covers fiscal years 2010 through 2015 and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.5 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a ten year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Note 15 - Defined Benefit OPEB Plans (continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2020, was 2.63 percent. The discount rate used to measure the total OPEB liability prior to June 30, 2020, was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the retirement system at the State statute contribution rate of 2 percent of projected covered employee payroll each year which includes a 1.5 percent payroll surcharge and .5 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation Twenty-Year Municipal Bond Index Rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63)
School District's Proportionate Share of the Net OPEB Liability	$1,347,026	$1,100,534	$904,573

	1% Decrease (6% Decreasing to 3.75%)	Current Trend Rate (7% Decreasing to 4.75%)	1% Increase (8% Decreasing to 5.75%)
School District's Proportionate Share of the Net OPEB Liability	$866,587	$1,100,534	$1,413,381

Note 15 - Defined Benefit OPEB Plans (continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

Note 15 - Defined Benefit OPEB Plans (continued)

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

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net OPEB Asset	$596,082	$685,101	$760,629

	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Asset	$755,941	$685,101	$598,806

Note 16 - Other Employee Benefits

A. Compensated Absences

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

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

B. Health Care Benefits

The School District provides medical, dental, vision, and life insurance to all employees through the Northern Buckeye Health Plan.

Note 17 - Long-Term Obligations

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

	Balance at 6/30/20	Additions	Reductions	Balance at 6/30/21	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds					
FY 2007 School Facilities Construction and Improvement Refunding					
Capital Appreciation Bonds	$90,000	$0	$90,000	$0	$0
Accretion on Capital Appreciation Bonds	160,725	9,275	170,000	0	0
Premium	4,944	0	4,944	0	0
General Obligation Bonds through Direct Placement					
FY 2017 School Facilities Construction and Improvement Refunding					
Term Bonds 3.65 - 2.24%	2,800,000	0	55,000	2,745,000	305,000
Total General Obligation Bonds	3,055,669	9,275	319,944	2,745,000	305,000
FY 2015 Certificates of Participation					
Serial Certificates 2 - 4%	1,915,000	0	135,000	1,780,000	140,000
Premium	171,909	0	12,119	159,790	0

(continued)

Note 17 - Long-Term Obligations (continued)

	Balance at 6/30/20	Additions	Reductions	Balance at 6/30/21	Amounts Due Within One Year
Governmental Activities (continued)					
2020A Certificates of Participation					
Serial Certificates 2.00-5.00%	$10,340,000	$0	$1,100,000	$9,240,000	$835,000
Term Certificates 2.75-3.13%	6,660,000	0	0	6,660,000	0
Premium	451,765	0	29,232	422,533	0
2020B Certificates of Participation					
Serial Certificates 2.95-3.15%	1,075,000	0	0	1,075,000	0
Term Certificates 2.40-3.78%	6,435,000	0	50,000	6,385,000	45,000
Total Certificates of Participation	27,048,674	0	1,326,351	25,722,323	1,020,000
Net Pension Liability					
SERS	2,894,146	332,299	0	3,226,445	0
STRS	8,626,516	805,629		9,432,145	0
Total Net Pension Liability	11,520,662	1,137,928		12,658,590	0
Net OPEB Liability					
SERS	1,243,883	0	143,349	1,100,534	0
Compensated Absences Payable	745,538	70,261	16,067	799,732	51,015
Total Governmental Activities Long-Term Liabilities	$43,614,426	$1,217,464	$1,805,711	$43,026,179	$1,376,015

FY 2007 School Facilities Construction and Improvement Refunding Bonds - On May 10, 2007, the School District issued refunding general obligation bonds, in the original amount of $4,010,000, to refund a portion of the bonds previously issued. The refunding bond issue included serial, term, and capital appreciation bonds. The bonds were issued for a twenty-three year period, with final maturity in fiscal year 2030. During fiscal year 2017, all of the serial and term bonds were refunded.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds matured on December 1, 2020, in the amount of $260,000. For fiscal year 2021, $9,275 was accreted and $170,000 was retired on the capital appreciation bonds.

Note 17 - Long-Term Obligations (continued)

FY 2017 School Facilities Construction and Improvement Refunding Bonds - On April 11, 2017, the School District issued general obligation bonds through a direct placement, in the amount of $2,915,000, to currently refund a portion of the FY 2007 School Facilities Construction and Improvement Refunding Bonds. The refunding bond issue consists of term bonds, in the original amount of $2,915,000. The bonds were issued for a thirteen fiscal year period, with final maturity in fiscal year 2030. The bonds are being retired through the Bond Retirement debt service fund.

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

Year	Amount
2021	$305,000
2022	300,000
2023	305,000
2024	315,000
2025	325,000
2026	330,000
2027	335,000
2028	345,000

The remaining principal, in the amount of $185,000, will be paid at stated maturity on December 1, 2029.

FY 2015 Certificates of Participation - On November 5, 2014, the School District issued certificates of participation, in the amount of $9,000,000, to acquire, construct, improve, furnish, and equip school facilities. The issue included serial and term certificates. The certificates were issued for a twenty-nine year period, with final maturity in fiscal year 2044. During fiscal year 2020, the term certificates were refunded. The certificates are being retired through the Bond Retirement debt service fund. During fiscal year 2021, principal, in the amount of $135,000, was paid.

The serial certificates maturing on or after December 1, 2023, are subject to redemption, at the option of the School District, either in whole or in part, in such order of maturity as the School District shall determine, on any interest payment date on or after December 1, 2022, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

FY 2020A Certificates of Participation - On December 12, 2019, the School District issued certificates of participation, in the amount of $17,000,000, to acquire, construct, improve, furnish, and equip school facilities. The issue includes serial and term certificates, in the original amount of $10,340,000 and $6,660,000, respectively. The certificates were issued for a thirty year period, with final maturity in fiscal year 2050. The certificates are being retired through the Bond Retirement debt service fund.

Note 17 - Long-Term Obligations (continued)

The serial certificates maturing on or after December 1, 2026, are subject to redemption, at the option of the School District, either in whole or in part, in such order of maturity as the School District shall determine, on any interest payment date on or after December 1, 2026, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The term certificates maturing on December 1, 2034 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2033	$635,000

The remaining principal, in the amount of $610,000, will be paid at stated maturity on December 1, 2034.

The term certificates maturing on December 1, 2036 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2035	$585,000

The remaining principal, in the amount of $560,000, will be paid at stated maturity on December 1, 2036.

The term certificates maturing on December 1, 2039 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2037	$530,000
2038	505,000

The remaining principal, in the amount of $475,000, will be paid at stated maturity on December 1, 2039.

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

Year	Amount
2040	$450,000
2041	420,000
2042	390,000
2043	360,000

The remaining principal, in the amount of $280,000, will be paid at stated maturity on December 1, 2044.

Note 17 - Long-Term Obligations (continued)

The term certificates maturing on December 1, 2049 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2045	$245,000
2046	210,000
2047	175,000
2048	135,000

The remaining principal, in the amount of $95,000, will be paid at stated maturity on December 1, 2049.

As of June 30, 2021, $1,017,701 of these proceeds had not been spent.

FY 2020B Refunding Certificates of Participation - On December 12, 2019, the School District issued certificates of participation, in the amount of $7,510,000, to advance refund certificates previously issued in fiscal year 2015 to acquire, construct, improve, furnish, and equip school facilities. The refunding issue consists of serial and term certificates, in the original amount of $1,075,000 and $6,435,000, respectively. The certificates were issued for a twenty-four fiscal year period, with maturity in fiscal year 2044. The certificates are being retired through the Bond Retirement debt service fund.

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

The term certificates maturing on December 1, 2024 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2021	$45,000
2022	45,000
2023	45,000

The remaining principal, in the amount of $50,000, will be paid at stated maturity on December 1, 2024.

The term certificates maturing on December 1, 2028 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2025	$50,000
2026	50,000
2027	50,000

<u>Note 17 - Long-Term Obligations</u> (continued)

The remaining principal, in the amount of $55,000, will be paid at stated maturity on December 1, 2028.

The term certificates maturing on December 1, 2034 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2032	$390,000
2033	405,000

The remaining principal, in the amount of $420,000, will be paid at stated maturity on December 1, 2034.

The term certificates maturing on December 1, 2039 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2035	$440,000
2036	460,000
2037	480,000
2038	505,000

The remaining principal, in the amount of $530,000, will be paid at stated maturity on December 1, 2039.

The term certificates maturing on December 1, 2043 are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date, on December 1 in the years and in the respective principal amounts as follows:

Year	Amount
2040	$555,000
2041	575,000
2042	605,000

The remaining principal, in the amount of $630,000, will be paid at stated maturity on December 1, 2043.

<u>Net Pension/OPEB Liability</u> - There is no repayment schedule for the net pension/OPEB liability; however, employer pension/OPEB contributions are made from the General Fund and the Food Service special revenue fund. For additional information related to the net pension/OPEB liability, see Notes 14 and 15 to the basic financial statements.

Compensated absences will be paid from the General Fund and the Food Service special revenue funds.

The School District's overall debt margin was $22,401,752 with an unvoted debt margin of $273,054 at June 30, 2021.

Note 17 - Long-Term Obligations (continued)

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

Fiscal Year Ending June 30,	General Obligation Bonds From Direct Placement	
	Term	Interest
2022	$305,000	$58,072
2023	300,000	51,296
2024	305,000	44,520
2025	315,000	37,576
2026	325,000	30,408
2027-2030	1,195,000	48,776
	$2,745,000	$270,648

Fiscal Year Ending June 30,	Certificates of Participation		
	Serial	Term	Interest
2022	$975,000	$45,000	$819,492
2023	1,030,000	45,000	780,012
2024	1,030,000	45,000	739,783
2025	1,030,000	50,000	699,592
2026	1,025,000	155,000	1,643,356
2027-2031	5,285,000	50,000	1,699,587
2032-2036	1,720,000	2,900,000	1,945,701
2037-2041	0	5,185,000	1,131,457
2042-2046	0	3,710,000	318,737
2047-2050	0	860,000	32,422
	$12,095,000	$13,045,000	$9,810,139

Note 18 - Fund Balance

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

Fund Balance	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Nonspendable for:					
Prepaid Items	$9,097	$0	$0	$214	$9,311
Materials and Supplies Inventory	0	0	0	539	539
Total Nonspendable	9,097	0	0	753	9,850
Restricted for:					
Athletics and Music	0	0	0	156,903	156,903
Building Construction	0	0	958,510	0	958,510
Debt Retirement	0	571,931	0	0	571,931
Facilities Maintenance	0	0	0	349,061	349,061
Non-Instructional Activities	0	0	0	28,579	28,579
Permanent Improvements	0	0	0	698,345	698,345
Regular Instruction	0	0	0	5,456	5,456
Student Activities	0	0	0	56,170	56,170
Student Wellness	0	0	0	144,662	144,662
Total Restricted	0	571,931	958,510	1,439,176	2,969,617
Assigned for:					
Educational Activities	92,407	0	0	0	92,407
Projected Budget Shortage	395,928	0	0	0	395,928
Unpaid Obligations	939	0	0	0	939
Total Assigned	489,274	0	0	0	489,274
Unassigned (Deficit)	12,902,550	0	0	(51,092)	12,851,458
Total Fund Balance	$13,400,921	$571,931	$958,510	$1,388,837	$16,320,199

Note 19 - Set Asides

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. The amount not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. This amount must be carried forward and used for the same purpose in future years. The following cash basis information identifies the change in the fund balance set aside for capital improvements during fiscal year 2021.

Balance June 30, 2020	$0
Current Year Set Aside Requirement	156,535
Current Year Offsets	(156,535)
Reserve Balance June 30, 2021	$0

Note 20 - Interfund Transfers

During fiscal year 2021, the General Fund made transfers to the Bond Retirement debt service fund, in the amount of $1,959,664, as debt payments came due and to other governmental funds, in the amount of $55,584, to subsidize activities in other funds. Other governmental funds made transfers to the Bond Retirement debt service fund, in the amount of $146,000, as debt payments came due.

Note 21 - Donor Restricted Endowments

The School District's private purpose trust fund includes donor restricted endowments. Endowment, in the amount of $1,699, represents the principal portion. The amount of net appreciation in donor restricted investments that is available for expenditures by the School District is $5,589 and is included as held in trust for scholarships. State law permits the School District to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowment indicates that the interest should be used to provide a scholarship each year.

Note 22 - Jointly Governed Organizations

A. Northwest Ohio Computer Association

The School District is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities. The NWOCA Assembly consists of the superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. During fiscal year 2021, the School District paid $93,863 to NWOCA for various services. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among educational entities located in Defiance, Fulton, Henry, Lucas, Williams, and Wood counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the six counties in which the member educational entities are located. The board is elected from an Assembly consisting of a representative from each participating educational entity. Financial information can be obtained from the Northern Buckeye Educational Council, 209 Nolan Parkway, Archbold, Ohio 43502.

C. Four County Career Center

The Four County Career Center (Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a board consisting of five representatives from the Northwest Ohio Educational Service Center and one representative from the participating school districts elected boards. The Career Center possesses its own budgeting and taxing authority. The degree of control exercised by the School District is limited to its representation on the Board. Financial information can be obtained from the Four County Career Center, 22-900 State Route 34, Archbold, Ohio 43502.

Note 23 - Related Organization

The Patrick Henry School District Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Patrick Henry Local School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Patrick Henry School District Public Library, 208 North East Street, Deshler, Ohio 43516.

Note 24 - Insurance Pools

A. Schools of Ohio Risk Sharing Authority

The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. SORSA is an incorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. SORSA's business and affairs are conducted by a board consisting of nine superintendents and treasurers, as well as an attorney, accountant, and four representatives from the pool's administrator, Willis Pooling. Willis Pooling is responsible for processing claims and establishing agreements between SORSA and its members. Financial information can be obtained from Willis Pooling, 775 Yard Street, Suite 200, Grandview Heights, Ohio 43212.

B. Northern Buckeye Health Plan

The Northern Buckeye Health Plan (Plan), is a public entity shared risk pool consisting of entities throughout the state. The Plan is governed by the Northern Buckeye Education Council (NBEC) and its participating members.

C. Northern Buckeye Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Northern Buckeye Workers' Compensation Group Rating Plan (Plan) was established through the Northern Buckeye Education Council (NBEC) as an insurance purchasing pool. The Plan is governed by the NBEC and the participants of the Plan. The Executive Director of the NBEC coordinates the management and administration of the Plan. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

Note 25 - Contingencies

A. Grants

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

B. School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, the FTE Statement No. 2 was finalized resulting in a liability to the SD of $6,485. This amount is not recorded in the financial statements.

C. Litigation

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

Note 26 - COVID-19

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

Note 27 - Subsequent Event

For fiscal year 2022, School District foundation funding received from the State will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the respective educating school. For fiscal year 2021, the School District reported $522,106 in revenues and expenditures/expenses related to these programs. Also during fiscal year 2021, the School District reported $552,455 in tuition and fees from the resident school districts will be direct funded to the School District as the education entity in fiscal year 2022.

Note 27 - Subsequent Event (continued)

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.

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

	2021	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.04878050%	0.04837140%	0.04712250%	0.04753970%
School District's Proportionate Share of the Net Pension Liability	$3,226,445	$2,894,146	$2,698,793	$2,840,391
School District's Employee Payroll	$1,718,629	$1,667,748	$1,594,696	$1,515,707
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	187.73%	173.54%	169.24%	187.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%

(1) Information prior to 2014 is not available.

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

See Accompanying Notes to the Required Supplementary Information

2017	2016	2015	2014
0.04707810%	0.04510470%	0.04440500%	0.04440500%
$3,445,683	$2,573,718	$2,247,312	$2,640,623
$1,507,907	$1,362,049	$1,135,160	$1,099,763
228.51%	188.96%	197.97%	240.11%
62.98%	69.16%	71.70%	65.52%

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

	2021	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.03898154%	0.03900860%	0.03961305%	0.03903293%
School District's Proportionate Share of the Net Pension Liability	$9,432,145	$8,626,516	$8,710,020	$9,272,355
School District's Employee Payroll	$4,698,493	$4,634,071	$4,499,107	$4,339,564
School District's Proportionate Share of the Net Pension Liability as a Percentage of Employee Payroll	200.75%	186.15%	193.59%	213.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%	75.30%

(1) Information prior to 2014 is not available.

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

See Accompanying Notes to the Required Supplementary Information

2017	2016	2015	2014
0.03808750%	0.03840519%	0.03849641%	0.03849641%
$12,746,775	$10,614,071	$9,363,660	$11,153,930
$4,042,800	$3,985,107	$3,959,415	$3,974,562
315.30%	266.34%	236.49%	280.63%
66.80%	72.10%	74.70%	69.30%

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

	2021	2020	2019	2018
School District's Proportion of the Net OPEB Liability	0.05063820%	0.04946270%	0.04780000%	0.04809760%
School District's Proportionate Share of the Net OPEB Liability	$1,100,534	$1,243,883	$1,326,101	$1,290,813
School District's Employee Payroll	$1,718,629	$1,667,748	$1,594,696	$1,515,707
School District's Proportionate Share of the Net OPEB Liability as a Percentage of Employee Payroll	64.04%	74.58%	83.16%	85.16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%

(1) Information prior to 2017 is not available.

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

See Accompanying Notes to the Required Supplementary Information

2017
0.04764460%
$1,358,047
$1,507,907
90.06%
11.49%

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

	2021	2020	2019	2018
School District's Proportion of the Net OPEB Liability (Asset)	0.03898154%	0.03900860%	0.03961305%	0.03903293%
School District's Proportionate Share of the Net OPEB Liability (Asset)	($685,101)	($646,076)	($636,541)	$1,522,921
School District's Employee Payroll	$4,698,493	$4,634,071	$4,499,107	$4,339,564
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Employee Payroll	-14.58%	-13.94%	-14.15%	35.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.70%	176.00%	47.10%

(1) Information prior to 2017 is not available.

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

See Accompanying Notes to the Required Supplementary Information

2017
0.03808075%
$2,036,568
$4,042,800
50.38%
37.30%

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

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	$253,196	$240,608	$225,146	$215,284
Contributions in Relation to the Contractually Required Contribution	(253,196)	(240,608)	(225,146)	(215,284)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Employee Payroll	$1,808,543	$1,718,629	$1,667,748	$1,594,696
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	13.50%	13.50%
Net OPEB Liability				
Contractually Required Contribution (2)	$33,468	$32,620	$38,021	$33,731
Contributions in Relation to the Contractually Required Contribution	(33,468)	(32,620)	(38,021)	(33,731)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Employee Payroll	1.85%	1.90%	2.28%	2.12%
Total Contributions as a Percentage of Employee Payroll (2)	15.85%	15.90%	15.78%	15.62%

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

See Accompanying Notes to the Required Supplementary Information

2017	2016	2015	2014	2013	2012
$212,199	$211,107	$179,518	$157,333	$152,207	$150,520
(212,199)	(211,107)	(179,518)	(157,333)	(152,207)	(150,520)
$0	$0	$0	$0	$0	$0
$1,515,707	$1,507,907	$1,362,049	$1,135,160	$1,099,763	$1,119,110
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
$25,547	$23,834	$34,916	$23,872	$22,450	$24,701
(25,547)	(23,834)	(34,916)	(23,872)	(22,450)	(24,701)
$0	$0	$0	$0	$0	$0
1.69%	1.58%	2.56%	2.10%	2.04%	2.21%
15.69%	15.58%	15.74%	15.96%	15.88%	15.66%

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

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	$702,969	$657,789	$648,770	$629,875
Contributions in Relation to the Contractually Required Contribution	(702,969)	(657,789)	(648,770)	(629,875)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Employee Payroll	$5,021,207	$4,698,493	$4,634,071	$4,499,107
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Employee Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

See Accompanying Notes to the Required Supplementary Information

2017	2016	2015	2014	2013	2012
$607,539	$565,992	$557,915	$514,724	$516,693	$508,460
(607,539)	(565,992)	(557,915)	(514,724)	(516,693)	(508,460)
$0	$0	$0	$0	$0	$0
$4,339,564	$4,042,800	$3,985,107	$3,959,415	$3,974,562	$3,911,231
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%
$0	$0	$0	$39,594	$39,746	$39,112
0	0	0	(39,594)	(39,746)	(39,112)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions - SERS

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

Net OPEB Liability

Changes in Assumptions - SERS

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

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

Changes in Assumptions - STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)”, and the long-term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal, and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

Changes in Benefit Terms - STRS

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

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

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

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

PATRICK HENRY LOCAL SCHOOL DISTRICT
HENRY COUNTY

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

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal CFDA Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553		
Cash Assistance			$ 26,672
COVID-19 - Cash Assistance			2,873
Total School Breakfast Program			29,545
National School Lunch Program	10.555		
Cash Assistance			283,448
COVID-19 - Cash Assistance			28,330
Non-Cash Assistance (Food Distribution)			33,986
Total National School Lunch Program			345,764
Total Child Nutrition Cluster			375,309
Total U.S. Department of Agriculture			**375,309**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010		157,382
Special Education Cluster (IDEA):			
Special Education Grants to States (IDEA, Part B)	84.027	$ 203,392	203,392
Special Education Preschool Grants (IDEA, Preschool)	84.173	4,834	4,834
Total Special Education Cluster (IDEA)		208,226	208,226
Twenty-First Century Community Learning Centers	84.287		164,160
Student Support and Academic Enrichment Program	84.424		10,035
Improving Teacher Quality State Grants	84.367		32,102
English Language Acquisition State Grants	84.365	319	319
COVID-19 Education Stabilization Fund:			
Elementary & Secondary School Emergency Relief (ESSER)	84.425D		108,838
Total U.S. Department of Education		**208,545**	**681,062**
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Department of Education			
COVID-19 Coronavirus Relief Fund - Rural and Small Town School Districts	21.019		51,141
COVID-19 Coronavirus Relief Fund - BroadbandOhio Connectivity			14,334
Total U.S. Department of Treasury			**65,475**
Total Expenditures of Federal Awards		**$ 208,545**	**$ 1,121,846**

The accompanying notes are an integral part of this schedule.

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – SUBRECIPIENTS

The School District passes certain federal awards received from the Ohio Department of Education to other governments or not-for-profit agencies (subrecipients). As Note B describes, the School District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the School District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E – 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 F – FOOD DONATION PROGRAM

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

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

NOTE G – TRANSFERS BETWEEN PROGRAM YEARS

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

Program Title	CFDA Number	Amt. Transferred
Title I Grants to Local Educational Agencies	84.010	$ 28,479
COVID-19 Education Stabilization Fund	84.425D	17
Twenty-First Century Community Learning Centers	84.287	42,532

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Patrick Henry Local School District
Henry County
6900 State Route 18
Hamler, Ohio 43524-9781

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Patrick Henry Local School District, Henry 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 April 18, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

April 18, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Patrick Henry Local School District
Henry County
6900 State Route 18
Hamler, Ohio 43524-9781

To the Board of Education:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

April 18, 2022

PATRICK HENRY LOCAL SCHOOL DISTRICT
HENRY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

PATRICK HENRY LOCAL SCHOOL DISTRICT

HENRY 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