



OHIO AUDITOR OF STATE
KEITH FABER



**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY
JUNE 30, 2020**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Prepared by Management: | |
| Schedule of Expenditures of Federal Awards | 1 |
| Notes to the Schedule of Expenditures of Federal Awards..... | 2 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 3 |
| Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance..... | 5 |
| Schedule of Findings | 9 |
| Prepared by Management: | |
| Summary Schedule of Prior Audit Findings..... | 11 |
| Attachment: Comprehensive Annual Financial Report (CAFR) | |

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PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

| FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title | Federal CFDA Number | Pass Through Entity Identifying Number | Total Federal Expenditures |
|---|---------------------------|--|-------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| <i>Passed Through Ohio Department of Education</i> | | | |
| <i>Child Nutrition Cluster:</i> | | | |
| School Breakfast Program | 10.553 | 2020 | \$28,594 |
| COVID 19 - School Breakfast Program | 10.553 | 2020 | 13,356 |
| National School Lunch Program | 10.555 | 2020 | 128,959 |
| COVID 19 - National School Lunch Program | 10.555 | 2020 | 27,846 |
| National School Lunch Program - Non-Cash Assistance | 10.555 | 2020 | 44,721 |
| Total - Child Nutrition Cluster | | | 243,476 |
| Total U.S. Department of Agriculture | | | 243,476 |
| U.S. DEPARTMENT OF EDUCATION | | | |
| <i>Passed Through Ohio Department of Education</i> | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 2019 | 25,723 |
| | 84.010 | 2020 | 228,583 |
| Total - Title I | | | 254,306 |
| <i>Special Education Cluster:</i> | | | |
| Special Education: Preschool | 84.173 | 2020 | 5,355 |
| Special Education: Grants to States | 84.027 | 2019 | 50,983 |
| | 84.027 | 2020 | 277,489 |
| Total - Special Education Cluster | | | 333,827 |
| Twenty-First Century Grant - PACE | 84.287 | 2020 | 159,841 |
| Twenty-First Century Grant - REACH | 84.287 | 2020 | 97,422 |
| Twenty-First Century Grant - Pirate Academy | 84.287 | 2020 | 120,045 |
| Total - Twenty-First Century Grant | | | 377,308 |
| Striving Readers | 84.371 | 2019 | 22,918 |
| | 84.371 | 2020 | 159,046 |
| Total - Striving Readers | | | 181,964 |
| Improving Teacher Quality State Grants | 84.367 | 2019 | 1,500 |
| | 84.367 | 2020 | 14,360 |
| Total Title IIA | | | 15,860 |
| Title IV - Student Support | 84.424 | 2019 | 9,700 |
| | 84.424 | 2020 | 4,403 |
| Total Title IV - Student Support | | | 14,103 |
| Total U.S. Department of Education | | | 1,177,368 |
| Total | | | \$1,420,844 |

The accompanying notes are an integral part of this schedule.

**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Perry Local School District (the District) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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

Perry Local School District
Lake County
4325 Manchester Avenue
Perry, Ohio 44081

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2020, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 23, 2020



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

Perry Local School District
Lake County
4325 Manchester Avenue
Perry, Ohio 44081

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Perry Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Perry Local School District's major federal program for the year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Perry Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Perry Local School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 23, 2020, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

December 23, 2020

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**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020**

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): | 21 st Century Grant CFDA #84.287 |
| (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? | Yes |

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Mission Statement

Inspire all students to achieve personal excellence, pursue world-class standards and be self-directed, lifelong learners.

**PERRY LOCAL SCHOOL DISTRICT
LAKE COUNTY**

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

| Finding Number | Finding Summary | Status | Additional Information |
|-----------------------|--|-----------------|-------------------------------|
| 2019-001 | Findings for Recovery Repaid Under Audit | Fully Corrected | |

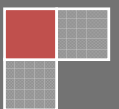
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2020

PERRY LOCAL SCHOOL DISTRICT,
LAKE COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

JAMES G. ZUPKA, CPA, INC.
5240 EAST 98TH STREET
GARFIELD HEIGHTS, OH 44125



INTRODUCTORY SECTION

Perry Local School District

Lake County, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Issued By: Treasurer's Office – Lewis Galante, Chief Financial Officer

TABLE OF CONTENTS

I. Introductory Section

Title Page i
Table of Contents iii
Letter of Transmittal vii
Certificate of Achievement xii
List of Principal Officials..... xiii
Organizational Chart xiv

II. Financial Section

Independent Auditor’s Report.....1
Management’s Discussion and Analysis5
Basic Financial Statements:
 Statement of Net Position15
 Statement of Activities.....16
 Balance Sheet – Governmental Funds17
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities18
 Statement of Revenues, Expenditures, and Changes in
 Fund Balances – Governmental Funds19
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities.....20
 Statement of Revenues, Expenditures, and Changes in
 Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) -
 General Fund.....21
 Statement of Revenues, Expenditures, and Changes in
 Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) –
 Miscellaneous Federal Grants22
 Statement of Fund Net Position – Proprietary Fund23
 Statement of Revenues, Expenses, and Changes in Fund Net Position –
 Proprietary Fund24
 Statement of Cash Flows – Proprietary Fund25
 Statement of Fiduciary Net Position – Fiduciary Funds26

TABLE OF CONTENTS

II. Financial Section (Continued)

| | |
|--|-----|
| Statement of Changes in Fiduciary Net Position – Fiduciary Fund..... | 27 |
| Notes to the Basic Financial Statements | 29 |
| Required Supplementary Information: | |
| Schedule of the School District’s Proportionate Share of the Net Pension Liability – School Employees Retirement System of Ohio | 75 |
| Schedule of the School District’s Proportionate Share of the Net Pension Liability – State Teachers Retirement System of Ohio..... | 76 |
| Schedule of School District Contributions – Pension School Employees Retirement System of Ohio | 77 |
| Schedule of School District Contributions – Pension State Teachers Retirement System of Ohio..... | 78 |
| Schedule of School District’s Proportionate Share of the Net OPEB Liability – School Employees Retirement System of Ohio | 79 |
| Schedule of School District’s Proportionate Share of the Net OPEB Liability (Asset) – State Teachers Retirement System of Ohio..... | 80 |
| Schedule of School District Contributions – OPEB School Employees Retirement System of Ohio | 81 |
| Schedule of School District Contributions – OPEB State Teachers Retirement System of Ohio | 82 |
| Notes to Required Supplementary Information | 83 |
| Combining Statements and Individual Fund Schedules: | |
| Description of Funds..... | 87 |
| Combining Balance Sheet – Nonmajor Governmental Funds..... | 90 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds | 91 |
| Combining Balance Sheet – Nonmajor Special Revenue Funds | 92 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds | 96 |
| Statement of Changes in Assets and Liabilities – Agency Funds | 100 |

TABLE OF CONTENTS

II. Financial Section (Continued)

Individual Fund Schedules of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis):

| | |
|---|-----|
| General Fund | 102 |
| Miscellaneous Federal Grants Fund | 102 |
| Permanent Improvement Fund..... | 103 |
| Food Service Fund | 103 |
| Uniform School Supplies Fund..... | 104 |
| Special Rotary Fund..... | 104 |
| Public School Support Fund | 105 |
| Other Grants Fund..... | 105 |
| Special Enterprise Fund | 106 |
| Special Levy Fund | 106 |
| Termination Benefits Fund | 107 |
| District Managed Student Activity Fund | 107 |
| Management Information Systems Fund..... | 108 |
| Entry Year Teachers Fund | 108 |
| Data Communication Fund | 109 |
| School Net Professional Development Fund | 109 |
| Summer School Intervention Fund | 110 |
| Student Wellness and Success Fund..... | 110 |
| Miscellaneous State Grants Fund..... | 111 |
| IDEA, Part B Special Education of Handicapped Children Fund | 111 |
| Title III – Limited English Proficiency Fund | 112 |
| Title I – Disadvantaged Children/Targeted Assistance Fund | 112 |
| Drug Free Schools Grant Fund | 113 |
| IDEA Preschool Grant for the Handicapped Fund | 113 |
| Improving Teacher Quality Fund..... | 114 |
| School Net Fund | 114 |

TABLE OF CONTENTS

III. Statistical Section

| | |
|--|-----|
| Net Position by Component – Last Ten Fiscal Years (Accrual Basis of Accounting)..... | S2 |
| Changes in Net Position – Last Ten Fiscal Years (Accrual Basis of Accounting)..... | S3 |
| Program Revenues of Governmental Activities by Function - Last Ten Fiscal Years (Accrual Basis of Accounting)..... | S6 |
| Fund Balances, Governmental Funds – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)..... | S7 |
| Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)..... | S8 |
| Assessed and Estimated Actual Value of Taxable Property - Last Ten Years | S12 |
| Property Tax Rates (per \$1,000 of Assessed Values) – Last Ten Years | S14 |
| Property Tax Levies and Collections – Last Ten Years | S15 |
| Principal Taxpayers – Real Estate Tax | S16 |
| Principal Taxpayers – Public Utilities Tax | S17 |
| Computation of Direct and Overlapping Debt Attributable to Governmental Activities | S18 |
| Ratio of General Debt to Estimated Actual Value, Personal Income, and Debt per Capita – Last Ten Fiscal Years | S19 |
| Computation of Legal Debt Margin – Last Ten Fiscal Years..... | S20 |
| Demographic and Economic Statistics – Last Ten Years | S22 |
| Principal Employers – 2019 and 2010 | S23 |
| Building Statistics – Last Ten Fiscal Years | S24 |
| Operating Statistics – Last Ten Fiscal Years | S26 |
| Enrollment Statistics – Last Ten Fiscal Years | S27 |
| Full-Time Equivalent Teachers by Education – Last Ten Fiscal Years | S28 |
| Teachers’ Salaries – Last Ten Fiscal Years | S29 |
| Attendance and Graduation Rates – Last Ten Fiscal Years..... | S30 |
| School District Employees by Function/Program – Last Ten Fiscal Years..... | S31 |
| Free or Reduced Lunch Program Percentages – Last Ten Fiscal Years | S32 |



Mission Statement

Inspire all students to achieve personal excellence, pursue world-class standards and be self-directed, lifelong learners.

December 23, 2020

Members of the Board of Education and
Residents of the Perry Local Schools

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Perry Local School District (the “School District”) for the fiscal year ended June 30, 2020. This CAFR includes an unmodified (“clean”) opinion from the Ohio Auditor of State’s office and conforms to generally accepted accounting principles as applicable to governmental entities. The Independent auditor’s report is located at the front of the financial section of this report. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and should be read in conjunction with it. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that is designed to present fairly the financial position of the School District for all operations. This report is intended to provide the taxpayers of Perry with the comprehensive financial data in a format that will enable them to gain a transparent understanding of the School District’s financial operations. Copies of the CAFR will be made available to the Perry Public Library, major taxpayers, other interested parties, and on the School District’s web site.

The School District

The Perry Local School District is located in a residential/agricultural suburban community in eastern Lake County approximately thirty-five miles east of Cleveland. The School District is comprised of three separate communities, including Perry Village, Perry Township, and North Perry Village.

Within the three communities, the School District educates 1,633 students in grades K-12 or over 95 percent of all school-age children within its jurisdiction. During the reporting period, the School District is comprised of one high school (grades 9-12), one middle school (grades 5-8) and one primary school (grades K-4). The three schools are contained in three buildings and are under one roof as part of an interconnected educational campus via a one-quarter mile corridor. Beyond the main campus, the School District owns two other school buildings, a transportation facility, and a maintenance facility. The appraised value of all School District properties (including land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks) is \$187,065,958 (net of depreciation) as of June 30, 2020.

Perry Local School District, Lake County

The legislative power of the School District rests with the School District's Board of Education which is comprised of five members elected on staggered four-year terms. The School District operates in accordance with the rules, regulations, policies, and/or laws provided by the Ohio State Board of Education, the Ohio Department of Education, and Ohio Revised Code.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34. In evaluating how to define the School District for financial reporting purposes, management has considered its relationship with all departments, boards, and agencies that make up the School District. For the 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 has no component units.

The School District participates in three (3) jointly governed organizations and is associated with an insurance purchasing pool and a claims servicing pool. These organizations are the Ohio Schools Council Association, the Lake Geauga Computer Association (LGCA), the Auburn Vocational School District, the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), and the Health Care Benefits Program (HCBP) of Lake County Schools Council. These organizations are presented in Notes 18, 19, and 20 to the basic financial statements.

Organizational Structure

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 of Education consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as mandated by State and federal agencies.

The School District is located in Perry Village, Lake County, Ohio, and serves students legally residing in Perry Village, Perry Township, and North Perry Village. The area extends roughly 24 square miles. The School District is staffed by 93 non-teaching personnel, 125 certified/licensed teachers (including tutors), 20 exempt employees, and 11 administrative employees to provide services to the students, their parents/guardians, and our communities at large. The School District operates one elementary school (K-4), one middle school (5-8) and one high school (9-12).

Economic Condition and Outlook

Ohio House Bill 920, passed in 1976, provides that the assessed value of residential and commercial property will not be changed more than once every three years, and that the property tax bill of the average homeowner for voted millage will not be increased as a result of reappraisal or readjustment. Due to this, school districts have needed to pursue a cycle of levies to continue revenue growth to cover even inflationary changes to expenses. The result of this legislation limits growth in local revenue.

Since the inception of the Perry Nuclear Power Plant, the School District has not needed to solicit a tax levy from its communities. However, as the power plant converts real property to personal property, and as personal property depreciates, the total valuation of the School District has eroded, and residential landowners have taken on a greater share of the tax burden. Effective in 2018, the latest change to valuation reduced public utility tangible property tax dollars by over \$2.3 million and an additional \$2.5 million for FY2019. Under Ohio Revised Code 3117.028, however, the district will be subject to a recalculation of state foundation dollars that will replace some of those lost tax dollars through the state foundation. In FY18, the district was able to recover the entire \$2.3 million, and the district received a payment for the FY19 loss as well. This reimbursement moving forwards has not been secured due to a freeze in payments under the latest budget bill.

The School District's enrollment has remained relatively stable throughout the last decade, fluctuating only by about five percent, and is projected to remain relatively stable in census data available for the future. As a result, additional new revenue from the State of Ohio will be minimal given the current formula utilized to calculate State aid.

School District Local Funding

School District management will carefully control expenses during the coming years to continue to assure that revenues are adequate and spent in a fiscally responsible manner. In the 2020 school year and beyond, we will continue to maintain our cost per pupil goal, while also ensuring that School District expenditures do not exceed revenue generated. Whereas in FY2019, the district saw additional decreases to the tax base due to a valuation decrease of the nuclear power plant, the state reimbursements were able to offset the local losses. Currently, new legislation that prevents the value of the plant being reduced while they are receiving energy credits is in jeopardy. This should destabilize the revenue base.

Major Initiatives

The School District has completed many initiatives over the past five years, including a Grade 3-12 Chromebook adoption, a paving overhaul of the district roadways and parking lots, a technology infrastructure upgrade to supply 10GB capacity throughout the district, outdoor fitness projects, replacement of athletic turf and scoreboards inside of the high school and middle school. Also, the district is changing out lighting fixtures to LED, in an effort to reduce energy costs into the future. Further down the road, the district will be looking at roof repairs and replacements – due to the ages of the current roofs. These initiatives are not planned until 2020 or beyond. The school district maintains a funded capital projects fund to pay for these projects.

Federal Projects

The School District files applications for federal funds electronically utilizing the Consolidated Local Plan. This allows the Director of Curriculum to coordinate the application of the goals of the Comprehensive Continuous Improvement Plan. The School District continues to apply for all federal funds that the School District is eligible to receive. This includes Title I, Title II-A, Title IV, and Title VI-B. The School District adheres to the specific requirements associated to spending the federal dollars received.

Educational Programs and Facilities Improvement

The School District maintains a Permanent Improvement Fund for the purpose of maintaining the School District's facilities and making necessary improvements when and where applicable. As of June 30, 2019, the cash balance of the Permanent Improvement Fund was \$11,559,395. As the School District moves forward, these funds will pay for capital expenses throughout the School District and its facilities.

Financial Information

Internal Accounting and Budgetary Control

In developing the School District’s accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes an automated accounting and payroll system as designed by the State software development team. An internal controls system for capital assets is provided by an outside company. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

Prior to the start of each fiscal year, the Board of Education adopts an appropriation measure for that fiscal year. The Board has the ability to adopt temporary appropriations prior to September 30 if permanent appropriations are not yet available. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission’s official estimate of resources. The County Auditor certifies that the Board of Education’s appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. Budgets are controlled at the fund level. All purchase order requests must be approved by the administrator responsible for that specific budget and the Superintendent before being certified by the Chief Financial Officer. Once completed, necessary funds are encumbered and purchase orders are released to vendors for processing. Requests that exceed the available appropriation are rejected until additional appropriations are secured via authorized budget transfer.

The Perry Board of Education approves all financial reports on a monthly basis.

Long-term Financial Planning

The Five-Year Forecast of Revenue and Expenditures serves as a financial planning tool and the foundation for academic and business operations of the School District. The forecast provides the Board and community stakeholders with a blueprint addressing the financial needs required to serve the student population. Assumptions are an integral part of the forecast and represent what the School District believes are significant factors impacting the forecast. A key component of the forecast is the timeline for the School District to evaluate revenues and expenditures and the increase or decrease in unrestricted fund balances over the next five years. An in-depth review and analysis of the Five-Year Forecast is performed annually.

Relevant Financial Policies

The School District maintains a policy to replace textbooks, technology, necessary supplies, vehicles and maintenance of the School District’s facilities on a regular basis in a cost-efficient manner. Such replacement is provided for in both the general and capital projects fund. The Board of Education has maintained a cash position in the Capital Projects fund of at least \$12 million to provide for such future issues related to facility maintenance and technology. This initiative will be difficult to achieve with the losses of general fund operational dollars.

Independent Audit

State statute requires the School District to be audited at least every two fiscal years by an independent auditor. An annual audit serves to maintain and strengthen the School District’s accounting and budgetary controls. The Ohio Auditor of State’s office rendered an opinion on the School District’s financial statements as of and for the year ended June 30, 2020. The opinion appears at the beginning of the financial section of this report.

Acknowledgments

The publication of this Comprehensive Annual Financial Report is a significant step toward providing a transparent financial disclosure to the citizens of Perry and raising the professional standards for Perry Local School District’s financial reporting.

It is the intent of this CAFR to enhance accountability of the School District’s finances for the residents and provide School District stakeholders with a perspective of the School District’s financial and demographic information.

Special appreciation is expressed to James G. Zupka, CPA, Inc. for assistance in the planning, designing and review of this financial report and the Perry Local School District’s Finance Department support staff for researching and compiling data.

Finally, a sincere appreciation is extended to the five members of the School District’s Board of Education for their ongoing support, feedback, and direction in governing the Perry Local School District.

Respectfully submitted,



Lewis Galante, Chief Financial Officer

Dr. Jack Thompson, Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Perry Local School District
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

PRINCIPAL OFFICIALS

JUNE 30, 2020

BOARD OF EDUCATION

Mr. Andrew RobertsPresident
Mrs. Tippi Foley Vice President
Mrs. Nicole Trefzger..... Member
Mrs. Ashley Hacking Member
Mr. Mark Welsh..... Member

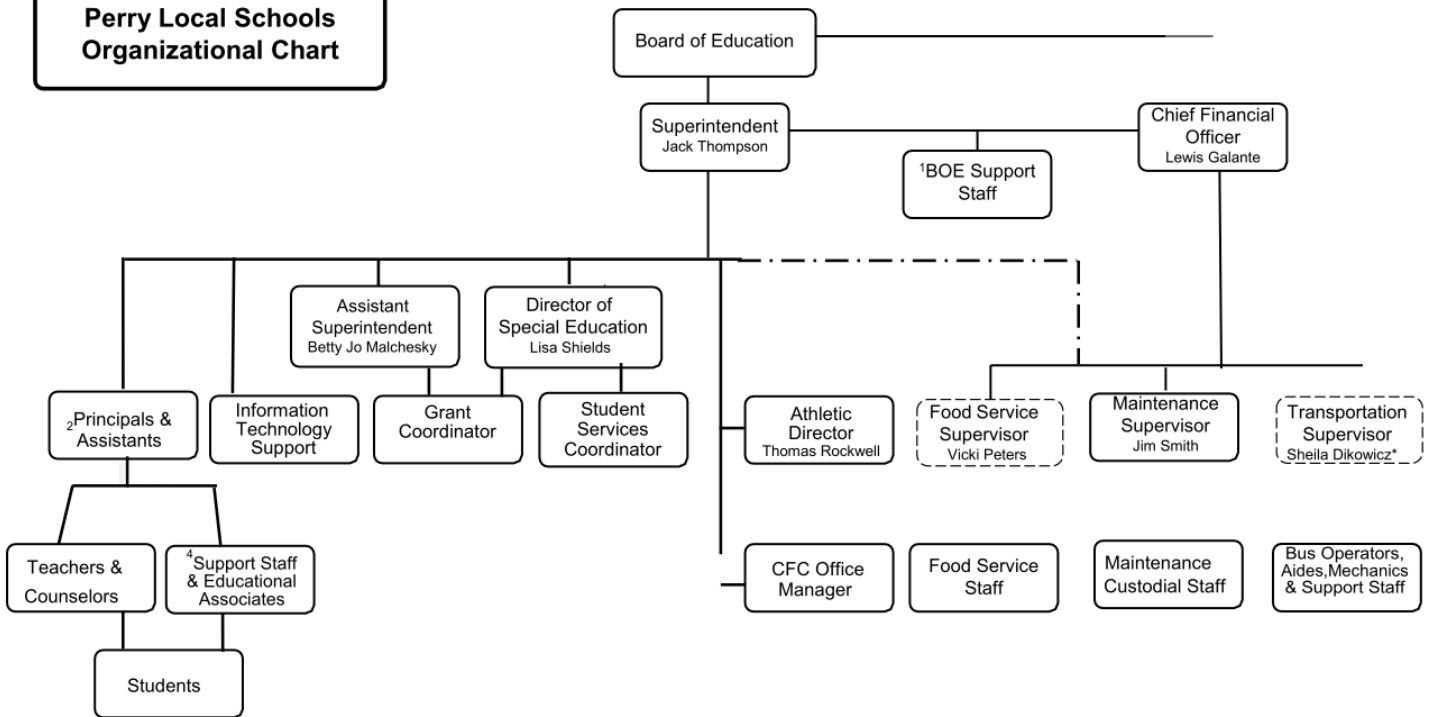
CHIEF FINANCIAL OFFICER

Mr. Lewis Galante

ADMINISTRATION

Dr. Jack Thompson Superintendent
Dr. Betty Jo Malchesky.....Assistant Superintendent
Mrs. Lisa Shields Director of Student Services & College and Career Readiness

Perry Local Schools Organizational Chart



¹BOE Support Staff

Ann Aucelli (Student Services Coordinator)
Lori Bastian (Payroll/Benefits)
Jennifer Capo (Assistant Treasurer)
Gina Deas (Secretary to Superintendent)
Tarlyn Dodaro (AP/AR)
Lori Langan (Secretary to Assistant Superintendent)
Trish Sbrocco (Payroll)

²Principals

Perry High School Principal, Todd Porcello
Perry High School Assistant Principal, Scott Niedzwiecki
Perry Middle School Principal: Robert Knisely
Perry Middle School Assistant Principal, James Chisholm
Perry Elementary School Principal, Ariana Neading

⁴Secretaries

Suzanne Tetonis/Deana Scarano
Lynn Gossett/Patrice Carroll
Roxanne Prine/Sue Pike

*Contractor

June 30, 2020

FINANCIAL SECTION

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Perry Local School District
Lake County
4325 Manchester Avenue
Perry, Ohio 44081

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Perry Local School District, Lake County, Ohio (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General fund and Miscellaneous Federal Grants 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 25 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate 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 schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 23, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 23, 2020

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Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2020

(Unaudited)

The management's discussion and analysis of the Perry Local School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of the management's discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position decreased by \$497,100 or by 1.38 percent. This decrease was a result of a revenues slightly decreasing due to the impact of the COVID-19 pandemic.
- General revenues accounted for \$25,379,890 or 91.16 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,461,493 or 8.84 percent of total revenues of \$27,841,383.
- Total assets of governmental activities decreased by \$152,677 when compared to prior year. This decrease is mainly attributed to the excess of depreciation of capital assets over additions, which resulted in a decrease of \$1,738,751.
- Total liabilities decreased by \$2,684,134, or 6.85% when compared to prior year. This decrease is attributed to the changes in net pension and net OPEB liabilities.
- The School District had \$28,338,483 in expenses related to governmental activities; only \$2,461,493 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes and grants and entitlements) of \$25,379,890 were able to fully support these programs, resulting in the net position decreasing from prior year.
- Among major funds, the general fund had \$24,491,576 in revenues and \$22,767,127 in expenditures (including other financing uses). The general fund's fund balance increased to \$25,844,882 from \$24,120,433. The Miscellaneous Federal Grants Fund had a decrease in fund balance of \$295,401. The permanent improvement capital projects fund increased its fund balance to \$11,831,442 from \$11,630,650.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term, as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds, with all other nonmajor funds presented in total in one column.

In the case of the School District, the general fund is by far the most significant fund with the most activity. Additionally, the permanent improvement capital projects fund is significant due to the savings for future construction projects. Lastly, the miscellaneous federal grant fund combines all federal programs that do not have a dedicated fund.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and Statement of Activities answer this question. These statements include all non-fiduciary assets and deferred outflows of resources and all liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors. On the other hand, financial factors may include the School District's financial position, liquidity and solvency, fiscal capacity and risk and exposure.

In the Statement of Net Position and Statement of Activities, the School District's activities are classified as governmental activities:

- Governmental Activities - Most of the School District's programs and services are reported here including instruction, supporting services, operation of non-instructional services and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the permanent improvement fund and miscellaneous federal grants fund.

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

Perry Local School District, Lake County

(or differences) between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds The School District maintains one proprietary fund. Internal Service funds are an accounting device used to accumulate and allocate costs internally to the School District's various functions. The School District uses an Internal Service fund to account for its medical and dental insurance programs. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for 2020 compared to 2019:

Table 1 - Net Position

| | Governmental Activities | |
|---|-------------------------|----------------------|
| | 2020 | 2019 |
| ASSETS | | |
| Current Assets | \$ 51,932,717 | \$ 50,246,993 |
| Capital Assets, net | 28,368,647 | 30,107,398 |
| Net OPEB Asset | 1,542,268 | 1,641,918 |
| Total Assets | 81,843,632 | 81,996,309 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension | 5,634,575 | 8,289,616 |
| OPEB | 761,467 | 655,982 |
| Total Deferred Outflows of Resources | 6,396,042 | 8,945,598 |
| LIABILITIES | | |
| Current and Other Liabilities | 2,542,162 | 2,739,757 |
| Long-term Liabilities: | | |
| Due within one year | 264,320 | 189,032 |
| Due in more than one year: | | |
| Net Pension Liability | 28,113,915 | 30,242,866 |
| Net OPEB Liability | 3,202,044 | 3,807,289 |
| Other Amounts | 2,390,179 | 2,217,810 |
| Total Liabilities | 36,512,620 | 39,196,754 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes | 9,726,954 | 9,853,128 |
| Pension | 3,346,462 | 2,833,151 |
| OPEB | 3,141,985 | 3,050,121 |
| Total Deferred Inflows of Resources | 16,215,401 | 15,736,400 |
| NET POSITION | | |
| Net Investments in | | |
| Capital Assets | 28,313,961 | 30,025,369 |
| Restricted | 13,088,921 | 12,831,472 |
| Unrestricted | (5,891,229) | (6,848,088) |
| Total Net Position | \$ 35,511,653 | \$ 36,008,753 |

The net pension liability (NPL), net OPEB liability (NOL), and net OPEB asset are reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27” GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement 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 to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 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 liability* or *net OPEB liability*. GASB 68 and GASB 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 68 and GASB 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:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees’ past service
2. 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 healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the 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 *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. In addition, the School District does not have a claim for

Perry Local School District, Lake County

the net OPEB asset, but rather a required disclosure. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include 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 inflows/outflows.

Total assets decreased by \$152,677, which was offset by an increase in current assets by \$1,685,724 due to an increase in federal grant reimbursements. Capital assets decreased by \$1,738,751 due to the annual depreciation expenses exceeding current year capital additions.

Total liabilities decreased by \$2,684,134, the changes to Deferred Outflows, Deferred Inflows, Net Pension and Net OPEB liabilities are a result of the required presentation of GASB 68 and GASB 75.

The table presented below is necessary to show the School District's Net position without the implementation of GASB 68 and GASB 75.

| | |
|--|-----------------------------|
| Total Net Position including GASB 68 and GASB 75 | \$ 35,511,653 |
| Add: | |
| Net Pension liability | 28,113,915 |
| Net OPEB Liability | 3,202,044 |
| Deferred Inflows - Pension | 3,346,462 |
| Deferred Inflows - OPEB | 3,141,985 |
| Less: | |
| Deferred Outflows - Pension | 5,634,575 |
| Deferred Outflows - OPEB | 761,467 |
| Net OPEB Asset | 1,542,268 |
| Total Net Position without GASB 68 and GASB 75 | <u><u>\$ 65,377,749</u></u> |

Perry Local School District, Lake County

Table 2 shows the changes in net position for fiscal year 2020 and 2019.

Table 2 - Change in Net Position

| | Governmental Activities | |
|--|-------------------------|----------------------|
| | 2020 | 2019 |
| REVENUES | | |
| Program Revenues: | | |
| Charges for Services | \$ 766,688 | \$ 1,041,051 |
| Operating Grants and Contributions | 1,679,305 | 1,538,099 |
| Capital grants and contributions | 15,500 | 3,875 |
| Total Program Revenues | 2,461,493 | 2,583,025 |
| General Revenues: | | |
| Property Taxes | 10,729,676 | 10,843,320 |
| Contributions and Donations | 32,583 | 12,240 |
| Grants and Entitlements | 13,267,487 | 13,200,527 |
| Investment Income | 1,060,449 | 993,412 |
| All Other Revenues | 289,695 | 331,703 |
| Total General Revenues | 25,379,890 | 25,381,202 |
| Total Revenues | 27,841,383 | 27,964,227 |
| EXPENSES | | |
| Program Expenses: | | |
| Instruction | 16,586,988 | 13,434,636 |
| Supporting Services: | | |
| Pupils and Instructional Staff | 2,745,137 | 2,579,798 |
| Board of Education, Administration, Fiscal Services, and Business | 2,535,383 | 1,973,596 |
| Operation and Maintenance of Plant | 3,335,678 | 3,504,054 |
| Pupil Transportation | 1,279,875 | 1,002,260 |
| Central | 25,352 | 69,703 |
| Operation of Non-Instructional Services | 687,733 | 1,025,458 |
| Extracurricular Activities | 1,102,737 | 1,260,992 |
| Interest and Fiscal Charges | 39,600 | 39,600 |
| Total Expenses | 28,338,483 | 24,890,097 |
| Change in Net Position | (497,100) | 3,074,130 |
| Net Position - Beginning of Year | 36,008,753 | 32,934,623 |
| Net Position - End of Year | \$ 35,511,653 | \$ 36,008,753 |

Governmental Activities

Total revenues decreased by \$122,844 or .44 percent as compared to fiscal year 2019. This decrease is mainly attributed to a decrease in charges for services of \$274,363. The School District was unable to provide spring activities due to the stay at home order due to the COVID-19 pandemic. The operating grants and contributions revenue increased by \$141,206, which is mainly attributed to the School District receiving a 21st Century grant that relates to before and after school programs.

Perry Local School District, Lake County

Total expenses increased \$3,448,386 or 13.85 percent due to the changes that occur for net pension liability and net OPEB liability/asset from year to year.

As a result of the significant adjustments to program expenses for GASB 68 and GASB 75, the following adjustments are needed to appropriately compare program expenses:

| Total 2020 program expenses under GASB 68 and 75 | \$ 28,338,483 |
|--|---------------------|
| NPL expense under GASB 68 | (3,175,576) |
| 2020 Contractually required contribution - Pension | 2,136,175 |
| Negative OPEB expense under GASB 75 | 474,683 |
| 2020 Contractually required contribution - OPEB | <u>44,533</u> |
| Adjusted 2019 program expenses | <u>27,818,298</u> |
| | |
| Total 2019 program expenses under GASB 68 and 75 | 24,890,097 |
| NPL expense under GASB 68 | (2,261,673) |
| 2019 Contractually required contribution - Pension | 2,113,438 |
| Negative OPEB expense under GASB 75 | 3,453,873 |
| 2019 Contractually required contribution - OPEB | <u>92,413</u> |
| Adjusted 2019 program expenses | <u>28,288,148</u> |
| | |
| Decrease in program expenses not related to pension and OPEB | <u>\$ (469,850)</u> |

The table below presents the School District's change in program expenses excluding those related to GASB 68 and GASB 75 for fiscal years 2020 and 2019.

| EXPENSES | <u>2020</u> | <u>2019</u> | <u>Change</u> | <u>%</u> |
|---|-----------------------------|-----------------------------|----------------------------|----------------------|
| Program Expenses: | | | | |
| Instruction: | | | | |
| Regular | \$ 13,756,009 | \$ 13,757,507 | \$ (1,498) | -0.01% |
| Special | 1,482,033 | 1,519,985 | (37,952) | -2.50% |
| Vocational | 91,421 | 65,220 | 26,201 | 40.17% |
| Other | 944,359 | 753,082 | 191,277 | 25.40% |
| Supporting Services: | | | | |
| Pupils | 1,314,397 | 1,331,284 | (16,887) | -1.27% |
| Instructional Staff | 1,379,697 | 1,529,259 | (149,562) | -9.78% |
| Board of Education | 56,910 | 72,657 | (15,747) | -21.67% |
| Administration | 1,639,291 | 1,521,608 | 117,683 | 7.73% |
| Fiscal Services | 739,283 | 582,140 | 157,143 | 26.99% |
| Business | 46,855 | 62,213 | (15,358) | -24.69% |
| Operation and Maintenance of Plant Services | 3,287,138 | 3,562,250 | (275,112) | -7.72% |
| Pupil Transportation | 1,253,656 | 1,031,806 | 221,850 | 21.50% |
| Central | 25,352 | 69,703 | (44,351) | -63.63% |
| Operation of Non-Instructional Services: | | | | |
| Food Services | 586,467 | 755,946 | (169,479) | -22.42% |
| Community Services | 90,753 | 194,692 | (103,939) | -53.39% |
| Enterprise Operations | - | 85,878 | (85,878) | -100.00% |
| Extracurricular Activities | 1,085,077 | 1,353,318 | (268,241) | -19.82% |
| Interest and Fiscal Charges | 39,600 | 39,600 | - | 0.00% |
| Total Expenses | <u>\$ 27,818,298</u> | <u>\$ 28,288,148</u> | <u>\$ (469,850)</u> | <u>-1.66%</u> |

The total program expenses slightly decreased from \$28,288,148 to 27,818,298, or 1.66%. Due to the COVID-19 pandemic, the School District did not incur or saw a reduction in certain expenditures since students were not attending classes in person.

The School District's Funds

Information about the School District's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. The General Fund had total revenues of \$24,491,576 and expenditures of \$22,767,127 (including other financing uses). The net change in fund balance for the year in the general fund experienced an increase of \$1,724,449. This increase was due to the aforementioned COVID-19 pandemic, which reduced expenditures. In the permanent improvement capital projects fund, the net change in fund balance for the year increased \$200,792, which is due to investment income outpacing capital expenditures. The Miscellaneous Federal Grant Fund experienced a decrease in fund balance by \$295,401. This decrease was due to reimbursements for fiscal year 2020 expenditures not being received within the availability period.

General Fund Budgeting Highlights

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

During the course of fiscal year 2020, the School District did not have to amend its general fund budget. Possible fluctuations among the budget base expenditure categories are due to the School District site-based style of budgeting that is designed to tightly control expenditures but provide flexibility for managers to redirect funds as conditions develop during the year.

For the general fund, final budget basis revenue was \$23,458,680 (including other financing sources), which was slightly lower than original budget estimate. Overall revenue received by the general fund was more than the final budgetary projections by \$75,139, or 0.3 percent.

The final appropriations of \$26,471,533 (including other financing uses and prior year's encumbrances) were higher than the original appropriations. Actual expenditures (including other financing uses and prior year's encumbrances) in the amount of \$25,043,787 for the year were \$1,427,746 or 5.4 percent under general fund revised budgetary projections. The school district practices conservatism in their budgeting process, which results in the School District coming in under budget.

The Miscellaneous Federal Grant final budget basis revenue was \$1,121,160, which is lower than the actual revenues of \$1,142,291. The final appropriations were slightly higher than actual expenditures by \$6,739.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2020, the School District had \$28,368,647 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks in governmental activities.

Table 4 shows fiscal 2020 balances compared to 2019:

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

| | Governmental Activities | |
|---------------------------------|-------------------------|----------------------|
| | 2020 | 2019 |
| Land | \$ 1,626,867 | \$ 1,626,867 |
| Land Improvements | 1,995,272 | 2,111,340 |
| Buildings and Improvements | 23,356,691 | 24,725,788 |
| Furniture and Equipment | 851,026 | 1,037,617 |
| Vehicles | 511,205 | 578,200 |
| Library and Textbooks | 27,586 | 27,586 |
| Total Net Capital Assets | \$ 28,368,647 | \$ 30,107,398 |

Overall, the capital assets decreased by \$1,738,751 when compared to 2019 capital asset balances. The primary decrease occurred in buildings and improvements as a result of the annual depreciation expense exceeding any capital outlays. See Note 11 for additional information on capital assets.

Debt

At June 30, 2020, the School District had \$54,686 in debt outstanding. Table 5 summarizes the School District's debt outstanding.

Table 5 - Outstanding Debt at June 30, 2020

| | Governmental Activities | |
|-------------------------------|-------------------------|------------------|
| | 2020 | 2019 |
| Capital Leases | \$ 54,686 | \$ 82,029 |
| Total Outstanding Debt | \$ 54,686 | \$ 82,029 |

The District has one capital lease for the purchase of various copiers and related equipment.

See Notes 16 and 17 for additional information on the School District's long-term debt activity.

School District's Outlook

The School District currently has a strong financial position. The Board of Education and the administration closely monitor the School District's revenues and expenditures in accordance with its financial forecast and the School District's Continuous Improvement Plan.

The School District's financial future is not without challenges, though. The nature of school funding in Ohio severely restricts the growth in the School District's operating revenues and requires the School District to periodically seek additional funds from the taxpayers to offset rising operating costs.

In June 1999, the Ohio General Assembly passed Senate Bill 3 to deregulate the electric utility industry in Ohio. Under this legislation, the assessment rate on electric utility property was dramatically reduced, but the School District will remain revenue neutral due to the Property Tax Replacement Fund. This fund derived its revenue from a special user's tax on electricity called the Kilowatt Hour Tax. The School District received approximately \$10 million annually from this fund to offset tax losses. Several years ago, however, state legislators rolled this reimbursement in with another state law change for tangible property taxes, and the replacement funds have been reduced to approximately \$8 million annually.

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 show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Lewis Galante, Chief Financial Officer at Perry Local School District, 4325 Manchester Road, Perry, Ohio 44081.

Statement of Net Position

June 30, 2020

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 39,015,516 |
| Property Taxes Receivable | 10,436,818 |
| Accrued Interest Receivable | 72,807 |
| Intergovernmental Receivable | 2,179,376 |
| Materials and Supplies Inventory | 121,387 |
| Prepaid Items | 48,648 |
| Restricted Assets: | |
| Equity in Pooled Cash and Cash Equivalents | 58,165 |
| Nondepreciable Capital Assets | 1,626,867 |
| Depreciable Capital Assets, Net | 26,741,780 |
| Net OPEB Asset | 1,542,268 |
| Total Assets | 81,843,632 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pensions | 5,634,575 |
| OPEB | 761,467 |
| Total Deferred Outflows of Resources | 6,396,042 |
| LIABILITIES | |
| Accounts Payable | 116,514 |
| Accrued Wages and Benefits | 1,978,499 |
| Intergovernmental Payable | 292,176 |
| Matured Compensated Absences Payable | 19,348 |
| Unearned Revenue | 135,625 |
| Long-term Liabilities: | |
| Due within one year | 264,320 |
| Due in more than one year: | |
| Net Pension Liability (See Note 13) | 28,113,915 |
| Net OPEB Liability (See Note 14) | 3,202,044 |
| Other amounts due in more than one year | 2,390,179 |
| Total Liabilities | 36,512,620 |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | 9,726,954 |
| Pensions | 3,346,462 |
| OPEB | 3,141,985 |
| Total Deferred Inflows of Resources | 16,215,401 |
| NET POSITION | |
| Net Investment in Capital Assets | 28,313,961 |
| Restricted: | |
| Capital Projects | 11,831,581 |
| School Bus Purchase | 58,165 |
| State Funded Programs | 184,798 |
| Federally Funded Programs | 3,704 |
| Student Activities | 89,279 |
| Community Fitness Center | 171,331 |
| Special Levy | 743,049 |
| Other Purposes | 7,014 |
| Unrestricted | (5,891,229) |
| Total Net Position | \$ 35,511,653 |

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

Statement of Activities

For the Fiscal Year Ended June 30, 2020

| | Expenses | Program Revenues | | Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | | |
| Governmental activities: | | | | | |
| Instruction: | | | | | |
| Regular | \$ 14,010,283 | \$ 43,302 | \$ 512,129 | \$ - | \$ (13,454,852) |
| Special | 1,516,775 | 15,505 | 345,017 | - | (1,156,253) |
| Vocational | 93,482 | - | 3,789 | - | (89,693) |
| Other | 966,448 | - | - | - | (966,448) |
| Supporting Services: | | | | | |
| Pupils | 1,341,342 | - | 143,853 | - | (1,197,489) |
| Instructional Staff | 1,403,795 | - | 266,135 | - | (1,137,660) |
| Board of Education | 57,384 | - | - | - | (57,384) |
| Administration | 1,678,056 | - | 133,574 | - | (1,544,482) |
| Fiscal Services | 752,982 | - | - | - | (752,982) |
| Business | 46,961 | - | - | - | (46,961) |
| Operation and Maintenance of Plant | 3,335,678 | - | - | - | (3,335,678) |
| Pupil Transportation | 1,279,875 | - | 67,172 | - | (1,212,703) |
| Central | 25,352 | - | - | - | (25,352) |
| Operation of Non-Instructional Services: | | | | | |
| Food Service Operations | 596,980 | 261,687 | 207,636 | - | (127,657) |
| Community Services | 90,753 | 256,412 | - | - | 165,659 |
| Extracurricular Activities | 1,102,737 | 189,782 | - | 15,500 | (897,455) |
| Interest and Fiscal Charges | 39,600 | - | - | - | (39,600) |
| Total Governmental activities | \$ 28,338,483 | \$ 766,688 | \$ 1,679,305 | \$ 15,500 | (25,876,990) |

General Revenues:

| | |
|---|----------------------|
| Property Taxes levied for: | |
| General Purposes | 9,907,933 |
| Other Purposes | 821,743 |
| Contributions & Donations not restricted to specific programs | 32,583 |
| Grants & Entitlements not restricted to specific programs | 13,267,487 |
| Investment Income | 1,060,449 |
| Gain on Sale of Capital Assets | 1,322 |
| All Other Revenues | 288,373 |
| Total General Revenues | 25,379,890 |
| Change in Net Position | (497,100) |
| Net Position - Beginning of Year | 36,008,753 |
| Net Position - End of Year | \$ 35,511,653 |

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

Balance Sheet Governmental Funds

June 30, 2020

| | General | Miscellaneous Federal Grants | Permanent Improvement | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|---------------------------------|--------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 24,702,235 | \$ 168,536 | \$ 11,946,825 | \$ 1,400,644 | \$ 38,218,240 |
| Materials and Supplies Inventory | 88,022 | - | - | 33,365 | 121,387 |
| Accrued Interest Receivable | 47,215 | - | 25,592 | - | 72,807 |
| Interfund Receivable | 1,436,252 | - | - | - | 1,436,252 |
| Intergovernmental Receivable | 1,061,237 | 654,453 | - | 463,686 | 2,179,376 |
| Prepaid Items | 48,648 | - | - | - | 48,648 |
| Restricted Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | 58,165 | - | - | - | 58,165 |
| Property Taxes Receivable | 9,509,791 | - | - | 927,027 | 10,436,818 |
| Total Assets | \$ 36,951,565 | \$ 822,989 | \$ 11,972,417 | \$ 2,824,722 | \$ 52,571,693 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 54,131 | \$ 57,033 | \$ 5,350 | \$ - | \$ 116,514 |
| Accrued Wages and Benefits | 1,764,821 | 13,187 | - | 200,491 | 1,978,499 |
| Intergovernmental Payable | 257,410 | 1,477 | - | 33,289 | 292,176 |
| Matured Compensated Absences Payable | 19,348 | - | - | - | 19,348 |
| Interfund Payable | - | 810,669 | - | 625,583 | 1,436,252 |
| Unearned Revenue | - | - | 135,625 | - | 135,625 |
| Total Liabilities | 2,095,710 | 882,366 | 140,975 | 859,363 | 3,978,414 |
| Deferred Inflows of Resources: | | | | | |
| Property Taxes | 8,904,314 | - | - | 822,640 | 9,726,954 |
| Unavailable Revenues - Delinquent Property Taxes | 106,659 | - | - | 32,012 | 138,671 |
| Unavailable Revenues - Grants | - | 654,453 | - | 463,686 | 1,118,139 |
| Total Deferred Inflows of Resources | 9,010,973 | 654,453 | - | 1,318,338 | 10,983,764 |
| Fund Balances: | | | | | |
| Nonspendable | 136,670 | - | - | 33,365 | 170,035 |
| Restricted | 58,165 | - | - | 1,290,163 | 1,348,328 |
| Committed | 436,556 | - | - | - | 436,556 |
| Assigned | 2,674,684 | - | 11,831,442 | - | 14,506,126 |
| Unassigned (Deficit) | 22,538,807 | (713,830) | - | (676,507) | 21,148,470 |
| Total Fund Balances | 25,844,882 | (713,830) | 11,831,442 | 647,021 | 37,609,515 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 36,951,565 | \$ 822,989 | \$ 11,972,417 | \$ 2,824,722 | \$ 52,571,693 |

See accompanying notes to the basic financial statements.

**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities**

June 30, 2020

Total Governmental Fund Balances \$ 37,609,515

*Amounts reported for Governmental Activities in the Statement of Net Position
are different because:*

Capital Assets used in Governmental Activities are not financial resources
and, therefore, are not reported in the funds. 28,368,647

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

| | | | |
|---------------------------|----|-----------|-----------|
| Delinquent property taxes | \$ | 138,671 | |
| Grants | | 1,118,139 | |
| | | | |
| Total | | | 1,256,810 |

The net pension liability and Net OPEB Liability is not due and payable in
the current period; and the net OPEB Asset is not available for spending
in the current period, therefore, the liability/asset and related deferred
inflows/outflows are not reported in the governmental funds:

| | | | |
|-----------------------------|--|--------------|--------------|
| Deferred Outflows - Pension | | 5,634,575 | |
| Deferred Inflows - Pension | | (3,346,462) | |
| Net Pension Liability | | (28,113,915) | |
| Deferred Outflows - OPEB | | 761,467 | |
| Deferred Inflows - OPEB | | (3,141,985) | |
| Net OPEB Liability | | (3,202,044) | |
| Net OPEB Asset | | 1,542,268 | |
| | | | |
| Total | | | (29,866,096) |

Internal Service funds are used by management to charge the costs
of certain activities, such as insurance to individual funds. The assets
and liabilities of the District's Internal Service funds are included in
Governmental Activities in the Statement of Net Position. 797,276

Long-term liabilities, including capital leases, are not due and payable in
the current period and therefore are not reported in the funds:

| | | | |
|----------------------|--|-------------|-------------|
| Capital leases | | (54,686) | |
| Compensated absences | | (2,599,813) | |
| | | | |
| Total | | | (2,654,499) |

Net Position of Governmental Activities **\$ 35,511,653**

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Fiscal Year Ended June 30, 2020

| | General | Miscellaneous Federal Grants | Permanent Improvement | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------------------|--------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 9,920,487 | \$ - | \$ - | \$ 820,918 | \$ 10,741,405 |
| Intergovernmental | 13,280,230 | 343,785 | - | 692,737 | 14,316,752 |
| Interest Income | 685,198 | - | 375,251 | - | 1,060,449 |
| Tuition | 49,576 | - | - | - | 49,576 |
| Extracurricular Activities | 65,937 | - | - | 105,121 | 171,058 |
| Rentals | 172,321 | - | - | 10,867 | 183,188 |
| Charges for Services | - | - | - | 73,224 | 73,224 |
| Contributions and Donations | 2,196 | - | - | 35,732 | 37,928 |
| Classroom Materials and Fees | 27,955 | - | - | - | 27,955 |
| Food Services | - | - | - | 261,687 | 261,687 |
| All Other Revenues | 287,676 | - | 15,500 | 1,048 | 304,224 |
| Total Revenues | 24,491,576 | 343,785 | 390,751 | 2,001,334 | 27,227,446 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 10,620,418 | 283,578 | - | 932,635 | 11,836,631 |
| Special | 1,152,699 | - | - | 335,564 | 1,488,263 |
| Vocational | 90,440 | - | - | - | 90,440 |
| Other | 897,403 | - | - | - | 897,403 |
| Supporting Services: | | | | | |
| Pupils | 1,176,345 | - | - | 143,214 | 1,319,559 |
| Instructional Staff | 1,145,425 | 252,687 | - | 21,844 | 1,419,956 |
| Board of Education | 56,910 | - | - | - | 56,910 |
| Administration | 1,464,073 | 82,907 | - | 75,688 | 1,622,668 |
| Fiscal Services | 731,483 | - | - | - | 731,483 |
| Business | 45,110 | - | - | - | 45,110 |
| Operation and Maintenance of Plant | 3,198,428 | - | - | - | 3,198,428 |
| Pupil Transportation | 987,492 | 20,014 | 86,792 | 39,530 | 1,133,828 |
| Central | 20,565 | - | - | - | 20,565 |
| Operation of Non-Instructional Services: | | | | | |
| Food Service Operations | - | - | - | 619,337 | 619,337 |
| Community Services | - | - | - | 89,041 | 89,041 |
| Extracurricular Activities | 822,015 | - | - | 203,595 | 1,025,610 |
| Capital Outlay | 89,350 | - | 103,167 | - | 192,517 |
| Debt Service: | | | | | |
| Principal Retirement | 27,343 | - | - | - | 27,343 |
| Interest and Fiscal Charges | 39,600 | - | - | - | 39,600 |
| Total Expenditures | 22,565,099 | 639,186 | 189,959 | 2,460,448 | 25,854,692 |
| Excess of Revenues Over (Under) Expenditures | 1,926,477 | (295,401) | 200,792 | (459,114) | 1,372,754 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | - | - | - | 202,028 | 202,028 |
| Transfers Out | (202,028) | - | - | - | (202,028) |
| Total Other Financing Sources (Uses) | (202,028) | - | - | 202,028 | - |
| Net Change in Fund Balances | 1,724,449 | (295,401) | 200,792 | (257,086) | 1,372,754 |
| Fund Balances - Beginning of Year | 24,120,433 | (418,429) | 11,630,650 | 904,107 | 36,236,761 |
| Fund Balances - End of Year | \$ 25,844,882 | \$ (713,830) | \$ 11,831,442 | \$ 647,021 | \$ 37,609,515 |

See accompanying notes to the basic financial statements.

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances-Total Governmental Funds \$ 1,372,754

*Amounts reported for Governmental Activities in the Statement of Activities
are different because:*

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

| | | |
|----------------|-------------|-------------|
| Capital outlay | \$ 229,838 | |
| Depreciation | (1,962,411) | |
| Total | | (1,732,573) |

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (6,178)

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

| | | |
|---------------------------|----------|---------|
| Delinquent property taxes | (11,729) | |
| Grants | 664,219 | |
| Total | | 652,490 |

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. 27,343

Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

| | | |
|---------|--|-----------|
| Pension | | 2,136,175 |
| OPEB | | 44,533 |

Except for amounts reported as deferred inflows/outflows, changes in the net pension, OPEB liability and net OPEB asset are reported as pension expense in the Statement of Activities.

| | | |
|---------|--|-------------|
| Pension | | (3,175,576) |
| OPEB | | 474,683 |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

| | | |
|----------------------|--|-----------|
| Compensated absences | | (275,000) |
|----------------------|--|-----------|

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service fund are reported in the Governmental Activities.

(15,751)

Change in Net Position of Governmental Activities \$ (497,100)

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
General Fund
For the Fiscal Year Ended June 30, 2020**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Revenues | | | | |
| Taxes | \$ 10,014,558 | \$ 10,014,558 | \$ 10,134,939 | \$ 120,381 |
| Intergovernmental | 13,107,700 | 11,936,707 | 11,910,487 | (26,220) |
| Interest Income | 505,042 | 459,923 | 458,913 | (1,010) |
| Tuition | 54,559 | 49,685 | 49,576 | (109) |
| Rentals | 189,642 | 172,700 | 172,321 | (379) |
| All Other Revenues | 71,999 | 99,049 | 81,525 | (17,524) |
| Total Revenues | <u>23,943,500</u> | <u>22,732,622</u> | <u>22,807,761</u> | <u>75,139</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | | | | |
| Regular | 11,780,774 | 11,780,774 | 10,996,946 | 783,828 |
| Special | 1,290,526 | 1,290,526 | 1,338,248 | (47,722) |
| Vocational | 98,814 | 98,814 | 92,917 | 5,897 |
| Other | 980,356 | 980,356 | 891,259 | 89,097 |
| Supporting Services | | | | |
| Pupils | 1,316,370 | 1,316,370 | 1,196,408 | 119,962 |
| Instructional Staff | 1,301,250 | 1,301,250 | 1,214,899 | 86,351 |
| Board of Education | 63,757 | 63,757 | 59,528 | 4,229 |
| Administration | 1,603,097 | 1,603,097 | 1,521,403 | 81,694 |
| Fiscal Services | 842,038 | 842,038 | 772,305 | 69,733 |
| Business | 124,116 | 124,116 | 144,508 | (20,392) |
| Operation and Maintenance of Plant Services | 3,685,772 | 3,685,772 | 3,657,036 | 28,736 |
| Pupil Transportation | 1,036,773 | 1,036,773 | 970,498 | 66,275 |
| Central | 36,699 | 36,699 | 26,904 | 9,795 |
| Operation of Non-Instructional Services | 3,000 | 50,000 | - | 50,000 |
| Extracurricular Activities | 833,446 | 833,446 | 742,169 | 91,277 |
| Total Expenditures | <u>25,095,124</u> | <u>25,142,124</u> | <u>23,714,378</u> | <u>1,427,746</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,151,624)</u> | <u>(2,409,502)</u> | <u>(906,617)</u> | <u>1,502,885</u> |
| Other Financing (Uses) | | | | |
| Refund of Prior Year Expenditures | 291,758 | 291,758 | 291,758 | - |
| Advances In | 434,300 | 434,300 | 434,300 | - |
| Advances Out | (1,115,938) | (1,115,938) | (1,115,938) | - |
| Transfers Out | (213,471) | (213,471) | (213,471) | - |
| Total Other Financings (Uses) | <u>(603,351)</u> | <u>(603,351)</u> | <u>(603,351)</u> | <u>-</u> |
| Net Change in Fund Balance | (1,754,975) | (3,012,853) | (1,509,968) | 1,502,885 |
| Fund Balance - Beginning of Year | 24,209,875 | 24,209,875 | 24,209,875 | - |
| Prior Year Encumbrances Appropriated | 199,533 | 199,533 | 199,533 | - |
| Fund Balance - End of Year | <u>\$ 22,654,433</u> | <u>\$ 21,396,555</u> | <u>\$ 22,899,440</u> | <u>\$ 1,502,885</u> |

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis) –
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2020**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 377,362 | \$ 453,936 | \$ 462,492 | \$ 8,556 |
| Total Revenues | <u>377,362</u> | <u>453,936</u> | <u>462,492</u> | <u>8,556</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | | | | |
| Regular | 182,430 | 324,558 | 306,104 | 18,454 |
| Supporting Services | | | | |
| Instructional Staff | 131,134 | 232,204 | 311,720 | (79,516) |
| Administration | 49,598 | 90,930 | 80,032 | 10,898 |
| Pupil Transportation | 12,310 | 22,568 | 19,877 | 2,691 |
| Total Expenditures | <u>375,472</u> | <u>670,260</u> | <u>717,733</u> | <u>(47,473)</u> |
| Excess of Revenues Over (Under) Expenditures | <u>1,890</u> | <u>(216,324)</u> | <u>(255,241)</u> | <u>(38,917)</u> |
| Other Financing Sources (Uses) | | | | |
| Advances In | 554,670 | 667,224 | 679,799 | 12,575 |
| Advances Out | (246,254) | (451,466) | (397,254) | 54,212 |
| Total Other Financings Sources (Uses) | <u>308,416</u> | <u>215,758</u> | <u>282,545</u> | <u>66,787</u> |
| Net Change in Fund Balance | 310,306 | (566) | 27,304 | 27,870 |
| Fund Balance (Deficit) - Beginning of Year | (27,570) | (27,570) | (27,570) | - |
| Prior Year Encumbrances Appropriated | 21,727 | 21,727 | 21,727 | - |
| Fund Balance (Deficit) - End of Year | <u>\$ 304,463</u> | <u>\$ (6,409)</u> | <u>\$ 21,461</u> | <u>\$ 27,870</u> |

See accompanying notes to the basic financial statements.

**Statement of Fund Net Position
Proprietary Fund**

June 30, 2020

| | Governmental Activities - Internal Service Fund |
|--|--|
| ASSETS | |
| Current Assets: | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 797,276 |
| Total Assets | <u>797,276</u> |
| | |
| NET POSITION | |
| Unrestricted | 797,276 |
| Total Net Position | <u>\$ 797,276</u> |

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund**

For the Fiscal Year Ended June 30, 2020

| | Governmental Activities - Internal Service Fund |
|-----------------------------------|--|
| OPERATING REVENUES | |
| Charges for Services | \$ 2,602,202 |
| Total Operating Revenues | <u>2,602,202</u> |
| OPERATING EXPENSES | |
| Purchased Services | <u>2,617,953</u> |
| Total Operating Expenses | <u>2,617,953</u> |
| Change in Net Position | (15,751) |
| Net Position - Beginning of Year | <u>813,027</u> |
| Net Position - End of Year | <u><u>\$ 797,276</u></u> |

See accompanying notes to the basic financial statements.

**Statement of Cash Flows
Proprietary Fund**

For the Fiscal Year Ended June 30, 2020

| | Governmental Activities - Internal Service Fund |
|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from Customers | \$ 2,602,202 |
| Cash Payments for Goods and Services | (2,617,953) |
| Net Cash for Operating Activities | <u>(15,751)</u> |
| | |
| Net Decrease in Cash and Cash Equivalents | (15,751) |
| | |
| Cash and Cash Equivalents - Beginning of Year | 813,027 |
| Cash and Cash Equivalents - End of Year | <u><u>\$ 797,276</u></u> |

See accompanying notes to the basic financial statements.

**Statement of Fiduciary Net Position
Fiduciary Funds**

June 30, 2020

| | Private Purpose Trust | Agency Funds |
|--|--------------------------------------|-------------------------|
| Assets | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 14,243 | \$ 133,619 |
| Total Assets | <u>14,243</u> | <u>\$ 133,619</u> |
| Liabilities | | |
| Deposits Held and Due to Others | \$ - | \$ 3,557 |
| Due to Students | - | 130,062 |
| Total Liabilities | <u>-</u> | <u>\$ 133,619</u> |
| Net Position | | |
| Held in Trust for Scholarships | 14,243 | |
| Total Net Position | <u>\$ 14,243</u> | |

See accompanying notes to the basic financial statements.

**Statement of Changes in Fiduciary Net Position
Fiduciary Fund**

For the Fiscal Year Ended June 30, 2020

| | Private Purpose Trust |
|--|--------------------------------------|
| Additions | |
| Donations | \$ 820 |
| Total Additions | <u>820</u> |
| Deductions | |
| Disbursements in Accordance with Trust | <u>500</u> |
| Change in Net Position | 320 |
| Net Position - Beginning of Year | <u>13,923</u> |
| Net Position - End of Year | <u><u>\$ 14,243</u></u> |

See accompanying notes to the basic financial statements.

Notes to the Basic Financial Statements

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 1: DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Perry Local School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board and provides education services as mandated by State or Federal agencies. The Board controls the School District’s three instructional facilities, staffed by 89 classified personnel, 130 certified personnel, 11 administrators and 22 exempt staff which provide services to students and other community members.

Reporting Entity

The School District is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The School District’s primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes education, pupil transportation, food service, and maintenance of the School District’s facilities.

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; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; (4) or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the School District has no component units.

The School District participates in three jointly governed organizations, an insurance purchasing pool, and a claims servicing pool. These organizations are the Ohio Schools’ Council, the Lake Geauga Computer Association, the Auburn Vocational School District, the Ohio Association of School Business Officials Workers’ Compensation Group Rating Program and Lake County Council of Governments Health Care Benefits Self Insurance Program. These organizations are presented in Notes 18, 19, and 20, respectively, to the basic financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation

The School District's financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation.

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

Fund Financial Statements

Fund financial statements are designed to present financial information of the School District at this more detailed level. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The School District's only proprietary fund is classified as an internal service fund and is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by fund type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories of governmental, proprietary, and fiduciary.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

B. Fund Accounting (Continued)

Governmental Funds

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

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 is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Miscellaneous Federal Grants Fund - This fund is used to account for various monies received through state agencies from the Federal government or directly from the Federal government. This program is to provide individual instructions to first and second grade students in the academic area of reading and math, with the assistance of a trained group of adult volunteers using appropriate service training activities.

Permanent Improvement Fund - the permanent improvement fund is used to account for the receipts and expenditures related to the acquisition, construction or renovation of major capital facilities in the School District.

The other governmental funds of the School District account for grants, other resources, and capital projects of the School District whose uses are restricted to a particular purpose.

Proprietary Funds

The proprietary funds focus on the determination of operating income/loss, changes in net position, financial position, and cash flows and are classified as either enterprise or internal service. The School District only has an internal service fund. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for an insurance program which provides medical and dental coverage to the School District's employees.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in that position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's fiduciary funds include a private purpose trust fund, which accounts for college scholarships for students, and agency funds, which accounts for student managed activities and tournament monies.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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. The proprietary funds and the fiduciary funds also 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/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. 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)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 8). Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, and intergovernmental grants. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position and are explained further in Notes 13 and 14.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the statement of revenues, expenditures, and changes in fund balances as an expenditure with a like amount reported as an intergovernmental revenue.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Equity in Pooled Cash, Cash Equivalents, and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in the account or temporarily used to purchase short term investments. Interest in the pool is presented as “Equity in Pooled Cash, Cash Equivalents, and Investments” on the financial statements.

During fiscal year 2020, investments were limited to U.S. Government Agency notes, U.S. Treasury Notes, negotiable certificates of deposit, commercial paper, a money market mutual fund, and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements with maturities of one year or less are reported at cost.

During fiscal year 2020, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2020, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2020 amounted to \$685,198. During fiscal year 2020, the change in fair value increased the District’s total investments by \$505,196.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Restricted Assets

Assets are reported as restricted items when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the general fund represent amounts required by the State statute to be utilized for school bus purchases. See Note 23 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020 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 which services are consumed.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventory

Inventories of supplies of the governmental funds are stated at cost while inventories held for resale are reported at lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and expended/expensed when used. Inventories consist of donated foods, purchased foods, school supplies held for resale and expendable supplies held for consumption.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars (\$5,000). The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

| Description | Governmental Activities <u>Estimated Lives</u> |
|----------------------------|--|
| Land Improvements | 20 years |
| Buildings and Improvements | 10-50 years |
| Furniture and Equipment | 5-10 years |
| Vehicles | 10 years |
| Library and Textbooks | 6 years |

J. Interfund Balances

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

K. Compensated Absences

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

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

K. Compensated Absences (Continued)

Sick leave benefits are accrued as a liability using the termination payment 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 liability is an estimate based on the School District's past experience making termination payments. 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 classified, certified, and administrative employees within the School District.

The entire compensated absence liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures 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 or funds from which the employees who have accumulated the leave are paid. The School District had a Matured compensated absences payable of \$19,348 at June 30, 2020.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from the internal service fund is reported on the internal service fund's financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Capital lease obligations are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. 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 the governmental funds. The classifications are as follows:

Non-spendable – The non-spendable fund balance category 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" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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 is imposed by law through constitutional provisions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Balance (Continued)

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District’s Board of Education. Those committed amounts cannot be used for any other purpose unless the School District’s Board of Education removes or changes the specified use by taking the same type of action (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 fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts would represent intended uses established by the School District’s Board of Education.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

N. Net Position

Net position represents the difference between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for school bus purchases includes state funds received for school bus purchases.

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are for the self-insurance program. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

P. Interfund Activity

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

Q. Estimates

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. As of June 30, 2020, there were no extraordinary or special items.

S. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given the authority to allocate the Board appropriations to the function and object levels.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the Lake County Budget Commission for rate determination.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

S. Budgetary Data (Continued)

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted.

The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2020.

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certification saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any legal level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations provided the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The amounts reported as the original budgeted amounts in the budgetary statement reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end are reported as part of the respective fund balance classification for subsequent year expenditures for governmental funds. Encumbrances outstanding at year end are not reported on government-wide financial statements.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from 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.

U. Unearned Revenue

Unearned revenue represents the sponsorship income that was received in advance and is recognized over the term of the agreement. These revenues are recognized annually over the term of their agreements using the straight-line method.

NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES

During the fiscal year, the School District implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statements information for certain component units. The implementation of this Statement did not have an effect on the financial statements of the School District.

GASB Statement No. 95, *Postponement of the Effect Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The School District has postponed the implementation of GASB Statement No. 84.

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Perry Local School District, Lake County

NOTE 4: FUND BALANCES

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

| Fund Balances | General | Miscellaneous Federal Grants | Permanent Improvement | Other Governmental Funds | Total |
|--------------------------------------|-----------------------------|---------------------------------|-----------------------------|--------------------------------|-----------------------------|
| <i>Nonspendable</i> | | | | | |
| Prepaid Items | \$ 48,648 | \$ - | \$ - | \$ - | \$ 48,648 |
| Inventories | 88,022 | - | - | 33,365 | 121,387 |
| <i>Total Nonspendable</i> | <u>136,670</u> | <u>-</u> | <u>-</u> | <u>33,365</u> | <u>170,035</u> |
| <i>Restricted for</i> | | | | | |
| Community Fitness Center Operations | - | - | - | 171,331 | 171,331 |
| Special Levy | - | - | - | 834,948 | 834,948 |
| Athletics | - | - | - | 89,279 | 89,279 |
| Data Communication | - | - | - | 32,400 | 32,400 |
| Entry Year Programs | - | - | - | 5,500 | 5,500 |
| Professional Development | - | - | - | 4,371 | 4,371 |
| Student Intervention Services | - | - | - | 15,493 | 15,493 |
| Management Information Systems | - | - | - | 74 | 74 |
| Student Wellness and Success | - | - | - | 123,223 | 123,223 |
| Drug Abuse Education | - | - | - | 2,654 | 2,654 |
| Capital Improvements | - | - | - | 139 | 139 |
| School Bus Purchases | 58,165 | - | - | - | 58,165 |
| Other Grants | - | - | - | 7,014 | 7,014 |
| Other Purposes | - | - | - | 3,737 | 3,737 |
| <i>Total Restricted</i> | <u>58,165</u> | <u>-</u> | <u>-</u> | <u>1,290,163</u> | <u>1,348,328</u> |
| <i>Committed to</i> | | | | | |
| Future Severance Payouts | 436,556 | - | - | - | 436,556 |
| <i>Total Committed</i> | <u>436,556</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>436,556</u> |
| <i>Assigned to</i> | | | | | |
| Fiscal Year 2021 Appropriations | 1,695,835 | - | - | - | 1,695,835 |
| Capital and Instructional Technology | - | - | 11,831,442 | - | 11,831,442 |
| Special Rotary | 12,578 | - | - | - | 12,578 |
| Public School Support | 79,001 | - | - | - | 79,001 |
| Instructional Activities | 311,166 | - | - | - | 311,166 |
| Supporting Services | 574,864 | - | - | - | 574,864 |
| Extracurricular Activities | 1,240 | - | - | - | 1,240 |
| <i>Total Assigned</i> | <u>2,674,684</u> | <u>-</u> | <u>11,831,442</u> | <u>-</u> | <u>14,506,126</u> |
| <i>Unassigned (Deficit)</i> | <u>22,538,807</u> | <u>(713,830)</u> | <u>-</u> | <u>(676,507)</u> | <u>21,148,470</u> |
| Total Fund Balances | <u><u>\$ 25,844,882</u></u> | <u><u>\$ (713,830)</u></u> | <u><u>\$ 11,831,442</u></u> | <u><u>\$ 647,021</u></u> | <u><u>\$ 37,609,515</u></u> |

NOTE 5: ACCOUNTABILITY AND COMPLIANCE

A. Accountability

Fund balances at June 30, 2020, included the following individual fund deficits:

| | Fund Balance Deficits |
|---|-----------------------------|
| <u>Major Special Revenue Funds</u> | |
| Miscellaneous Federal Grants | \$ 713,830 |
| <u>Nonmajor Special Revenue Funds</u> | |
| Food Service | 13,589 |
| 21st Century | 35 |
| IDEA, Part B Special Education | 355,872 |
| Title III - Limited English Proficiency | 8,185 |
| Title I, Disadvantaged Children/Targeted Assistance | 215,568 |
| IDEA, Preschool Grant for the Handicapped | 4,306 |
| Improving Teacher Quality | 45,587 |
| <u>Total Nonmajor Special Revenue Funds</u> | \$ 643,142 |

The fund deficits in the special revenue funds resulted from accrued liabilities. The general fund is liable for the deficits in these funds and will provide transfers when cash is required, not when accruals occur.

B. Compliance

Ohio Revised Code §5705.39 states that total appropriations from each fund shall not exceed the total estimated resources (estimated revenues plus unencumbered fund balances).

The following funds had final appropriations exceeding total estimated resources.

| | Estimated Resources | Final Appropriations | Excess |
|---|------------------------|-------------------------|------------|
| <u>Major Special Revenue Fund</u> | | | |
| Miscellaneous Federal Grants | \$ 1,093,590 | \$ 1,100,000 | \$ (6,410) |
| <u>Nonmajor Special Revenue Funds</u> | | | |
| Public School | 64,584 | 73,000 | (8,416) |
| Other Grants | 11,367 | 35,500 | (24,133) |
| IDEA, Part B Special Education of Handicapped Children | 354,796 | 354,900 | (104) |
| Title I - Disadvantaged Children | 313,776 | 316,000 | (2,224) |

Management has indicated that appropriations and estimated resources will be closely monitored to ensure no future violations occur.

NOTE 6: 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 Balances - Budget and Actual (Non-GAAP Budgetary Basis) - for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budgetary basis and GAAP basis are that:

1. Revenues are recorded when received in cash (Budgetary basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (Budgetary basis) as opposed to when the liability is incurred (GAAP basis);
3. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
4. Encumbrances are treated as expenditures (Budgetary basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis); and
5. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (Budgetary basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and Budgetary basis statements for the general fund and miscellaneous federal grants fund.

| | Net Change in Fund Balance | |
|---|----------------------------|------------------------------|
| | General Fund | Miscellaneous Grants Fund |
| GAAP Basis | \$ 1,724,449 | \$ (295,401) |
| Net Adjustment for Revenue Accruals | (1,017,004) | 118,707 |
| Net Adjustments for Expenditure Accruals | (1,237,233) | 68,528 |
| Advances In | - | 679,799 |
| Advances Out | - | (397,254) |
| Funds with Separate Legally Adopted Budgets | (31,688) | - |
| Adjustment for Encumbrances | (948,492) | (147,075) |
| Budget Basis | \$ (1,509,968) | \$ 27,304 |

NOTE 7: DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

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

Inactive deposits are public deposits that the Board 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 by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligations 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 obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty (30) days;
4. Bonds or other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or division (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty (180) days in an amount not to exceed forty (40) percent of the interim monies available for investment at any one time if training requirements have been met; and

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

9. Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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. An investment must mature within five years from the date of purchase 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.

Deposits

At June 30, 2020, the carrying amount of the School District's deposits was \$5,550,896 (including \$900 petty cash). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2020, \$250,000 of the School District's bank balance of \$6,042,218 was covered by Federal Depository Insurance and \$4,052,852 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name, and \$1,739,366 was uninsured and uncollateralized. The School District's financial institutions were approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the School District's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institutions. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The School District's financial institution was enrolled in OPCS as of June 30, 2020.

Investments

The School District has a formal investment policy. Star Ohio is measured at net asset value per share while all other investments are measured at fair value. At June 30, 2020, fair value was \$33,670,650 under the School District's net cost for investments.

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

| | Average Weighted Maturity | Fair Value/ NAV | Credit Rating* | Level Input |
|---------------------------------------|---------------------------------|----------------------|-------------------|----------------|
| U.S. Government Agency Notes: | | | | |
| Federal Home Loan Mortgage | 2.27 yrs | \$ 4,572,548 | AA+ | 2 |
| Federal Farm Credit Banks | 3.01 yrs | 2,679,630 | AA+ | 2 |
| Federal Home Loan Banks | 4.31 yrs | 433,111 | AA+ | 2 |
| Federal National Mortgage Association | 2.02 yrs | 3,508,191 | AA+ | 2 |
| U.S. Treasury Note | 0.91 yrs | 606,563 | AA+ | 2 |
| Negotiable CDs | 1.55 yrs | 15,009,523 | N/A | 2 |
| Commercial Paper: | | | | |
| Royal Bank of Canada (RBC) | 0.71 yrs | 698,320 | A-1 | 2 |
| Natixis NY | 0.70 yrs | 1,047,512 | A-1 | 2 |
| CitiGroup | 0.09 yrs | 374,940 | A-1 | 2 |
| Coca Cola | 0.37 yrs | 949,079 | A-1 | 2 |
| MUFG Bank | 0.31 yrs | 1,458,782 | A-1 | 2 |
| Toyota Motor | 0.41 yrs | 1,408,318 | A-1+ | 2 |
| TD USA | 0.13 yrs | 859,802 | A-1+ | 2 |
| Money Market Mutual Fund: | | | | |
| First American Treasury | 0.06 yrs | 21,364 | N/A | 1 |
| STAR Ohio | 53 days | 42,964 | AAAm | N/A |
| | | \$ 33,670,647 | | |

* Credit ratings have been obtained from Standard and Poor's

The School District has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Level 2 inputs are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. The above chart identifies the School District's recurring fair value measurements as of June 30, 2020. All of the School District's investments measured at fair value are valued using quoted market prices.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in investments so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than five years.

Credit Risk

The credit risks of the School District's investments are in the previous table. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal National Mortgage Association notes, Federal Home Loan Mortgage notes, Federal Home Loan Bank notes, Federal Farm Credit Banks notes, U.S. Treasury Notes, Commercial Paper, and money market mutual fund are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the School District’s name. The School District’s investments in negotiable certificates of deposit were fully covered by Federal Depository Insurance. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee. The School District’s investments in negotiable certificates of deposit of \$15,009,523 were fully covered by the FDIC.

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The following is the School District’s allocation as of June 30, 2020:

| | Percentage of Investments |
|-------------------------------|------------------------------|
| U.S. Government Agency Notes: | |
| Federal Home Loan Mtg. | 13.58% |
| Federal Farm Credit Banks | 8.00% |
| Federal Home Loan Bank | 1.29% |
| Federal National Mtg. Assoc. | 10.42% |
| US Treasury Note | 1.80% |
| Negotiable CDs | 44.53% |
| Commercial Paper | 20.19% |
| Money Market Mutual Fund - | |
| First American Treasury | 0.06% |
| STAR Ohio | 0.13% |
| | 100.00% |

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of June 30, 2020, the School District had no exposure to foreign currency risk.

NOTE 8: PROPERTY TAXES

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

Property taxes include amounts levied against all real, and public utility tangible personal property located in the School District. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are paid annually or semi-annually.

NOTE 8: PROPERTY TAXES (CONTINUED)

If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien June 30, 2018, were levied after April 1, 2019 and are collected in 2020 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lake County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property, which are measurable as of June 30, 2020, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

The amount available as an advance at June 30, 2020, was \$498,818 in the general fund and \$72,375 in the special levy nonmajor special revenue fund.

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

The assessed values upon which fiscal year 2020 taxes were collected are:

| | 2019 Second Half Collections | | 2020 First Half Collections | |
|---|---------------------------------|---------|--------------------------------|---------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential and Other Real Estate | \$ 267,064,090 | 77.53% | \$ 267,997,520 | 77.70% |
| Public Utility | 77,397,310 | 22.47% | 76,917,050 | 22.30% |
| Total Assessed Value | \$ 344,461,400 | 100.00% | \$ 344,914,570 | 100.00% |
| Tax Rate per \$1,000 of Assessed Valuation | \$ 44.20 | | \$ 44.20 | |

NOTE 9: RECEIVABLES

Receivables at June 30, 2020, consisted of taxes, accrued interest, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. All receivables are expected to be collected within one year. The School District had \$2,179,376 in intergovernmental receivables.

NOTE 10: LAKE COUNTY SCHOOL FINANCING DISTRICT

The Board of Education of the Lake County School Financing District has, by a resolution adopted February 6, 1990, pursuant to Section 3311.50 of the Ohio Revised Code, created a county school financing district known as the Lake County School Financing District (the “Financing District”) for the purpose of levying taxes for the provision of the following specified educational programs and services by the school districts that are part of the Financing District: the provision of necessary personnel, materials, supplies, and transportation for instruction in language arts, social studies, mathematics, fine and practical arts, health and physical education, science, and business education.

The Board of Education of the Lake County School Financing District acts as the taxing authority of the Financing District pursuant to Section 3311.50 of the Ohio Revised Code. The Financing District receives settlements of taxes levied and distributes them within ten days to each of the member district’s proportionate share of that tax settlement. Each member district’s proportionate share is a fraction, the numerator being member district’s total pupil population and the denominator being the aggregate pupil population of all member districts as of that date. Taxes collected by the Financing District available to the School District at June 30 are recorded as receivables and revenue for the current fiscal year. Uncollected taxes outstanding received by the Financing District within 60 days after the fiscal year are recorded as a receivable and deferred inflow of resources for they are measurable but not available to the School District. The total receivable is included in the account “Property Taxes Receivable”.

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NOTE 11: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

| | Balance 6/30/2019 | Additions | Deletions | Balance 6/30/2020 |
|--|----------------------|-----------------------|-------------------|----------------------|
| <u>Governmental Activities</u> | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 1,626,867 | \$ - | \$ - | \$ 1,626,867 |
| Total Capital Assets, not being depreciated | <u>1,626,867</u> | <u>-</u> | <u>-</u> | <u>1,626,867</u> |
| Capital Assets, being depreciated: | | | | |
| Land Improvements | 12,767,411 | 37,159 | - | 12,804,570 |
| Building and Improvements | 95,231,407 | 98,387 | - | 95,329,794 |
| Furniture and Equipment | 4,643,695 | - | (121,875) | 4,521,820 |
| Vehicles | 2,416,062 | 94,292 | (205,945) | 2,304,409 |
| Library and text books | 919,543 | - | - | 919,543 |
| Total Capital Assets, being depreciated | <u>115,978,118</u> | <u>229,838</u> | <u>(327,820)</u> | <u>115,880,136</u> |
| Less Accumulated Depreciation: | | | | |
| Land Improvements | (10,656,071) | (153,227) | - | (10,809,298) |
| Building and Improvements | (70,505,619) | (1,467,484) | - | (71,973,103) |
| Furniture and Equipment | (3,606,078) | (186,591) | 121,875 | (3,670,794) |
| Vehicles | (1,837,862) | (155,109) | 199,767 | (1,793,204) |
| Library and text books | (891,957) | - | - | (891,957) |
| Total Accumulated Depreciation | <u>(87,497,587)</u> | <u>(1,962,411)</u> | <u>321,642</u> | <u>(89,138,356)</u> |
| Total Capital Assets being depreciated, Net | <u>28,480,531</u> | <u>(1,732,573)</u> | <u>(6,178)</u> | <u>26,741,780</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 30,107,398</u> | <u>\$ (1,732,573)</u> | <u>\$ (6,178)</u> | <u>\$ 28,368,647</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|--|---------------------|
| Instruction: | |
| Regular | \$ 1,719,199 |
| Support Services: | |
| Instructional Staff | 5,183 |
| Administration | 4,094 |
| Business | 1,316 |
| Operation and Maintenance of Plant | 18,941 |
| Pupil Transportation | 127,296 |
| Central | 4,787 |
| Operation of Non-Instructional Services: | |
| Food Services | 8,482 |
| Community Services | 1,712 |
| Extracurricular Activities: | |
| Sport Oriented Activities | 71,401 |
| Total Depreciation Expense | <u>\$ 1,962,411</u> |

NOTE 12: **RISK MANAGEMENT**

A. Property and Liability

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. The School District is a member of the Ohio Schools Council Insurance Company property and fleet insurance purchasing group. On behalf of member school districts, the Ohio Schools Council prepares specifications and solicits quotations from insurance companies. The School District fleet has been insured with the Ohio School Plan since April, 2008 with a \$1,000,000 liability limit per loss. The Ohio School Plan also carried the property insurance (which includes inland, marine, earthquake and crime), and also covered the boilers and machinery.

Additionally, since school districts are not protected by the doctrine of sovereign immunity, the School District contracted with the Ohio School Plan (through the Ohio School Boards Association/Nationwide Ohio Educational Liability Insurance program) for coverage with limits of liability of \$6,000,000 per claim and \$8,000,000 aggregate to insure the School District, the Board, all Board members, all administrators, certified and classified employees and volunteers.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last year.

B. Workers' Compensation

For fiscal year 2020, the School District participated in a Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniComp provides administrative, cost control and actuarial services to the GRP. Each year the School District pays an enrollment fee to the Plan to cover costs of administering the program.

C. Employee Insurance Benefits

The School District provides medical coverage to employees through premium payments to the Lake County Council of Governments Health Care Benefits Program (see Note 20 for further details).

NOTE 13: **DEFINED BENEFIT PENSION PLAN**

A. Net Pension Liability

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 already have occurred.

The net pension liability represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability 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.

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

GASB 68 assumes 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 these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

B. Plan Description - School Employees Retirement System (SERS)

Plan Description –District non-teaching employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information, and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Plan Description - School Employees Retirement System (SERS) (Continued)

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 65 with 5 years of service credit | Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit |
| Actuarially Reduced Benefits | Age 60 with 5 years of service credit Age 55 with 25 years of service credit | Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit |

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

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

The cost-of-living adjustment (COLA) is based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent.

The District’s contractually required contribution to SERS was \$605,217 for fiscal year 2020. Of this amount \$29,134 is reported as an intergovernmental payable.

C. Plan Description - State Teachers Retirement System (STRS)

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

NOTE 13: **DEFINED BENEFIT PENSION PLAN (CONTINUED)**

C. Plan Description - State Teachers Retirement System (STRS) (Continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for DB plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both DB Plan and DC Plan. In the Combined Plan, 12.0 of the 14.0 percent member rates goes to the DC Plan and the remaining 2.0 percent goes to the DB plan. Member contributions to the DC plan are allocated among investment choices by the member, and contributions to DB plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2020, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Plan Description - State Teachers Retirement System (STRS) (Continued)

The School District's contractually required contributions to STRS was \$1,530,958 for fiscal year 2020. Of this amount \$218,512 was included as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|---|---------------------|---------------------|---------------|
| Proportion of the Net Pension Liability | | | |
| Prior Measurement Date | 0.1357724% | 0.10217928% | |
| Current Measurement Date | <u>0.1257075%</u> | <u>0.09311859%</u> | |
| Change in Proportionate Share | <u>-0.01006491%</u> | <u>-0.00906069%</u> | |
| Proportionate Share of the Net Pension | | | |
| Liability | \$ 7,521,300 | \$ 20,592,615 | \$ 28,113,915 |
| Pension Expense | \$ 845,002 | \$ 2,330,574 | \$ 3,175,576 |

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|-------------------|---------------------|---------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$ 190,723 | \$ 167,657 | \$ 358,380 |
| Changes of assumptions | - | 2,419,001 | 2,419,001 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 72,482 | 648,537 | 721,019 |
| School District contributions subsequent to the measurement date | <u>605,217</u> | <u>1,530,958</u> | <u>2,136,175</u> |
| Total Deferred Outflows of Resources | <u>\$ 868,422</u> | <u>\$ 4,766,153</u> | <u>\$ 5,634,575</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$ - | \$ 89,140 | \$ 89,140 |
| Net difference between projected and actual earnings on pension plan investments | 96,547 | 1,006,456 | 1,103,003 |
| Changes in proportion and differences between contributions and proportionate share of contributions | <u>445,803</u> | <u>1,708,516</u> | <u>2,154,319</u> |
| Total Deferred Inflows of Resources | <u>\$ 542,350</u> | <u>\$ 2,804,112</u> | <u>\$ 3,346,462</u> |

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$2,136,175 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Fiscal Year Ending June 30: | SERS | STRS | Total |
|-----------------------------|--------------|------------|------------|
| 2021 | \$ (53,509) | \$ 896,684 | \$ 843,175 |
| 2022 | (273,962) | 31,856 | (242,106) |
| 2023 | (6,426) | (273,449) | (279,875) |
| 2024 | 54,752 | (224,008) | (169,256) |
| Total | \$ (279,145) | \$ 431,083 | \$ 151,938 |

E. Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

| | |
|--|--|
| Wage Inflation | 3.00 percent |
| Future Salary Increases, including inflation | 3.50 percent to 18.20 percent |
| COLA or Ad Hoc COLA | 2.5 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement |
| Investment Rate of Return | 7.50 percent net of investments expense, including inflation |
| Actuarial Cost Method | Entry Age Normal |

NOTE 13: **DEFINED BENEFIT PENSION PLAN (CONTINUED)**

E. Actuarial Assumptions - SERS

The mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates is used to evaluate allowances to be paid. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed 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 a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset classes are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|----------------------|---|
| Cash | 1.00 % | 0.50 % |
| US Stocks | 22.50 | 4.75 |
| International Stocks | 22.50 | 7.00 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 8.00 |
| Real Assets | 15.00 | 5.00 |
| Multi-Asset Strategies | 10.00 | 3.00 |
| Total | 100.00 % | |

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

NOTE 13: DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Actuarial Assumptions - SERS

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

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

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$ 10,540,030 | \$ 7,521,300 | \$ 4,989,717 |

F. Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019 is presented below:

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

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

STRS Ohio's 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 Real Rate of Return ** |
|----------------------|------------------------|--|
| Domestic Equity | 28.00 % | 7.35 % |
| International Equity | 23.00 | 7.55 |
| Alternatives | 17.00 | 7.09 |
| Fixed Income | 21.00 | 3.00 |
| Real Estate | 10.00 | 6.00 |
| Liquidity Reserves | 1.00 | 2.25 |
| Total | 100.00 % | |

NOTE 13: **DEFINED BENEFIT PENSION PLAN (CONTINUED)**

F. Actuarial Assumptions – STRS (Continued)

* Target weights will be phased in over a 24-month period concluding on July 1, 2019

** 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio’s 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, 2019. 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, 2019. 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, 2019.

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

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

| | 1% Decrease (6.45%) | Current Discount Rate (7.45%) | 1% Increase (8.45%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$ 30,093,815 | \$ 20,592,615 | \$ 12,549,365 |

G. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2020, only one member of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 14: DEFINED BENEFIT OPEB PLANS

A. Net OPEB Liability/Asset

The net OPEB liability and net OPEB asset reported on the statement of net position represents a liability or asset to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability and net OPEB asset. Resulting adjustments to the net OPEB liability and net OPEB asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

B. Plan Description - School Employees Retirement System (SERS)

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

NOTE 14: **DEFINED BENEFIT OPEB PLANS (CONTINUED)**

B. Plan Description - School Employees Retirement System (SERS) (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, there was no contribution made to health care. A health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

The surcharge is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$44,533 for fiscal year 2020. The full amount is reported as an intergovernmental payable.

C. Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

NOTE 14: DEFINED BENEFIT OPEB PLANS (CONTINUED)

D. OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and net OPEB asset were measured as of June 30, 2019, and the total OPEB liability and asset used to calculate the net OPEB liability and net OPEB asset were determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability and net OPEB asset were based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. The information on the following page is related to the proportionate share and OPEB expense:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|---------------------------|----------------------------|--------------|
| Proportion of the Net OPEB Liability/Asset | | | |
| Prior Measurement Date | 0.1372357% | 0.10217928% | |
| Current Measurement Date | <u>0.1273285%</u> | <u>0.09311859%</u> | |
| Change in Proportionate Share | <u><u>-0.0099072%</u></u> | <u><u>-0.00906069%</u></u> | |
| Proportionate Share of the Net OPEB | | | |
| Liability/(asset) | \$ 3,202,044 | \$ (1,542,268) | \$ 1,659,776 |
| OPEB Expense | \$ (15,465) | \$ (459,218) | \$ (474,683) |

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|----------------------------|----------------------------|----------------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$ 47,004 | \$ 139,817 | \$ 186,821 |
| Changes of assumptions | 233,873 | 32,418 | 266,291 |
| Net difference between projected and actual earnings on OPEB plan investments | 7,686 | - | 7,686 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 85,214 | 170,922 | 256,136 |
| School District contributions subsequent to the measurement date | <u>44,533</u> | <u>-</u> | <u>44,533</u> |
| Total Deferred Outflows of Resources | <u><u>\$ 418,310</u></u> | <u><u>\$ 343,157</u></u> | <u><u>\$ 761,467</u></u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$ 703,467 | \$ 78,466 | \$ 781,933 |
| Changes of assumptions | 179,432 | 1,690,917 | 1,870,349 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 96,865 | 96,865 |
| Changes in proportion and differences between contributions and proportionate share of contributions | <u>298,387</u> | <u>94,451</u> | <u>392,838</u> |
| Total Deferred Inflows of Resources | <u><u>\$ 1,181,286</u></u> | <u><u>\$ 1,960,699</u></u> | <u><u>\$ 3,141,985</u></u> |

NOTE 14: DEFINED BENEFIT OPEB PLANS (CONTINUED)

D. OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

\$44,533 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 in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending June 30: | SERS | STRS | Total |
|-----------------------------|--------------|----------------|----------------|
| 2020 | \$ (264,568) | \$ (355,191) | \$ (619,759) |
| 2021 | (119,548) | (355,192) | (474,740) |
| 2022 | (117,292) | (316,368) | (433,660) |
| 2023 | (183,192) | (302,751) | (485,943) |
| 2024 | (81,780) | (283,772) | (365,552) |
| Thereafter | (41,129) | (4,268) | (45,397) |
| Total | \$ (807,509) | \$ (1,617,542) | \$ (2,425,051) |

E. Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented on the next page:

NOTE 14: DEFINED BENEFIT OPEB PLANS (CONTINUED)

E. Actuarial Assumptions – SERS (Continued)

| | |
|--|--|
| Wage Inflation | 3.00 percent |
| Future Salary Increases, including inflation | 3.50 percent to 18.20 percent |
| Investment Rate of Return | 7.50 percent net of investments expense, including inflation |
| Municipal Bond Index Rate: | |
| Measurement Date | 3.13 percent |
| Prior Measurement Date | 3.62 percent |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation | |
| Measurement Date | 3.22 percent |
| Prior Measurement Date | 3.70 percent |
| Medical Trend Assumption | |
| Medicare | 5.25 to 4.75 percent |
| Pre-Medicare | 7.00 to 4.75 percent |

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

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

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

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|-------------------|--|
| Cash | 1.00 % | 0.50 % |
| US Stocks | 22.50 | 4.75 |
| Non-US Stocks | 22.50 | 7.00 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 8.00 |
| Real Assets | 15.00 | 5.00 |
| Multi-Asset Strategies | 10.00 | 3.00 |
| Total | 100.00 % | |

NOTE 14: **DEFINED BENEFIT OPEB PLANS** (CONTINUED)

E. Actuarial Assumptions – SERS (Continued)

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. 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, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate

| | 1% Decrease (2.22%) | Current Discount Rate (3.22%) | 1% Increase (4.22%) | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--------------|--------------|--------------|
| School District's proportionate share of the net OPEB liability | \$ 3,886,674 | \$ 3,202,044 | \$ 2,657,683 | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">1% Decrease (6.25 % decreasing to 3.75%)</th> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">Current Trend Rate (7.25 % decreasing to 4.75%)</th> <th style="width: 33%; text-align: center; border-bottom: 1px solid black;">1% Increase (8.25 % decreasing to 5.75%)</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">School District's proportionate share of the net OPEB liability</td> <td style="text-align: right; vertical-align: bottom;">\$ 2,565,486</td> <td style="text-align: right; vertical-align: bottom;">\$ 3,202,044</td> <td style="text-align: right; vertical-align: bottom;">\$ 4,046,602</td> </tr> </tbody> </table> | | | | | 1% Decrease (6.25 % decreasing to 3.75%) | Current Trend Rate (7.25 % decreasing to 4.75%) | 1% Increase (8.25 % decreasing to 5.75%) | School District's proportionate share of the net OPEB liability | \$ 2,565,486 | \$ 3,202,044 | \$ 4,046,602 |
| | 1% Decrease (6.25 % decreasing to 3.75%) | Current Trend Rate (7.25 % decreasing to 4.75%) | 1% Increase (8.25 % decreasing to 5.75%) | | | | | | | | |
| School District's proportionate share of the net OPEB liability | \$ 2,565,486 | \$ 3,202,044 | \$ 4,046,602 | | | | | | | | |

NOTE 14: DEFINED BENEFIT OPEB PLANS (CONTINUED)

F. Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation is presented below:

| | | |
|----------------------------|--|--------------|
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 | |
| Investment Rate of Return | 7.45 percent, net of investment expenses, including inflation | |
| Payroll Increases | 3 percent | |
| Discount Rate of Return | 7.45 percent | |
| Health Care Cost Trends | Initial | Ultimate |
| Medical | | |
| Pre-Medicare | 5.87 percent | 4.00 percent |
| Medicare | 4.93 percent | 4.00 percent |
| Prescription Drug | | |
| Pre-Medicare | 7.73 percent | |
| Medicare | 9.62 percent | 4.00 percent |

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

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

Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Benefit Term Changes Since the Prior Measurement Date Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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 on the next page:

NOTE 14: DEFINED BENEFIT OPEB PLANS (CONTINUED)

F. Actuarial Assumptions – STRS

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019

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

Discount Rate The discount rate used to measure the total OPEB liability/asset was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. 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/asset as of June 30, 2019

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, 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 | \$ 1,316,018 | \$ 1,542,268 |
| | | Current Trend Rate | |
| | 1% Decrease | 1% Increase | |
| School District's proportionate share of the net OPEB asset | \$ 1,748,860 | \$ 1,542,268 | \$ 1,289,241 |

NOTE 15: OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation, personal, and sick leave benefits are derived from negotiated agreements and State laws. Accumulated unused vacation time is paid to classified employees upon termination of employment.

Teachers and other nine-month employees do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, an employee is paid 25 percent of accumulated sick days up to a maximum of 270 accumulated sick days.

NOTE 16: LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2020 were as follows:

| | Principal Outstanding June 30, 2019 | Additions | Reductions | Principal Outstanding June 30, 2020 | Due in One Year |
|--------------------------------------|---|-------------------|---------------------|---|--------------------|
| Governmental Activities | | | | | |
| Net Pension Liability | | | | | |
| STRS | \$ 22,466,929 | \$ - | \$ 1,874,314 | \$ 20,592,615 | \$ - |
| SERS | 7,775,937 | - | 254,637 | 7,521,300 | - |
| Total Net Pension Liability | <u>30,242,866</u> | <u>-</u> | <u>2,128,951</u> | <u>28,113,915</u> | <u>-</u> |
| Net OPEB Liability | | | | | |
| SERS | 3,807,289 | - | (605,245) | 3,202,044 | - |
| Total Net OPEB Liability | <u>3,807,289</u> | <u>-</u> | <u>(605,245)</u> | <u>3,202,044</u> | <u>-</u> |
| Other Long-term Obligations | | | | | |
| Capital Leases (See Note 17) | 82,029 | - | 27,343 | 54,686 | 27,343 |
| Compensated Absences | 2,324,813 | 436,689 | 161,689 | 2,599,813 | 236,977 |
| Total Other Long-term Obligations | <u>2,406,842</u> | <u>436,689</u> | <u>189,032</u> | <u>2,654,499</u> | <u>264,320</u> |
| Total Governmental Activities | <u>\$ 36,456,997</u> | <u>\$ 436,689</u> | <u>\$ 1,712,738</u> | <u>\$ 33,970,458</u> | <u>\$ 264,320</u> |

The School District’s compensated absences liability will mainly be retired from the general fund. Several other special revenue funds will be responsible for a portion of the liability.

The School District has one outstanding capital lease and the lease will be paid out of the general fund. Further information is provided in Note 17.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. See Note 13 and Note 14 for further information regarding Net Pension Liability and Net OPEB Liability, respectively.

NOTE 17: CAPITAL LEASES

In previous years, the School District entered into a lease for various copiers and related equipment in the amount of \$143,581. These leases qualify as capital leases for accounting purposes and, therefore have been recorded at the present value of the future minimum lease payments as of the lease inception dates for the governmental activities in the statement of net position. Corresponding capital assets have been recorded for the same amount and a total annual depreciation expense of \$28,716 was charged during the fiscal year. These leases will be repaid from the general fund. For the governmental funds' statement of revenues, expenditures, and changes in fund balance, the lease payments have been reclassified from the functional expenditures to principal and interest expenditures.

The future minimum lease payments required under the remaining capital leases are as follows:

| Year Ending June 30, | Governmental Activities |
|--|----------------------------|
| 2021 | \$ 66,943 |
| 2022 | 66,943 |
| Total | 133,886 |
| Less: Amounts representing interest | (79,200) |
| Present value of minimum Lease payments | \$ 54,686 |

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS

A. Ohio Schools' Council

The Ohio Schools' Council (Council) is a jointly governed organization among one hundred twenty-one school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board meets monthly September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2020, the School District did not make any payments to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the Council's prepaid natural gas program. The Council provides participating school districts the ability to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve-year period. There are currently 249 districts in the Program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June).

Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

NOTE 18: JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

A. Ohio Schools' Council (Continued)

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at reduced rates if the school district committed to participating in either a thirty-six month (Cleveland Electric Illuminating Company) or a forty-four month (Ohio Edison and Toledo Edison) program beginning either May 1, 2005 or January 1, 2006 and ending June 31, 2009. Each month, the Council invoices participants based on estimated usage that was determined when the program was established. Each September, these estimated payments are compared to their actual usage for the year (July to June). Refund checks are issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced.

B. Lake Geauga Computer Association

The Lake Geauga Computer Association (the LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS, and other applications to its eighteen-member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$100,746 to LGCA during fiscal year 2020. The Executive Committee (Governing Board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. LGCA's continued existence is not dependent on the School District's continued participation. LGCA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information can be obtained by contacting the Treasurer at the Geauga County Educational Service Center, who serves as the fiscal agent, at 8221 Auburn Road, Concord Township, Ohio 44077.

C. Auburn Vocational School District

The Auburn Vocational School District is a joint vocational school district which is a jointly governed board appointment organization among eleven school districts. Each participating school district appoints one member to the Auburn Vocational School District's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Auburn Vocational School District is limited to its representation on the Board. The Auburn Vocational School District receives 1.5 mills of the School District's property tax, which is paid to the Auburn Vocational School District directly by Lake County. No other contribution by the School District is required. Continued existence of the Auburn Vocational School District is not dependent on the School District's continued participation. Financial information can be obtained from 8221 Auburn Road, Concord Township, Ohio 44077.

NOTE 19: INSURANCE PURCHASING POOL

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 20: CLAIMS SERVICING POOL

The School District participates in the Lake County Council of Governments Health Care Benefits (HCBP) Self Insurance Program, a claims servicing pool comprised of thirteen Lake County school districts organized under Chapter 167 of the Ohio Revised Code. Each school district has a representative on the assembly (usually the superintendent or a designee). Each member pays an administrative fee to the pool. The plan's business and affairs are conducted by a five-member Board of Directors elected by the HCBP's assembly. The assembly elects officers for one-year terms to serve on the Board of Directors. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all members. The Council is a separate and independent entity governed by its own set of bylaws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than the monthly premiums) or risk to the School District. The Council shall pay the run out of all claims for a withdrawing member. Any member which withdraws from the Council pursuant to the program agreement shall have no claim to the Council's assets.

NOTE 21: CONTINGENCIES

A. Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2020, if applicable, cannot be determined at this time.

B. Litigation

The School District is not currently party to any legal proceedings.

C. State Foundation Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. ODE has finalized the adjustments and they did not have any significant impact on the District's funding.

NOTE 22: INTERFUND TRANSACTIONS

A. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2020, is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------|--------------------|
| General | Nonmajor Governmental Funds | <u>\$1,436,252</u> |

NOTE 22: INTERFUND TRANSACTIONS (CONTINUED)

On the fund financial statements, the general fund reported an interfund receivable and the nonmajor governmental funds reported interfund payables of \$1,436,252. The general fund provided loans to the nonmajor governmental funds to provide short-term funding of operations for federal grants. The general fund covered the cash deficits in the nonmajor governmental funds until funds are received from the grantor. The School District anticipates receiving reimbursements from the grantor shortly after year-end.

B. Interfund Transfers

During fiscal year 2020, the general fund transferred \$121,141 to the food services fund to subsidize the food service operations, and \$80,887 to the district managed student activity fund to subsidize services provided.

NOTE 23: SET-ASIDE REQUIREMENTS

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

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

| | Capital Improvements Reserve |
|---|------------------------------------|
| Set-Aside Reserve Balance, as of June 30, 2019 | \$ - |
| Current Year Set-Aside Requirements | 294,098 |
| Qualifying Disbursements | <u>(402,137)</u> |
| Total | <u>\$ (108,039)</u> |
| Set-Aside Balance, as of June 30, 2020, and carried forward to future fiscal years | |
| | <u>\$ -</u> |

Although the School District had qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, these extra amounts may not be used to reduce the set-aside requirement in future fiscal years.

In addition to the above statutory reserves, the School District also received monies restricted for school bus purchases. As of June 30, 2020, the amount restricted for school bus purchases presented in the governmental funds was \$58,165.

NOTE 24: OTHER COMMITMENTS

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of June 30, 2020, the School District's commitments for encumbrances in the governmental funds were as follows:

| | Encumbrances <u>Outstanding</u> |
|------------------------------|------------------------------------|
| General | \$ 938,762 |
| Permanent Improvement | 5,350 |
| Miscellaneous Federal Grants | 147,075 |
| Nonmajor Governmental | <u>113,629</u> |
| Total | <u>\$ 1,204,816</u> |

NOTE 25: SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School District. The School District's investment portfolio and the investments of the pension and other employee benefit plans in which the School District participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School District's future operating cost, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| School District's Proportion of the Net Pension Liability | 0.1257075% | 0.1357724% | 0.1311093% | 0.1407367% | 0.1473570% | 0.153365% | 0.153365% |
| School District's Proportionate Share of the Net Pension Liability | \$ 7,521,300 | \$ 7,775,937 | \$ 7,833,493 | \$ 10,300,629 | \$ 8,408,333 | \$ 7,761,715 | \$ 9,120,124 |
| School District's Covered Payroll | \$ 4,342,237 | \$ 5,060,844 | \$ 4,381,621 | \$ 4,383,536 | \$ 4,429,689 | \$ 4,501,421 | \$ 4,300,983 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 173.21% | 153.65% | 178.78% | 234.98% | 189.82% | 172.43% | 212.05% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.85% | 71.36% | 69.50% | 62.98% | 69.16% | 71.70% | 65.52% |

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

Perry Local School District, Lake County

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| School District's Proportion of the Net Pension Liability | 0.09311859% | 0.10217928% | 0.09642358% | 0.09780613% | 0.10066165% | 0.10380390% | 0.10380390% |
| School District's Proportionate Share of the Net Pension Liability | \$ 20,592,615 | \$ 22,466,929 | \$ 22,905,630 | \$ 32,738,661 | \$ 27,819,935 | \$ 25,248,701 | \$ 30,076,087 |
| School District's Covered Payroll | \$ 10,908,829 | \$ 11,682,557 | \$ 10,648,350 | \$ 10,350,271 | \$ 10,790,707 | \$ 10,501,238 | \$ 10,326,315 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 188.77% | 192.31% | 215.11% | 316.31% | 257.81% | 240.44% | 291.26% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 77.40% | 77.31% | 75.29% | 66.80% | 72.10% | 74.70% | 69.30% |

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**Required Supplementary Information
Schedule of School District Contributions - Pension
School Employees Retirement System of Ohio
Last Ten Fiscal Years**

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 605,217 | \$ 586,202 | \$ 683,214 | \$ 613,427 | \$ 613,695 | \$ 583,833 | \$ 623,897 | \$ 595,256 | \$ 573,262 | \$ 487,024 |
| Contributions in Relation to the Contractually Required Contribution | <u>(605,217)</u> | <u>(586,202)</u> | <u>(683,214)</u> | <u>(613,427)</u> | <u>(613,695)</u> | <u>(583,833)</u> | <u>(623,897)</u> | <u>(595,256)</u> | <u>(573,262)</u> | <u>(487,024)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District Covered Payroll | \$ 4,322,979 | \$ 4,342,237 | \$ 5,060,844 | \$ 4,381,621 | \$ 4,383,536 | \$ 4,429,689 | \$ 4,501,421 | \$ 4,300,983 | \$ 4,262,171 | \$ 3,874,495 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 13.50% | 13.50% | 14.00% | 14.00% | 13.18% | 13.86% | 13.84% | 13.45% | 12.57% |

See accompanying notes to the required supplementary information

**Required Supplementary Information
 Schedule of School District Contributions - Pension
 School Teachers Retirement System of Ohio
 Last Ten Fiscal Years**

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contribution | \$ 1,530,958 | \$ 1,527,236 | \$ 1,635,558 | \$ 1,490,769 | \$ 1,449,038 | \$ 1,510,699 | \$ 1,365,161 | \$ 1,342,421 | \$ 1,288,066 | \$ 1,257,051 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,530,958)</u> | <u>(1,527,236)</u> | <u>(1,635,558)</u> | <u>(1,490,769)</u> | <u>(1,449,038)</u> | <u>(1,510,699)</u> | <u>(1,365,161)</u> | <u>(1,342,421)</u> | <u>(1,288,066)</u> | <u>(1,257,051)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District Covered Payroll | \$ 10,935,414 | \$ 10,908,829 | \$ 11,682,557 | \$ 10,648,350 | \$ 10,350,271 | \$ 10,790,707 | \$ 10,501,238 | \$ 10,326,315 | \$ 9,908,200 | \$ 9,669,623 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% | 13.00% | 13.00% | 13.00% |

See accompanying notes to the required supplementary information

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------|--------------|--------------|--------------|
| School District's Proportion of the Net OPEB Liability | 0.1273285% | 0.1372357% | 0.1333717% | 0.1430448% |
| School District's Proportionate Share of the Net OPEB Liability | \$ 3,202,044 | \$ 3,807,289 | \$ 3,579,347 | \$ 4,077,306 |
| School District's Covered Payroll | \$ 4,342,237 | \$ 5,060,844 | \$ 4,381,621 | \$ 4,383,536 |
| School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 73.74% | 75.23% | 81.69% | 93.01% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 15.57% | 13.57% | 12.46% | 11.49% |

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes 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

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

| | 2020 | 2019 | 2018 | 2017 |
|--|----------------|----------------|---------------|---------------|
| School District's Proportion of the Net OPEB Liability/Asset | 0.09311859% | 0.10217928% | 0.09642358% | 0.09780613% |
| School District's Proportionate Share of the Net OPEB Liability/(Asset) | \$ (1,542,268) | \$ (1,641,918) | \$ 3,762,092 | \$ 5,230,697 |
| School District's Covered Payroll | \$ 10,908,829 | \$ 11,682,557 | \$ 10,648,350 | \$ 10,350,271 |
| School District's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll | -14.14% | -14.05% | 35.33% | 50.54% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset | 174.74% | 176.00% | 47.11% | 37.30% |

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes 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

**Required Supplementary Information
Schedule of School District Contributions - OPEB
School Employees Retirement System of Ohio
Last Ten Fiscal Years**

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Contractually Required Contribution (1) | \$ 44,533 | \$ 92,413 | \$ 97,200 | \$ 86,710 | \$ 74,199 | \$ 36,323 | \$ 71,195 | \$ 64,229 | \$ 86,035 | \$ 114,674 |
| Contributions in Relation to the Contractually Required Contribution | <u>(44,533)</u> | <u>(92,413)</u> | <u>(97,200)</u> | <u>(86,710)</u> | <u>(74,199)</u> | <u>(36,323)</u> | <u>(71,195)</u> | <u>(64,229)</u> | <u>(86,035)</u> | <u>(114,674)</u> |
| Contribution Deficiency (Excess) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| School District Covered Payroll | \$ 4,322,979 | \$ 4,342,237 | \$ 5,060,844 | \$ 4,381,621 | \$ 4,383,536 | \$ 4,429,689 | \$ 4,501,421 | \$ 4,300,983 | \$ 4,262,171 | \$ 3,874,495 |
| OPEB Contributions as a Percentage of Covered Payroll (1) | 1.03% | 2.13% | 1.92% | 1.98% | 1.69% | 0.82% | 1.58% | 1.49% | 2.02% | 2.96% |

(1) Includes Surcharge

See accompanying notes to the required supplementary information

**Required Supplementary Information
 Schedule of School District Contributions - OPEB
 School Teachers Retirement System of Ohio
 Last Ten Fiscal Years**

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|------------------|------------------|-----------------|-----------------|
| Contractually Required Contribution | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 105,012 | \$ 103,263 | \$ 99,082 | \$ 96,696 |
| Contributions in Relation to the Contractually Required Contribution | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(105,012)</u> | <u>(103,263)</u> | <u>(99,082)</u> | <u>(96,696)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District Covered Payroll | \$ 10,935,414 | \$ 10,908,829 | \$ 11,682,557 | \$ 10,648,350 | \$ 10,350,271 | \$ 10,790,707 | \$ 10,501,238 | \$ 10,326,315 | \$ 9,908,200 | \$ 9,669,623 |
| Contributions as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% | 1.00% | 1.00% | 1.00% |

See accompanying notes to the required supplementary information

Notes to Required Supplementary Information

Net Pension Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017 and 2019-2020.

The following changes were made to the benefit terms in 2018 as identified: The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018-2020.

Changes in assumptions- SERS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016 and 2018-2020. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement (h) change in discount rate from 7.75% to 7.5%.

Changes in benefit terms – STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2020.

Changes in assumptions – STRS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017 and 2019-2020. For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016, (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Notes to Required Supplementary Information

Net OPEB Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2018-2020.

Changes in Assumptions – SERS

Amounts reported for fiscal years 2018-2020 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

| | |
|------------------|--------------|
| 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 price inflation

| | |
|------------------|--------------|
| Fiscal year 2020 | 3.22 percent |
| Fiscal year 2019 | 3.70 percent |
| Fiscal year 2018 | 3.63 percent |
| Fiscal year 2017 | 2.98 percent |

Medicare Trend Assumption

Medicare

| | |
|------------------|--|
| Fiscal year 2020 | 5.25 percent decreasing to 4.75 percent |
| Fiscal year 2019 | 5.375 percent decreasing to 4.75 percent |
| Fiscal year 2018 | 5.50 percent decreasing to 5.00 percent |

Pre - Medicare

| | |
|------------------|---|
| Fiscal year 2020 | 7.00 percent decreasing to 4.75 percent |
| Fiscal year 2019 | 7.25 percent decreasing to 4.75 percent |
| Fiscal year 2018 | 7.50 percent decreasing to 5.00 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.

For fiscal year 2020, the health care cost trend rates were modified.

Notes to Required Supplementary Information

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 premium reimbursements will be discontinued beginning January 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, claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984 per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted or committed for specified purposes other than debt service or capital projects. A description of the School District's nonmajor special revenue funds follow:

Food Service - This fund accounts for the provision of food service to the School District.

Uniform School Supplies - This fund accounts for the purchase of necessary supplies, materials, or other school related items above those items provided for general instruction, paid for by students. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

Special Rotary – This fund accounts for field trip collections within the School District. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

Public School Support - This fund is used for the general support of the school building, staff, and students. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

Other Grants – This fund accounts for monies received to promote community involvement and to support activities between the School District and community.

Special Enterprise – This fund accounts for the operation of the Community Fitness Center funded through charges for services from families and corporations.

Special Levy – This fund accounts for the taxes levied by the Lake County School Financing District for the provision of the following specified educational programs and services by the school districts that are part of the Financing District: the provision of necessary personnel, materials, supplies, and transportation for instruction in language arts, social studies, mathematics, fine and practical arts, health and physical education, science, and business education.

Termination Benefits – This fund accumulates monies to pay termination benefits to eligible employees. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

21st Century – This fund accounts for federal funding dedicated exclusively to supporting local after-school, before-school and summer learning programs. This fund was established in FY21, therefore no budgetary schedule is presented.

District Managed Student Activity - This fund is used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund includes all athletic programs, except supplemental coaching contacts, and accounts for revenues and costs of the School District's athletic programs.

Management Information Systems - This fund is used to account for revenue provided by the State of Ohio to be used solely for costs associated with the requirements of the education management information system required by Senate Bill 140.

Entry Year Teachers - This fund is used to implement entry-year programs pursuant to Division (T) of Section 3317.024 of the Ohio Revised Code.

Data Communication - This fund is used to account for money appropriated for Ohio Educational Computer Network Connections.

School Net Professional Development - This fund was established to provide training for teachers to become practitioners. This fund is provided to account for a limited number of professional development subsidy grants.

Summer School Intervention - This fund accounts for summer intervention services satisfying criteria defined in Division (E) of Section 2318.608 of the Ohio Revised Code.

Student Wellness and Success – This fund accounts for services provided to students meeting the needs of the whole child which include mental health services.

Miscellaneous State Grants – This fund accounts for various monies received from state agencies which are not classified elsewhere.

IDEA, Part B Special Education of Handicapped Children - The purpose of this Federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title III – Limited English Proficiency – The purpose of this Federal program is to provide funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I - Disadvantaged Children/Targeted Assistance - This fund is used to provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

Drug-Free Schools Grant - This fund provides funds to local educational agencies and consortia of these agencies to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools, and to engage in development, training, technical assistance, and coordination activities.

IDEA – Preschool Grant for the Handicapped – The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Improving Teacher Quality - This fund is used to account for monies to hire additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

Nonmajor Capital Projects Fund

Capital Projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). Following is a description of the nonmajor capital projects funds:

School Net - This fund is used to account for monies received by the State of Ohio for the purpose of purchasing computers for K-4 grades.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private Purpose Trust Fund

Private Purpose Trust Scholarship - This fund accounts for scholarships provided to students.

Agency Funds

Student Activities Fund - This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Tournament Activities Fund - This fund is a clearing account to distribute tournament monies to other funds of the School District and to the Ohio High School Athletic Association (OHSAA).

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|---|---|---|--|
| ASSETS | | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 1,400,505 | \$ 139 | \$ 1,400,644 |
| Materials and Supplies Inventory | 33,365 | - | 33,365 |
| Intergovernmental Receivable | 463,686 | - | 463,686 |
| Property Taxes Receivable | 927,027 | - | 927,027 |
| Total Assets | \$ 2,824,583 | \$ 139 | \$ 2,824,722 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accrued Wages and Benefits | \$ 200,491 | \$ - | \$ 200,491 |
| Intergovernmental Payable | 33,289 | - | 33,289 |
| Interfund Payable | 625,583 | - | 625,583 |
| Total Liabilities | 859,363 | - | 859,363 |
| Deferred Inflows of Resources: | | | |
| Property Taxes | 822,640 | - | 822,640 |
| Unavailable Revenues - Delinquent Property Taxes | 32,012 | - | 32,012 |
| Unavailable Revenues - Grants | 463,686 | - | 463,686 |
| Total Deferred Inflows of Resources | 1,318,338 | - | 1,318,338 |
| Fund Balances: | | | |
| Restricted | 1,290,024 | 139 | 1,290,163 |
| Unassigned (Deficit) | (676,507) | - | (676,507) |
| Total Fund Balances | 646,882 | 139 | 647,021 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 2,824,583 | \$ 139 | \$ 2,824,722 |

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020**

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|---|---|--|
| REVENUES | | | |
| Taxes | \$ 820,918 | \$ - | \$ 820,918 |
| Intergovernmental | 692,737 | - | 692,737 |
| Extracurricular Activities | 105,121 | - | 105,121 |
| Rentals | 10,867 | - | 10,867 |
| Charges for Services | 73,224 | - | 73,224 |
| Contributions and Donations | 35,732 | - | 35,732 |
| Food Services | 261,687 | - | 261,687 |
| All Other Revenues | 1,048 | - | 1,048 |
| Total Revenues | 2,001,334 | - | 2,001,334 |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 932,635 | - | 932,635 |
| Special | 335,564 | - | 335,564 |
| Supporting Services: | | | |
| Pupils | 143,214 | - | 143,214 |
| Instructional Staff | 21,844 | - | 21,844 |
| Administration | 75,688 | - | 75,688 |
| Pupil Transportation | 39,530 | - | 39,530 |
| Operation of Non-Instructional: | | | |
| Food Service Operations | 619,337 | - | 619,337 |
| Community Services | 89,041 | - | 89,041 |
| Extracurricular Activities | 203,595 | - | 203,595 |
| Total Expenditures | 2,460,448 | - | 2,460,448 |
| Excess of Revenues Over (Under) Expenditures | (459,114) | - | (459,114) |
| OTHER FINANCING SOURCES | | | |
| Transfers In | 202,028 | - | 202,028 |
| Total Other Financing Sources | 202,028 | - | 202,028 |
| Net Change in Fund Balances | (257,086) | - | (257,086) |
| Fund Balances - Beginning of Year | 903,968 | 139 | 904,107 |
| Fund Balances - End of Year | \$ 646,882 | \$ 139 | \$ 647,021 |

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020**

| | <u>Food Service</u> | <u>Other Grants</u> | <u>Special Enterprise</u> | <u>Special Levy</u> | <u>21st Century</u> | <u>District Managed Student Activity</u> |
|---|---------------------|---------------------|-------------------------------|---------------------|---------------------|--|
| ASSETS | | | | | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 1,263 | \$ 7,014 | \$ 171,331 | \$ 873,496 | \$ - | \$ 89,404 |
| Materials and Supplies Inventory | 33,365 | - | - | - | - | - |
| Intergovernmental Receivable | - | - | - | - | - | - |
| Property Taxes Receivable | - | - | - | 927,027 | - | - |
| Total Assets | <u>\$ 34,628</u> | <u>\$ 7,014</u> | <u>\$ 171,331</u> | <u>\$ 1,800,523</u> | <u>\$ -</u> | <u>\$ 89,404</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accrued Wages and Benefits | \$ 35,960 | \$ - | \$ - | \$ 98,391 | \$ 35 | \$ - |
| Intergovernmental Payable | 12,257 | - | - | 12,532 | - | 125 |
| Interfund Payable | - | - | - | - | - | - |
| Total Liabilities | <u>48,217</u> | <u>-</u> | <u>-</u> | <u>110,923</u> | <u>35</u> | <u>125</u> |
| Deferred Inflows of Resources: | | | | | | |
| Property Taxes | - | - | - | 822,640 | - | - |
| Unavailable Revenues - Delinquent Property Taxes | - | - | - | 32,012 | - | - |
| Unavailable Revenues - Grants | - | - | - | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>854,652</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | | | |
| Nonspendable | 33,365 | - | - | - | - | - |
| Restricted | - | 7,014 | 171,331 | 834,948 | - | 89,279 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned (Deficit) | (46,954) | - | - | - | (35) | - |
| Total Fund Balances (Deficit) | <u>(13,589)</u> | <u>7,014</u> | <u>171,331</u> | <u>834,948</u> | <u>(35)</u> | <u>89,279</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 34,628</u> | <u>\$ 7,014</u> | <u>\$ 171,331</u> | <u>\$ 1,800,523</u> | <u>\$ -</u> | <u>\$ 89,404</u> |

Perry Local School District, Lake County

| Management Information Systems | Entry Year Teachers | Data Communication | School Net Professional Development | Summer School Intervention | Student Wellness and Success | Miscellaneous State Grants | IDEA, Part B Special Education of Handicapped Children |
|--------------------------------------|------------------------|-----------------------|---|-------------------------------|------------------------------------|-------------------------------|---|
| \$ 74 | \$ 5,500 | \$ 32,400 | \$ 4,371 | \$ 15,493 | \$ 123,223 | \$ 3,737 | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 229,680 |
| - | - | - | - | - | - | - | - |
| <u>\$ 74</u> | <u>\$ 5,500</u> | <u>\$ 32,400</u> | <u>\$ 4,371</u> | <u>\$ 15,493</u> | <u>\$ 123,223</u> | <u>\$ 3,737</u> | <u>\$ 229,680</u> |
| | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 44,982 |
| - | - | - | - | - | - | - | 5,707 |
| - | - | - | - | - | - | - | 305,183 |
| - | - | - | - | - | - | - | 355,872 |
| | | | | | | | |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 229,680 |
| - | - | - | - | - | - | - | 229,680 |
| | | | | | | | |
| - | - | - | - | - | - | - | - |
| 74 | 5,500 | 32,400 | 4,371 | 15,493 | 123,223 | 3,737 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | (355,872) |
| <u>74</u> | <u>5,500</u> | <u>32,400</u> | <u>4,371</u> | <u>15,493</u> | <u>123,223</u> | <u>3,737</u> | <u>(355,872)</u> |
| | | | | | | | |
| \$ 74 | \$ 5,500 | \$ 32,400 | \$ 4,371 | \$ 15,493 | \$ 123,223 | \$ 3,737 | \$ 229,680 |

(Continued)

Perry Local School District, Lake County

**Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2020**

| | Title III - Limited English Proficiency | Title I, Disadvantaged Children/ Targeted Assistance | Drug Free Schools Grant |
|---|--|---|--|
| ASSETS | | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 5,608 | \$ 47,218 | \$ 2,654 |
| Materials and Supplies Inventory | - | - | - |
| Intergovernmental Receivable | - | 216,293 | - |
| Property Taxes Receivable | - | - | - |
| Total Assets | \$ 5,608 | \$ 263,511 | \$ 2,654 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accrued Wages and Benefits | \$ - | \$ 21,123 | \$ - |
| Intergovernmental Payable | - | 2,668 | - |
| Interfund Payable | 13,793 | 238,995 | - |
| Total Liabilities | 13,793 | 262,786 | - |
| Deferred Inflows of Resources: | | | |
| Property Taxes | - | - | - |
| Unavailable Revenues - Delinquent Property Taxes | - | - | - |
| Unavailable Revenues - Grants | - | 216,293 | - |
| Total Deferred Inflows of Resources | - | 216,293 | - |
| Fund Balances: | | | |
| Nonspendable | - | - | - |
| Restricted | - | - | 2,654 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned (Deficit) | (8,185) | (215,568) | - |
| Total Fund Balances (Deficit) | (8,185) | (215,568) | 2,654 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 5,608 | \$ 263,511 | \$ 2,654 |

Perry Local School District, Lake County

| IDEA Preschool Grant for the Handicapped | Improving Teacher Quality | Total Nonmajor Special Revenue Funds |
|---|--|---|
| \$ 1,050 | \$ 16,669 | \$ 1,400,505 |
| - | - | 33,365 |
| 5,356 | 12,357 | 463,686 |
| - | - | 927,027 |
| <u>\$ 6,406</u> | <u>\$ 29,026</u> | <u>\$ 2,824,583</u> |
| | | |
| \$ - | \$ - | \$ 200,491 |
| - | - | 33,289 |
| 5,356 | 62,256 | 625,583 |
| <u>5,356</u> | <u>62,256</u> | <u>859,363</u> |
| | | |
| - | - | 822,640 |
| - | - | 32,012 |
| 5,356 | 12,357 | 463,686 |
| <u>5,356</u> | <u>12,357</u> | <u>1,318,338</u> |
| | | |
| - | - | 33,365 |
| - | - | 1,290,024 |
| - | - | - |
| - | - | - |
| (4,306) | (45,587) | (676,507) |
| <u>(4,306)</u> | <u>(45,587)</u> | <u>646,882</u> |
| | | |
| <u>\$ 6,406</u> | <u>\$ 29,026</u> | <u>\$ 2,824,583</u> |

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2020**

| | <u>Food Service</u> | <u>Other Grants</u> | <u>Special Enterprise</u> | <u>Special Levy</u> | <u>District Managed Student Activity</u> |
|--|---------------------|-------------------------|-------------------------------|---------------------|--|
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 820,918 | \$ - |
| Intergovernmental | 247,160 | - | - | - | - |
| Extracurricular Activities | - | - | - | - | 105,121 |
| Rentals | - | - | 10,867 | - | - |
| Charges for Services | - | - | 73,224 | - | - |
| Contributions and Donations | - | 9,475 | - | - | 26,257 |
| Food Services | 261,687 | - | - | - | - |
| All Other Revenues | - | - | 174 | - | 874 |
| Total Revenues | <u>508,847</u> | <u>9,475</u> | <u>84,265</u> | <u>820,918</u> | <u>132,252</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | - | 1,273 | - | 678,165 | - |
| Special | - | 531 | - | - | - |
| Supporting Services: | | | | | |
| Pupils | - | - | - | 136,883 | - |
| Instructional Staff | - | 450 | - | - | - |
| Administration | - | - | - | 75,688 | - |
| Pupil Transportation | - | - | - | - | - |
| Operation of Non-Instructional Services: | | | | | |
| Food Service Operations | 617,470 | 1,867 | - | - | - |
| Community Services | - | - | 89,041 | - | - |
| Extracurricular Activities | - | - | - | - | 203,595 |
| Total Expenditures | <u>617,470</u> | <u>4,121</u> | <u>89,041</u> | <u>890,736</u> | <u>203,595</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(108,623)</u> | <u>5,354</u> | <u>(4,776)</u> | <u>(69,818)</u> | <u>(71,343)</u> |
| OTHER FINANCING SOURCES | | | | | |
| Transfers In | 121,141 | - | - | - | 80,887 |
| Total Other Financing Sources | <u>121,141</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>80,887</u> |
| Net Change in Fund Balances | 12,518 | 5,354 | (4,776) | (69,818) | 9,544 |
| Fund Balances (Deficit) - Beginning of Year | (26,107) | 1,660 | 176,107 | 904,766 | 79,735 |
| Fund Balances (Deficit) - End of Year | <u>\$ (13,589)</u> | <u>\$ 7,014</u> | <u>\$ 171,331</u> | <u>\$ 834,948</u> | <u>\$ 89,279</u> |

Perry Local School District, Lake County

| <u>Management Information Systems</u> | <u>Entry Year Teachers</u> | <u>Data Communication</u> | <u>School Net Professional Development</u> | <u>Summer School Intervention</u> | <u>Student Wellness and Success</u> | <u>Miscellaneous State Grants</u> |
|---|--------------------------------|-------------------------------|--|---------------------------------------|---|---------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | 5,400 | - | - | 129,554 | 47,221 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 5,400 | - | - | 129,554 | 47,221 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 6,331 | - |
| - | - | - | - | - | - | 5,534 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 39,530 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 6,331 | 45,064 |
| - | - | 5,400 | - | - | 123,223 | 2,157 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 5,400 | - | - | 123,223 | 2,157 |
| 74 | 5,500 | 27,000 | 4,371 | 15,493 | - | 1,580 |
| <u>\$ 74</u> | <u>\$ 5,500</u> | <u>\$ 32,400</u> | <u>\$ 4,371</u> | <u>\$ 15,493</u> | <u>\$ 123,223</u> | <u>\$ 3,737</u> |

(Continued)

Perry Local School District, Lake County

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2020**

| | IDEA, Part B Special Education of Handicapped Children | Title III - Limited English Proficiency | Title I, Disadvantaged Children/ Targeted Assistance | Drug Free Schools Grant |
|--|---|--|---|--|
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 178,347 | - | 77,817 | - |
| Extracurricular Activities | - | - | - | - |
| Rentals | - | - | - | - |
| Charges for Services | - | - | - | - |
| Contributions and Donations | - | - | - | - |
| Food Services | - | - | - | - |
| All Other Revenues | - | - | - | - |
| Total Revenues | <u>178,347</u> | <u>-</u> | <u>77,817</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | 253,162 | - |
| Special | 329,677 | - | - | - |
| Supporting Services: | | | | |
| Pupils | - | - | - | - |
| Instructional Staff | - | - | - | - |
| Administration | - | - | - | - |
| Pupil Transportation | - | - | - | - |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | - | - | - | - |
| Community Services | - | - | - | - |
| Extracurricular Activities | - | - | - | - |
| Total Expenditures | <u>329,677</u> | <u>-</u> | <u>253,162</u> | <u>-</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(151,330)</u> | <u>-</u> | <u>(175,345)</u> | <u>-</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | - | - | - | - |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (151,330) | - | (175,345) | - |
| Fund Balances (Deficit) - Beginning of Year | (204,542) | (8,185) | (40,223) | 2,654 |
| Fund Balances (Deficit) - End of Year | <u>\$ (355,872)</u> | <u>\$ (8,185)</u> | <u>\$ (215,568)</u> | <u>\$ 2,654</u> |

Perry Local School District, Lake County

| IDEA Preschool Grant for the Handicapped | Improving Teacher Quality | Total Nonmajor Special Revenue Funds |
|---|--|---|
| \$ - | \$ - | \$ 820,918 |
| 639 | 6,599 | 692,737 |
| - | - | 105,121 |
| - | - | 10,867 |
| - | - | 73,224 |
| - | - | 35,732 |
| - | - | 261,687 |
| - | - | 1,048 |
| <u>639</u> | <u>6,599</u> | <u>2,001,334</u> |
| - | - | 932,635 |
| 5,356 | - | 335,564 |
| - | - | 143,214 |
| - | 15,860 | 21,844 |
| - | - | 75,688 |
| - | - | 39,530 |
| - | - | 619,337 |
| - | - | 89,041 |
| - | - | 203,595 |
| <u>5,356</u> | <u>15,860</u> | <u>2,460,448</u> |
| <u>(4,717)</u> | <u>(9,261)</u> | <u>(459,114)</u> |
| - | - | 202,028 |
| - | - | 202,028 |
| <u>(4,717)</u> | <u>(9,261)</u> | <u>(257,086)</u> |
| 411 | (36,326) | 903,968 |
| <u>\$ (4,306)</u> | <u>\$ (45,587)</u> | <u>\$ 646,882</u> |

Perry Local School District, Lake County

**Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020**

| | Balance 7/1/2019 | Additions | Reductions | Balance 6/30/2020 |
|--|---------------------|-----------|------------|----------------------|
| <u>Student Activities</u> | | | | |
| Assets | | | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 104,640 | \$ 58,875 | \$ 33,453 | \$ 130,062 |
| | \$ 104,640 | \$ 58,875 | \$ 33,453 | \$ 130,062 |
| Liabilities | | | | |
| Due to Students | \$ 104,640 | \$ 58,875 | \$ 33,453 | \$ 130,062 |
| | \$ 104,640 | \$ 58,875 | \$ 33,453 | \$ 130,062 |
| <u>Tournament Activities</u> | | | | |
| Assets | | | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 3,000 | \$ 16,634 | \$ 16,077 | \$ 3,557 |
| Total Assets | \$ 3,000 | \$ 16,634 | \$ 16,077 | \$ 3,557 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 3,000 | \$ 16,634 | \$ 16,077 | \$ 3,557 |
| Total Liabilities | \$ 3,000 | \$ 16,634 | \$ 16,077 | \$ 3,557 |
| <u>Total Agency Funds</u> | | | | |
| Assets | | | | |
| Equity in Pooled Cash, Cash Equivalents, and Investments | \$ 107,640 | \$ 75,509 | \$ 49,530 | \$ 133,619 |
| Total Assets | \$ 107,640 | \$ 75,509 | \$ 49,530 | \$ 133,619 |
| Liabilities | | | | |
| Deposits Held and Due to Others | \$ 3,000 | \$ 16,634 | \$ 16,077 | \$ 3,557 |
| Due to Students | 104,640 | 58,875 | 33,453 | 130,062 |
| Total Liabilities | \$ 107,640 | \$ 75,509 | \$ 49,530 | \$ 133,619 |

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)**

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

General Fund

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-----------------------------|-----------------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ 23,458,680 | \$ 23,533,819 | \$ 75,139 |
| Total Expenditures and Other Uses | <u>26,471,533</u> | <u>25,043,787</u> | <u>1,427,746</u> |
| Excess of Revenues Over Expenditures | <u>(3,012,853)</u> | <u>(1,509,968)</u> | <u>1,502,885</u> |
| Net Change in Fund Balance | (3,012,853) | (1,509,968) | 1,502,885 |
| Fund Balance - Beginning of Year | 24,209,875 | 24,209,875 | - |
| Prior Year Encumbrances Appropriated | 199,533 | 199,533 | - |
| Fund Balance - End of Year | <u><u>\$ 21,396,555</u></u> | <u><u>\$ 22,899,440</u></u> | <u><u>\$ 1,502,885</u></u> |

Miscellaneous Federal Grants Fund

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-----------------------------|-------------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ 1,121,160 | \$ 1,142,291 | \$ 21,131 |
| Total Expenditures and Other Uses | <u>1,121,726</u> | <u>1,114,987</u> | <u>6,739</u> |
| Net Change in Fund Balance | (566) | 27,304 | 27,870 |
| Fund Balance (Deficit) - Beginning of Year | (27,570) | (27,570) | - |
| Prior Year Encumbrances Appropriated | 21,727 | 21,727 | - |
| Fund Balance (Deficit) - End of Year | <u><u>\$ (6,409)</u></u> | <u><u>\$ 21,461</u></u> | <u><u>\$ 27,870</u></u> |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Permanent Improvement Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|---|
| | Final | Actual | |
| Total Revenues and Other Sources | \$ 398,286 | \$ 393,510 | \$ (4,776) |
| Total Expenditures and Other Uses | 1,523,046 | 210,119 | 1,312,927 |
| Net Change in Fund Balance | (1,124,760) | 183,391 | 1,308,151 |
| Fund Balance - Beginning of Year | 11,559,395 | 11,559,395 | - |
| Prior Year Encumbrances Appropriated | 23,046 | 23,046 | - |
| Fund Balance - End of Year | \$ 10,457,681 | \$ 11,765,832 | \$ 1,308,151 |

Food Service Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| | Final | Actual | |
| Total Revenues and Other Sources | \$ 591,556 | \$ 585,391 | \$ (6,165) |
| Total Expenditures and Other Uses | 608,000 | 604,912 | 3,088 |
| Net Change in Fund Balance | (16,444) | (19,521) | (3,077) |
| Fund Balance - Beginning of Year | 19,384 | 19,384 | - |
| Fund Balance - End of Year | \$ 2,940 | \$ (137) | \$ (3,077) |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Uniform School Supplies Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|------------------------|-------------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ 9,628 | \$ 9,713 | \$ 85 |
| Total Expenditures and Other Uses | <u>70,400</u> | <u>216</u> | <u>70,184</u> |
| Net Change in Fund Balance | (60,772) | 9,497 | 70,269 |
| Fund Balance - Beginning of Year | <u>59,919</u> | <u>59,919</u> | - |
| Fund Balance - End of Year | <u><u>\$ (853)</u></u> | <u><u>\$ 69,416</u></u> | <u><u>\$ 70,269</u></u> |

Special Rotary Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ 60,630 | \$ 60,467 | \$ (163) |
| Total Expenditures and Other Uses | <u>55,115</u> | <u>53,613</u> | <u>1,502</u> |
| Net Change in Fund Balance | 5,515 | 6,854 | 1,339 |
| Fund Balance - Beginning of Year | 4,637 | 4,637 | - |
| Prior Year Encumbrances Appropriated | 115 | 115 | - |
| Fund Balance - End of Year | <u><u>\$ 10,267</u></u> | <u><u>\$ 11,606</u></u> | <u><u>\$ 1,339</u></u> |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Public School Support Fund

| | Budgeted Amounts <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|-------------------------|---|
| Total Revenues and Other Sources | \$ - | \$ 38,961 | \$ 38,961 |
| Total Expenditures and Other Uses | <u>73,050</u> | <u>26,893</u> | <u>46,157</u> |
| Net Change in Fund Balance | (73,050) | 12,068 | 85,118 |
| Fund Balance - Beginning of Year | 64,584 | 64,584 | - |
| Prior Year Encumbrances Appropriated | 50 | 50 | - |
| Fund Balance - End of Year | <u><u>\$ (8,416)</u></u> | <u><u>\$ 76,702</u></u> | <u><u>\$ 85,118</u></u> |

Other Grants Fund

| | Budgeted Amounts <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------------------|------------------------|---|
| Total Revenues and Other Sources | \$ 10,253 | \$ 9,475 | \$ (778) |
| Total Expenditures and Other Uses | <u>36,284</u> | <u>5,454</u> | <u>30,830</u> |
| Net Change in Fund Balance | (26,031) | 4,021 | 30,052 |
| Fund Balance - Beginning of Year | 1,114 | 1,114 | - |
| Prior Year Encumbrances Appropriated | 784 | 784 | - |
| Fund Balance (Deficit) - End of Year | <u><u>\$ (24,133)</u></u> | <u><u>\$ 5,919</u></u> | <u><u>\$ 30,052</u></u> |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Special Enterprise Fund

| | Budgeted Amounts <u>Final</u> | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|--------------------------|---|
| Total Revenues and Other Sources | \$ 92,428 | \$ 69,765 | \$ (22,663) |
| Total Expenditures and Other Uses | <u>170,257</u> | <u>138,967</u> | <u>31,290</u> |
| Net Change in Fund Balance | (77,829) | (69,202) | 8,627 |
| Fund Balance - Beginning of Year | 170,350 | 170,350 | - |
| Prior Year Encumbrances Appropriated | 20,257 | 20,257 | - |
| Fund Balance - End of Year | <u><u>\$ 112,778</u></u> | <u><u>\$ 121,405</u></u> | <u><u>\$ 8,627</u></u> |

Special Levy Fund

| | Budgeted Amounts <u>Final</u> | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|--------------------------|---|
| Total Revenues and Other Sources | \$ 833,083 | \$ 802,784 | \$ (30,299) |
| Total Expenditures and Other Uses | <u>975,000</u> | <u>892,402</u> | <u>82,598</u> |
| Net Change in Fund Balance | (141,917) | (89,618) | 52,299 |
| Fund Balance - Beginning of Year | 962,654 | 962,654 | - |
| Fund Balance - End of Year | <u><u>\$ 820,737</u></u> | <u><u>\$ 873,036</u></u> | <u><u>\$ 52,299</u></u> |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Termination Benefits Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| | Final | Actual | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ - |
| Total Expenditures and Other Uses | - | - | - |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - Beginning of Year | 436,557 | 436,557 | - |
| Fund Balance - End of Year | \$ 436,557 | \$ 436,557 | \$ - |

District Managed Student Activity Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| | Final | Actual | |
| Total Revenues and Other Sources | \$ 220,172 | \$ 213,139 | \$ (7,033) |
| Total Expenditures and Other Uses | 305,885 | 222,818 | 83,067 |
| Net Change in Fund Balance | (85,713) | (9,679) | 76,034 |
| Fund Balance - Beginning of Year | 90,014 | 90,014 | - |
| Prior Year Encumbrances Appropriated | 5,885 | 5,885 | - |
| Fund Balance - End of Year | \$ 10,186 | \$ 86,220 | \$ 76,034 |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Management Information Systems Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ - |
| Total Expenditures and Other Uses | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - Beginning of Year | 74 | 74 | - |
| Fund Balance - End of Year | <u><u>\$ 74</u></u> | <u><u>\$ 74</u></u> | <u><u>\$ -</u></u> |

Entry Year Teachers Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|------------------------|------------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ - |
| Total Expenditures and Other Uses | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Net Change in Fund Balance | (1,000) | - | 1,000 |
| Fund Balance - Beginning of Year | 5,500 | 5,500 | - |
| Fund Balance - End of Year | <u><u>\$ 4,500</u></u> | <u><u>\$ 5,500</u></u> | <u><u>\$ 1,000</u></u> |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Data Communication Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|------------------|---|
| | Final | Actual | |
| Total Revenues and Other Sources | \$ 5,400 | \$ 5,400 | \$ - |
| Total Expenditures and Other Uses | 9,000 | - | 9,000 |
| Net Change in Fund Balance | (3,600) | 5,400 | 9,000 |
| Fund Balance - Beginning of Year | 27,000 | 27,000 | - |
| Fund Balance - End of Year | \$ 23,400 | \$ 32,400 | \$ 9,000 |

School Net Professional Development Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| | Final | Actual | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ - |
| Total Expenditures and Other Uses | - | - | - |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - Beginning of Year | 4,371 | 4,371 | - |
| Fund Balance - End of Year | \$ 4,371 | \$ 4,371 | \$ - |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Summer School Intervention Fund

| | Budgeted Amounts <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|-------------------------|---|
| Total Revenues and Other Sources | \$ - | \$ - | \$ - |
| Total Expenditures and Other Uses | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - Beginning of Year | 15,493 | 15,493 | - |
| Fund Balance - End of Year | <u><u>\$ 15,493</u></u> | <u><u>\$ 15,493</u></u> | <u><u>\$ -</u></u> |

Student Wellness and Success Fund

| | Budgeted Amounts <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|--------------------------|---|
| Total Revenues and Other Sources | \$ 129,554 | \$ 129,554 | \$ - |
| Total Expenditures and Other Uses | <u>129,554</u> | <u>6,331</u> | <u>123,223</u> |
| Net Change in Fund Balance | - | 123,223 | 123,223 |
| Fund Balance - Beginning of Year | - | - | - |
| Fund Balance - End of Year | <u><u>\$ -</u></u> | <u><u>\$ 123,223</u></u> | <u><u>\$ 123,223</u></u> |

See accompanying notes to the basic financial statements.

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Miscellaneous State Grants Fund

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-----------------------------|------------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ 57,103 | \$ 47,221 | \$ (9,882) |
| Total Expenditures and Other Uses | <u>58,000</u> | <u>45,064</u> | <u>12,936</u> |
| Net Change in Fund Balance | (897) | 2,157 | 3,054 |
| Fund Balance - Beginning of Year | <u>1,580</u> | <u>1,580</u> | <u>-</u> |
| Fund Balance - End of Year | <u><u>\$ 683</u></u> | <u><u>\$ 3,737</u></u> | <u><u>\$ 3,054</u></u> |

IDEA, Part B Special Education of Handicapped Children Fund

| | <u>Budgeted Amounts</u> | | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-----------------------------|---------------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ 387,872 | \$ 372,245 | \$ (15,627) |
| Total Expenditures and Other Uses | <u>354,900</u> | <u>353,968</u> | <u>932</u> |
| Net Change in Fund Balance | 32,972 | 18,277 | (14,695) |
| Fund Balance - Beginning of Year | <u>(33,076)</u> | <u>(33,076)</u> | <u>-</u> |
| Fund Balance (Deficit) - End of Year | <u><u>\$ (104)</u></u> | <u><u>\$ (14,799)</u></u> | <u><u>\$ (14,695)</u></u> |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Title III – Limited English Proficiency Fund

| | Budgeted Amounts <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------------------|-----------------|---|
| Total Revenues and Other Sources | \$ 1,039 | \$ - | \$ (1,039) |
| Total Expenditures and Other Uses | - | - | - |
| Net Change in Fund Balance | 1,039 | - | (1,039) |
| Fund Balance - Beginning of Year | 5,608 | 5,608 | - |
| Fund Balance - End of Year | <u>\$ 6,647</u> | <u>\$ 5,608</u> | <u>\$ (1,039)</u> |

Title I – Disadvantaged Children/Targeted Assistance Fund

| | Budgeted Amounts <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------------------|-------------------|---|
| Total Revenues and Other Sources | \$ 315,242 | \$ 314,702 | \$ (540) |
| Total Expenditures and Other Uses | 316,000 | 315,744 | 256 |
| Net Change in Fund Balance | (758) | (1,042) | (284) |
| Fund Balance - Beginning of Year | (1,466) | (1,466) | - |
| Fund Balance (Deficit) - End of Year | <u>\$ (2,224)</u> | <u>\$ (2,508)</u> | <u>\$ (284)</u> |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Drug Free Schools Grant Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| | Final | Actual | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ - |
| Total Expenditures and Other Uses | - | - | - |
| Net Change in Fund Balance | - | - | - |
| Fund Balance - Beginning of Year | 2,654 | 2,654 | - |
| Fund Balance - End of Year | <u>\$ 2,654</u> | <u>\$ 2,654</u> | <u>\$ -</u> |

IDEA Preschool Grant for the Handicapped Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|---|
| | Final | Actual | |
| Total Revenues and Other Sources | \$ 4,945 | \$ 5,995 | \$ 1,050 |
| Total Expenditures and Other Uses | 5,356 | 5,356 | - |
| Net Change in Fund Balance | (411) | 639 | 1,050 |
| Fund Balance - Beginning of Year | 411 | 411 | - |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ 1,050</u> | <u>\$ 1,050</u> |

Perry Local School District, Lake County

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2020**

Improving Teacher Quality Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|------------------------|-------------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ - | \$ 6,599 | \$ 6,599 |
| Total Expenditures and Other Uses | <u>22,500</u> | <u>22,329</u> | <u>171</u> |
| Net Change in Fund Balance | (22,500) | (15,730) | 6,770 |
| Fund Balance - Beginning of Year | 25,930 | 25,930 | - |
| Fund Balance - End of Year | <u><u>\$ 3,430</u></u> | <u><u>\$ 10,200</u></u> | <u><u>\$ 6,770</u></u> |

School Net Fund

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|----------------------|---|
| | <u>Final</u> | <u>Actual</u> | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ - |
| Total Expenditures and Other Uses | <u>139</u> | <u>-</u> | <u>139</u> |
| Net Change in Fund Balance | (139) | - | 139 |
| Fund Balance - Beginning of Year | 139 | 139 | - |
| Fund Balance - End of Year | <u><u>\$ -</u></u> | <u><u>\$ 139</u></u> | <u><u>\$ 139</u></u> |

STATISTICAL SECTION

Statistical Section

This part of the School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

| <u>Contents</u> | <u>Page(s)</u> |
|---|-----------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position and well-being have changed over time. | S2-S11 |
| Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax. | S12-S17 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future. | S18-S21 |
| Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. | S22-S23 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. | S24-S32 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

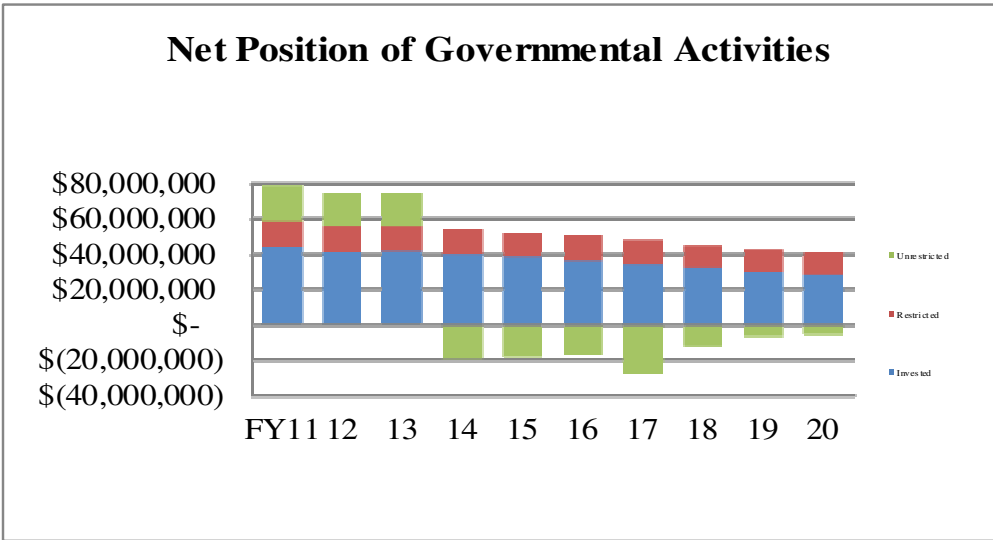
**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

| | 2011 | 2012 | 2013 | 2014 * | 2015 | 2016 | 2017 * | 2018 | 2019 | 2020 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 44,047,353 | \$ 41,064,747 | \$ 41,578,953 | \$ 39,907,134 | \$ 37,773,599 | \$ 35,633,136 | \$ 33,969,506 | \$ 32,109,575 | \$ 30,025,369 | \$ 28,313,961 |
| Restricted for: | | | | | | | | | | |
| Capital Projects | 13,196,462 | 13,619,725 | 12,927,120 | 12,400,277 | 12,753,581 | 13,295,145 | 12,501,993 | 11,589,768 | 11,630,789 | 11,831,581 |
| School Bus Purchase | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 |
| Special Revenue | - | - | - | - | - | - | - | - | - | - |
| State Funded Programs | 46,408 | 50,735 | 55,691 | 29,104 | 32,295 | 39,388 | 43,169 | 48,569 | 54,018 | 184,798 |
| Federally Funded Programs | 52,205 | 10,185 | 10,150 | 296,253 | 3,704 | 3,704 | 3,704 | 3,704 | 3,065 | 3,704 |
| Student Activities | 136,450 | 83,903 | 89,417 | 39,684 | 75,749 | 57,224 | 65,753 | 62,675 | 79,735 | 89,279 |
| Community Fitness Center | 834,525 | 806,146 | 789,061 | 692,148 | 502,286 | 397,328 | 309,983 | 207,285 | 176,107 | 171,331 |
| Special Levy | - | - | - | - | - | - | 842,239 | 897,207 | 827,933 | 743,049 |
| Other Purposes | 65,841 | 269,068 | 346,253 | 787,781 | 850,468 | 878,080 | 29,673 | 15,638 | 1,660 | 7,014 |
| Unrestricted | 19,745,660 | 18,241,569 | 18,808,051 | (19,559,432) | (18,773,599) | (17,519,313) | (27,963,505) | (12,057,963) | (6,848,088) | (5,891,229) |
| Total Governmental Activities | | | | | | | | | | |
| Net Position | <u>\$78,183,069</u> | <u>\$74,204,243</u> | <u>\$74,662,861</u> | <u>\$34,651,114</u> | <u>\$33,276,248</u> | <u>\$32,842,857</u> | <u>\$19,860,680</u> | <u>\$32,934,623</u> | <u>\$36,008,753</u> | <u>\$35,511,653</u> |

* Restated

Note: In years 2010 and prior, the Restricted for State and Federally Funded Programs, Student Activities, Community Fitness Center, and Other Purposes were included with the Restricted for Special Revenue.

In 2017, restricted for Special Levy was separated from Restricted for Other Purposes.



**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 14,105,672 | \$ 14,775,452 | \$ 11,877,613 | \$ 13,947,973 | \$ 14,197,691 | \$ 13,083,802 | \$ 14,729,352 | \$ 5,344,664 | \$ 11,396,295 | \$ 14,010,283 |
| Special | 633,158 | 419,003 | 595,271 | 536,521 | 1,487,298 | 1,439,984 | 1,368,341 | 1,058,240 | 1,422,946 | 1,516,775 |
| Vocational | 62,497 | 214,312 | 128,344 | 87,530 | 53,133 | 43,057 | 47,103 | 6,612 | 52,186 | 93,482 |
| Other | 1,704,570 | 1,952,751 | 2,074,908 | 2,013,657 | 827,887 | 1,276,244 | 1,243,548 | 136,276 | 563,209 | 966,448 |
| Support Services: | | | | | | | | | | |
| Pupils | 1,474,901 | 1,594,309 | 1,410,931 | 1,686,111 | 1,461,778 | 1,463,185 | 1,551,632 | 852,472 | 1,180,856 | 1,341,342 |
| Instructional Staff | 1,381,177 | 1,667,882 | 1,631,007 | 1,892,241 | 1,406,165 | 1,808,071 | 1,636,208 | 870,220 | 1,398,942 | 1,403,795 |
| Board of Education | 97,586 | 89,755 | 94,901 | 67,157 | 60,523 | 70,615 | 73,742 | 59,008 | 71,763 | 57,384 |
| Administration | 1,393,757 | 1,538,501 | 1,478,138 | 1,535,049 | 1,583,257 | 1,598,862 | 1,946,881 | 721,247 | 1,270,865 | 1,678,056 |
| Fiscal Services | 674,297 | 726,958 | 657,451 | 548,229 | 700,342 | 672,998 | 688,234 | 641,588 | 568,883 | 752,982 |
| Business | 207,607 | 252,428 | 123,969 | 207,453 | 139,060 | 150,913 | 37,746 | 218,823 | 62,085 | 46,961 |
| Operation and Maintenance of Plant Services | 4,185,579 | 4,181,347 | 3,479,365 | 4,043,650 | 4,020,021 | 3,594,086 | 3,582,118 | 3,235,749 | 3,504,054 | 3,335,678 |
| Pupil Transportation | 1,288,372 | 1,404,686 | 1,600,483 | 1,371,244 | 1,374,845 | 1,022,833 | 1,417,870 | 1,044,544 | 1,002,260 | 1,279,875 |
| Central | 20,091 | 22,819 | 23,572 | 23,084 | 23,573 | 26,164 | 25,830 | 45,982 | 69,703 | 25,352 |
| Operation of Non-Instructional Services: | | | | | | | | | | |
| Food Service Operations | 883,893 | 1,016,111 | 958,831 | 983,201 | 929,638 | 832,593 | 929,139 | 716,209 | 746,458 | 596,980 |
| Other | 258,245 | 183,805 | 248,637 | 305,846 | 427,064 | 322,928 | 219,068 | 332,982 | 279,000 | 90,753 |
| Extracurricular Activities | 1,429,181 | 1,445,840 | 1,317,249 | 1,287,192 | 1,242,401 | 1,239,471 | 1,124,656 | 801,904 | 1,260,992 | 1,102,737 |
| Interest and Fiscal Charges | 51,004 | 41,893 | 35,878 | 26,966 | 30,175 | 19,481 | 20,928 | 39,645 | 39,600 | 39,600 |
| <i>Total Governmental Activities Expenses</i> | <u>29,851,587</u> | <u>31,527,852</u> | <u>27,736,548</u> | <u>30,563,104</u> | <u>29,964,851</u> | <u>28,665,287</u> | <u>30,642,396</u> | <u>16,126,165</u> | <u>24,890,097</u> | <u>28,338,483</u> |
| | | | | | | | | | | (continued) |

Perry Local School District, Lake County

**Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Regular Instruction | \$ 53,114 | \$ 38,112 | \$ 29,091 | \$ 43,574 | \$ 39,964 | \$ 15,488 | \$ 34,175 | \$ 61,780 | \$ 24,795 | \$ 43,302 |
| Special Instruction | 28,523 | 20,311 | 10,039 | 1,888 | 17,477 | 7,674 | 3,676 | 76,089 | 7,133 | 15,505 |
| Pupil Transportation | 18,016 | 17,031 | 18,095 | 4,399 | 5,337 | 3,152 | 2,087 | - | - | - |
| Operation of Food Service | 634,529 | 643,619 | 552,560 | 537,697 | 536,169 | 460,539 | 429,718 | 408,530 | 389,913 | 261,687 |
| Other | 104,020 | 123,493 | 196,059 | 162,589 | 246,860 | 339,857 | 168,931 | 351,888 | 349,731 | 256,412 |
| Extracurricular Activities | 256,521 | 305,187 | 264,512 | 259,710 | 246,991 | 294,775 | 244,232 | 249,764 | 269,479 | 189,782 |
| Operating Grants and Contributions: | | | | | | | | | | |
| Regular Instruction | 197,693 | 106,913 | 242,616 | 535,490 | 934,963 | 345,717 | 620,460 | 79,658 | 624,720 | 512,129 |
| Special Instruction | 215,780 | 59,688 | 18,737 | 10,283 | 20,704 | 293,349 | 53,929 | 287,925 | 287,221 | 345,017 |
| Vocational Instruction | 58,822 | - | - | - | - | - | - | - | 596 | 3,789 |
| Other Instruction | 215,508 | 180,089 | 342,763 | 302,646 | 110,398 | 89,719 | 413,007 | 190,943 | - | - |
| Pupil Support | - | - | - | 5,069 | - | - | 10,362 | - | - | 143,853 |
| Staff Support | 194,136 | 218,939 | 189,382 | 214,953 | 234,978 | 277,899 | 92,746 | 185,788 | 282,294 | 266,135 |
| Administration | - | - | - | 66,032 | 31,169 | 89,753 | - | 8,108 | 38,122 | 133,574 |
| Pupil Transportation | - | 7,648 | 19,395 | 14,681 | 17,659 | 21,542 | 18,564 | - | 21,718 | 67,172 |
| Operation of Food Service | 224,343 | 207,941 | 344,048 | 331,506 | 310,631 | 325,804 | 319,957 | 37,690 | 265,246 | 207,636 |
| Other Operations | - | 32 | 6,189 | 15 | 150 | 370 | - | - | - | - |
| Extracurricular Activities | - | 17,897 | 53,341 | 15,241 | 8,013 | 17,348 | - | 289,071 | 18,182 | - |
| Capital Grants and Contributions: | | | | | | | | | | |
| Extracurricular Activities | - | - | - | - | - | - | - | - | 3,875 | 15,500 |
| Total Governmental Activities- Program Revenues | 2,201,005 | 1,946,900 | 2,286,827 | 2,505,773 | 2,761,463 | 2,582,986 | 2,411,844 | 2,227,234 | 2,583,025 | 2,461,493 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (27,650,582) | (29,580,952) | (25,449,721) | (28,057,331) | (27,203,388) | (26,082,301) | (28,230,552) | (13,898,931) | (22,307,072) | (25,876,990) |

(continued)

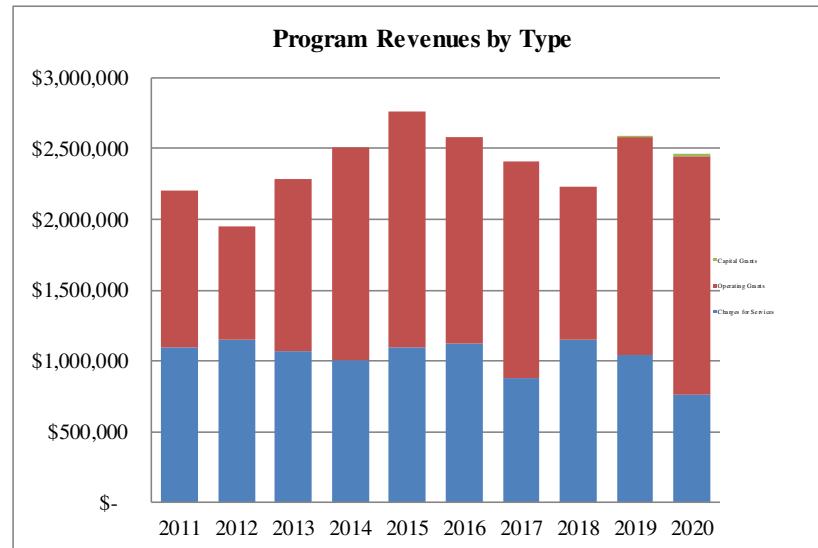
Perry Local School District, Lake County

**Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------------------|---------------------|-----------------------|-------------------|-----------------------|-----------------------|---------------------|-----------------------|----------------------|---------------------|---------------------|
| General Revenues and Other | | | | | | | | | | |
| Changes in Net Position | | | | | | | | | | |
| <u>Governmental Activities:</u> | | | | | | | | | | |
| Property Taxes Levied for: | | | | | | | | | | |
| General Purposes | \$ 13,699,919 | \$ 12,880,846 | \$ 13,872,789 | \$ 12,643,540 | \$ 13,464,035 | \$ 13,095,018 | \$ 12,649,589 | \$ 12,985,927 | \$ 10,061,517 | \$ 9,907,933 |
| Other Purposes | 1,192,483 | 1,086,264 | 1,029,871 | 1,066,075 | 974,322 | 923,773 | 894,663 | 1,010,303 | 781,803 | 821,743 |
| Grants and Entitlements not | | | | | | | | | | |
| Restricted to Specific Programs | 11,987,356 | 11,138,411 | 10,674,069 | 10,894,340 | 10,776,111 | 10,878,115 | 10,417,241 | 12,368,691 | 13,200,527 | 13,267,487 |
| Investment Income | 137,071 | 157,977 | (87,578) | 258,124 | 248,895 | 438,236 | 30,817 | 299,248 | 993,412 | 1,060,449 |
| All Other Revenues | 499,167 | 338,628 | 419,188 | 390,658 | 365,159 | 313,768 | 477,358 | 308,705 | 343,943 | 322,278 |
| <i>Total Governmental Activities</i> | <u>27,515,996</u> | <u>25,602,126</u> | <u>25,908,339</u> | <u>25,252,737</u> | <u>25,828,522</u> | <u>25,648,910</u> | <u>24,469,668</u> | <u>26,972,874</u> | <u>25,381,202</u> | <u>25,379,890</u> |
| | | | | | | | | | | |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | <u>\$ (134,586)</u> | <u>\$ (3,978,826)</u> | <u>\$ 458,618</u> | <u>\$ (2,804,594)</u> | <u>\$ (1,374,866)</u> | <u>\$ (433,391)</u> | <u>\$ (3,760,884)</u> | <u>\$ 13,073,943</u> | <u>\$ 3,074,130</u> | <u>\$ (497,100)</u> |

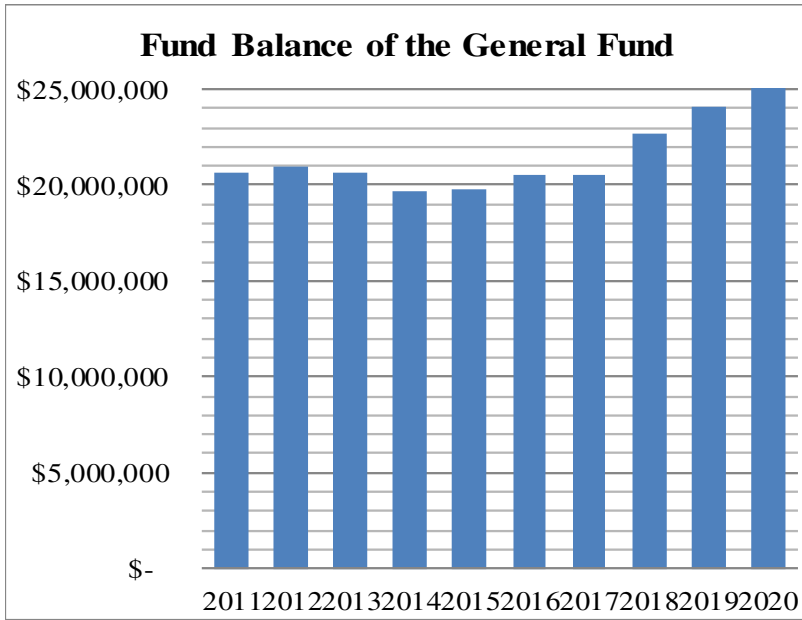
Program Revenues of Governmental Activities by Function
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Governmental Activities | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 250,807 | \$ 145,025 | \$ 271,707 | \$ 579,064 | \$ 974,927 | \$ 361,205 | \$ 654,635 | \$ 141,438 | \$ 649,515 | \$ 555,431 |
| Special | 244,303 | 79,999 | 28,776 | 12,171 | 38,181 | 301,023 | 57,605 | 364,014 | 294,354 | 360,522 |
| Vocational | 58,822 | - | - | - | - | - | - | - | 596 | 3,789 |
| Other | 215,508 | 180,089 | 342,763 | 302,646 | 110,398 | 89,719 | 413,007 | 190,943 | - | - |
| Support Services: | | | | | | | | | | |
| Pupils | - | - | - | 5,069 | - | - | 10,362 | - | - | 143,853 |
| Instructional Staff | 194,136 | 218,939 | 189,382 | 214,953 | 234,978 | 277,899 | 92,746 | 185,788 | 282,294 | 266,135 |
| Administration | - | - | - | 66,032 | 31,169 | 89,753 | - | 8,108 | 38,122 | 133,574 |
| Pupil Transportation | 18,016 | 24,679 | 37,490 | 19,080 | 22,996 | 24,694 | 20,651 | - | 21,718 | 67,172 |
| Operation of Non-Instructional Services: | | | | | | | | | | |
| Operation of Food Service | 858,872 | 851,560 | 896,608 | 869,203 | 846,800 | 786,343 | 749,675 | 446,220 | 655,159 | 469,323 |
| Other | 104,020 | 123,525 | 202,248 | 162,604 | 247,010 | 340,227 | 168,931 | 351,888 | 349,731 | 256,412 |
| Extracurricular Activities | 256,521 | 323,084 | 317,853 | 274,951 | 255,004 | 312,123 | 244,232 | 538,835 | 291,536 | 205,282 |
| Total Program Revenues | \$2,201,005 | \$1,946,900 | \$2,286,827 | \$2,505,773 | \$2,761,463 | \$2,582,986 | \$2,411,844 | \$2,227,234 | \$2,583,025 | \$2,461,493 |



**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Nondisposable | \$ 186,430 | \$ 298,119 | \$ 212,007 | \$ 236,028 | \$ 209,169 | \$ 212,583 | \$ 213,795 | \$ 206,027 | \$ 205,919 | \$ 136,670 |
| Restricted | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 | 58,165 |
| Committed | 502,909 | 671,508 | 442,840 | 633,269 | 633,269 | 577,826 | 500,747 | 436,556 | 436,556 | 436,556 |
| Assigned | 368,715 | 918,126 | 2,127,200 | 3,594,699 | 3,568,617 | 2,570,338 | 2,132,964 | 392,512 | 1,951,427 | 2,674,684 |
| Unassigned | 19,569,680 | 18,983,543 | 17,813,011 | 15,093,286 | 15,302,371 | 17,120,341 | 17,650,032 | 21,579,588 | 21,468,366 | 22,538,807 |
| Total General Fund | 20,685,899 | 20,929,461 | 20,653,223 | 19,615,447 | 19,771,591 | 20,539,253 | 20,555,703 | 22,672,848 | 24,120,433 | 25,844,882 |
| All Other Governmental Funds | | | | | | | | | | |
| Nondisposable | 11,121 | 13,714 | 11,580 | 19,004 | 15,990 | 16,475 | 14,874 | 15,232 | 16,327 | 33,365 |
| Restricted | 1,032,585 | 1,430,615 | 1,477,646 | 1,803,312 | 1,522,897 | 1,455,079 | 1,400,521 | 1,334,374 | 1,219,490 | 1,290,163 |
| Assigned | 12,868,347 | 13,285,938 | 12,882,125 | 12,404,391 | 12,755,609 | 13,295,006 | 12,501,854 | 11,589,629 | 11,630,650 | 11,831,442 |
| Unassigned (Deficit) | (135,305) | (651,236) | (616,875) | (95,377) | (512,018) | (720,905) | (402,678) | (432,180) | (750,139) | (1,390,337) |
| Total All Other Governmental Funds | 13,776,748 | 14,079,031 | 13,754,476 | 14,131,330 | 13,782,478 | 14,045,655 | 13,514,571 | 12,507,055 | 12,116,328 | 11,764,633 |
| Total Governmental Funds | \$ 34,462,647 | \$ 35,008,492 | \$ 34,407,699 | \$ 33,746,777 | \$ 33,554,069 | \$ 34,584,908 | \$ 34,070,274 | \$ 35,179,903 | \$ 36,236,761 | \$ 37,609,515 |



**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

| | 2011 | 2012 | 2013 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | |
| Taxes | \$14,544,470 | \$ 14,988,857 | \$ 14,106,129 | \$ 13,728,284 |
| Intergovernmental | 13,113,039 | 11,478,954 | 11,825,644 | 12,732,463 |
| Interest Income | 137,071 | 157,977 | (87,578) | 258,124 |
| Tuition | 77,661 | 58,423 | 39,130 | 45,462 |
| Transportation Fees | 18,016 | 17,031 | 18,095 | 4,399 |
| Extracurricular Activities | 157,032 | 279,033 | 243,582 | 241,837 |
| Charges for Services | 104,020 | 123,493 | 196,059 | 162,589 |
| Contributions and Donations | 102,671 | 31,548 | - | 35,414 |
| Food Services | 563,887 | 567,894 | 552,560 | 537,697 |
| Classroom Materials and Fees | 24,552 | 26,154 | 20,930 | 17,873 |
| All Other Revenues | 475,409 | 338,628 | 479,584 | 390,658 |
| <i>Total Revenues</i> | <u>29,317,828</u> | <u>28,067,992</u> | <u>27,394,135</u> | <u>28,154,800</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 11,053,559 | 10,447,967 | 10,608,777 | 11,156,749 |
| Special | 633,158 | 419,055 | 595,271 | 536,525 |
| Vocational | 78,852 | 202,928 | 127,333 | 95,436 |
| Other | 1,744,566 | 1,878,772 | 2,072,844 | 2,050,059 |
| Support Services: | | | | |
| Pupil | 1,481,414 | 1,539,970 | 1,386,027 | 1,670,946 |
| Instructional Staff | 1,402,096 | 1,596,610 | 1,693,864 | 1,897,767 |
| Board of Education | 97,586 | 89,755 | 94,901 | 67,157 |
| Administration | 1,427,843 | 1,403,451 | 1,483,696 | 1,520,933 |
| Fiscal Services | 673,004 | 719,264 | 641,070 | 545,394 |
| Business | 219,907 | 249,617 | 288,209 | 204,530 |
| Operation and Maintenance | | | | |
| of Plant Services | 3,822,994 | 3,370,601 | 3,411,654 | 3,592,897 |
| Pupil Transportation | 1,189,229 | 1,306,283 | 1,260,730 | 1,276,841 |
| Central | 20,091 | 22,819 | 23,572 | 23,084 |
| Operation of Non-Instructional Services: | | | | |
| Food Services Operations | 880,902 | 952,921 | 906,325 | 972,789 |
| Community Services | 177,849 | 180,454 | 248,016 | 299,522 |
| Other | 80,396 | 9,526 | - | 2,356 |
| Extracurricular Activities | 1,294,988 | 1,356,845 | 1,282,988 | 1,241,630 |
| Capital Outlay | 1,087,919 | 1,513,026 | 1,866,412 | 1,338,808 |

Perry Local School District, Lake County

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 14,539,605 | \$ 14,056,873 | \$ 14,350,461 | \$ 13,982,182 | \$ 10,822,801 | \$ 10,741,405 |
| 12,315,723 | 12,327,368 | 11,787,673 | 13,158,589 | 14,598,621 | 14,316,752 |
| 248,895 | 438,236 | 30,817 | 299,248 | 993,412 | 1,060,449 |
| 57,441 | 23,162 | 37,851 | 131,434 | 26,200 | 49,576 |
| 5,337 | 3,152 | 2,087 | - | - | - |
| 217,979 | 273,856 | 244,232 | 235,577 | 253,361 | 171,058 |
| 246,860 | 134,209 | 168,931 | 125,274 | 133,350 | 73,224 |
| 27,458 | 75,975 | 59,705 | 120,244 | 55,916 | 37,928 |
| 536,169 | 460,539 | 677,993 | 408,530 | 389,913 | 261,687 |
| 29,012 | 17,814 | 1,731 | 20,622 | 21,846 | 27,955 |
| 365,159 | 478,801 | 501,270 | 508,924 | 551,959 | 487,412 |
| <u>28,589,638</u> | <u>28,289,985</u> | <u>27,862,751</u> | <u>28,990,624</u> | <u>27,847,379</u> | <u>27,227,446</u> |
| 12,225,659 | 11,062,076 | 11,948,595 | 12,052,138 | 12,167,884 | 11,836,631 |
| 1,356,760 | 1,492,293 | 1,310,174 | 1,465,539 | 1,511,195 | 1,488,263 |
| 48,927 | 42,910 | 47,266 | 55,176 | 60,907 | 90,440 |
| 1,005,826 | 1,295,806 | 1,195,029 | 976,481 | 828,164 | 897,403 |
| 1,627,882 | 1,484,348 | 1,493,323 | 1,495,274 | 1,400,443 | 1,319,559 |
| 1,562,560 | 1,813,572 | 1,597,527 | 1,420,984 | 1,567,736 | 1,419,956 |
| 60,774 | 70,935 | 72,428 | 59,008 | 72,657 | 56,910 |
| 1,605,379 | 1,685,862 | 1,902,327 | 1,720,290 | 1,583,398 | 1,622,668 |
| 708,537 | 684,235 | 689,425 | 717,409 | 593,102 | 731,483 |
| 137,583 | 150,404 | 34,478 | 226,416 | 60,897 | 45,110 |
| 3,642,111 | 3,407,013 | 3,485,021 | 3,427,848 | 3,381,298 | 3,198,428 |
| 1,159,699 | 1,061,072 | 1,196,443 | 1,143,061 | 921,260 | 1,133,828 |
| 23,573 | 26,164 | 25,830 | 45,213 | 66,541 | 20,565 |
| 915,697 | 925,381 | 852,558 | 793,648 | 756,242 | 619,337 |
| 426,745 | 261,073 | 277,208 | 239,383 | 182,267 | 89,041 |
| - | 56,694 | - | 101,794 | 126,611 | - |
| 1,224,999 | 1,204,948 | 1,079,607 | 1,125,238 | 1,149,281 | 1,025,610 |
| 716,468 | 260,519 | 1,198,025 | 742,402 | 293,695 | 192,517 |

(continued)

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (Continued)
(modified accrual basis of accounting)**

| | 2011 | 2012 | 2013 | 2014 |
|---|---------------------------|-------------------------|---------------------------|---------------------------|
| Expenditures (continued) | | | | |
| Debt Service: | | | | |
| Principal Retirement | \$ 275,473 | \$ 218,532 | \$ 253,121 | \$ 293,326 |
| Interest and Fiscal Charges | 53,852 | 43,751 | 37,809 | 28,973 |
| <i>Total Expenditures</i> | <u>27,695,678</u> | <u>27,522,147</u> | <u>28,282,619</u> | <u>28,815,722</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>1,622,150</u> | <u>545,845</u> | <u>(888,484)</u> | <u>(660,922)</u> |
| Other Financing Sources (Uses) | | | | |
| Inception of Capital Leases | - | - | 287,691 | - |
| Transfers In | - | 2,123,000 | 2,091,000 | 1,350,000 |
| Transfers Out | - | (2,123,000) | (2,091,000) | (1,350,000) |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>-</u> | <u>287,691</u> | <u>-</u> |
| <i>Net Change in Fund Balances</i> | <u><u>\$1,622,150</u></u> | <u><u>\$545,845</u></u> | <u><u>(\$600,793)</u></u> | <u><u>(\$660,922)</u></u> |

Perry Local School District, Lake County

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 300,906 | \$ 308,887 | \$ 94,774 | \$ 34,048 | \$ 27,343 | \$ 27,343 |
| 32,261 | 21,648 | 20,928 | 39,645 | 39,600 | 39,600 |
| <u>28,782,346</u> | <u>27,315,840</u> | <u>28,520,966</u> | <u>27,880,995</u> | <u>26,790,521</u> | <u>25,854,692</u> |
| <u>(192,708)</u> | <u>974,145</u> | <u>(658,215)</u> | <u>1,109,629</u> | <u>1,056,858</u> | <u>1,372,754</u> |
| - | - | 143,581 | - | - | - |
| 1,550,000 | 1,222,000 | 275,000 | 184,500 | 152,009 | 202,028 |
| <u>(1,550,000)</u> | <u>(1,222,000)</u> | <u>(275,000)</u> | <u>(184,500)</u> | <u>(152,009)</u> | <u>(202,028)</u> |
| - | - | 143,581 | - | - | - |
| <u>(\$192,708)</u> | <u>\$974,145</u> | <u>(\$514,634)</u> | <u>\$1,109,629</u> | <u>\$1,056,858</u> | <u>\$1,372,754</u> |

**Assessed and Estimated Actual Value of Taxable Property
Last Ten Years**

| Collection Year | Real Property | | | Tangible Personal Property | |
|--------------------|------------------------------|------------------------------|------------------------------|----------------------------|------------------------------|
| | Assessed Value | | Estimated Actual Value | Public Utility | |
| | Residential/ Agricultural | Commercial/ Industrial/PU | | Assessed Value | Estimated Actual Value |
| 2011 | \$ 194,035,030 | \$ 103,287,510 | \$ 849,492,971 | \$ 192,084,340 | \$ 218,277,659 |
| 2012 | 194,696,430 | 87,966,330 | 807,607,886 | 159,661,790 | 181,433,852 |
| 2013 | 177,145,080 | 84,822,890 | 748,479,914 | 152,386,770 | 173,166,784 |
| 2014 | 176,995,970 | 83,452,400 | 744,138,200 | 138,522,220 | 157,411,614 |
| 2015 | 177,303,520 | 84,501,960 | 748,015,657 | 168,196,300 | 191,132,159 |
| 2016 | 188,063,740 | 86,498,400 | 784,463,257 | 152,954,510 | 173,811,943 |
| 2017 | 178,523,240 | 86,112,940 | 756,103,371 | 161,893,810 | 183,970,239 |
| 2018 | 179,242,730 | 86,176,960 | 758,341,971 | 110,190,810 | 125,216,830 |
| 2019 | 198,022,630 | 69,041,460 | 763,040,257 | 77,397,310 | 87,951,489 |
| 2020 | 198,571,100 | 69,426,420 | 765,707,200 | 76,917,050 | 87,405,739 |

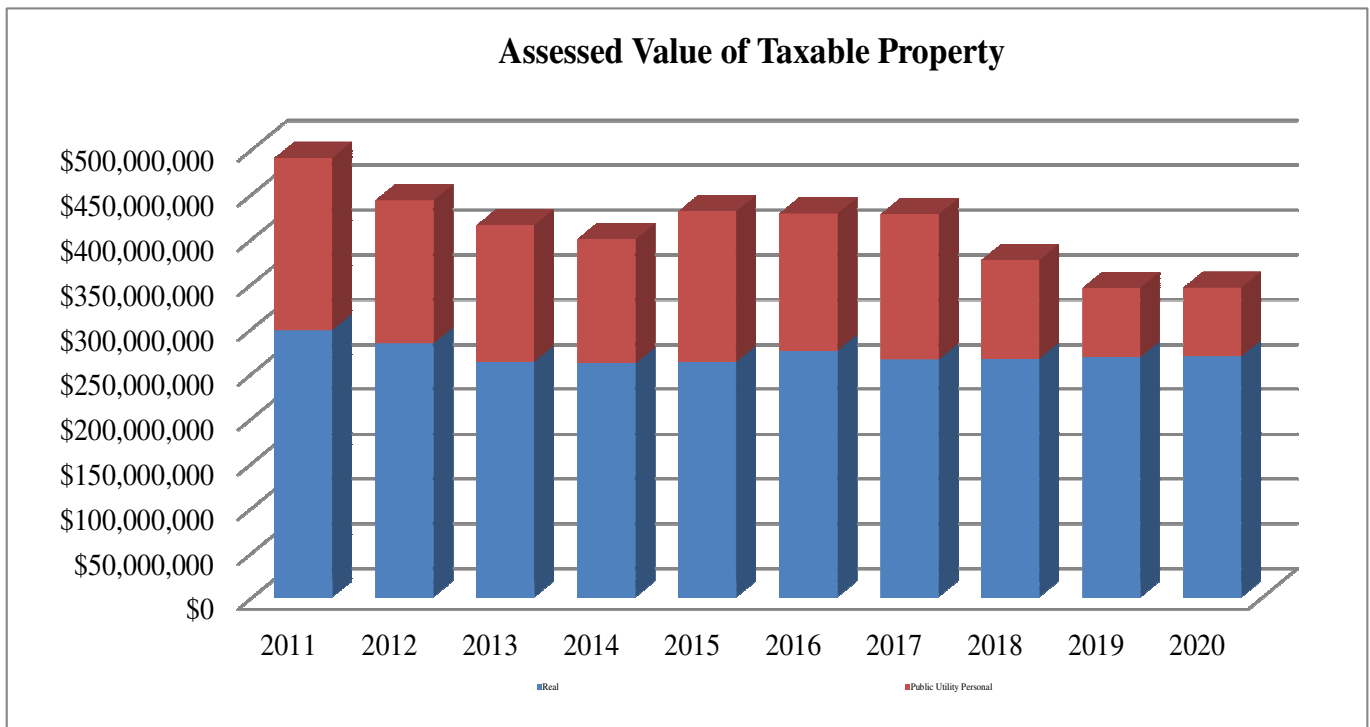
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Perry Local School District, Lake County

| <u>Tangible Personal Property</u> | | <u>Total</u> | | <u>Total Direct Tax Rate</u> | <u>Assessed Value as a Percentage of Actual Value</u> |
|-----------------------------------|-------------------------------|-----------------------|-------------------------------|------------------------------|---|
| <u>General Business</u> | | | | | |
| <u>Assessed Value</u> | <u>Estimated Actual Value</u> | <u>Assessed Value</u> | <u>Estimated Actual Value</u> | | |
| \$ - | \$ - | \$ 489,406,880 | \$ 1,067,770,631 | 44.20 | 45.83% |
| - | - | 442,324,550 | 989,041,738 | 44.20 | 44.72% |
| - | - | 414,354,740 | 921,646,698 | 44.20 | 44.96% |
| - | - | 398,970,590 | 901,549,814 | 44.20 | 44.25% |
| - | - | 430,001,780 | 939,147,816 | 44.20 | 45.79% |
| - | - | 427,516,650 | 958,275,200 | 44.20 | 44.61% |
| - | - | 426,529,990 | 940,073,610 | 44.20 | 45.37% |
| - | - | 375,610,500 | 883,558,801 | 44.20 | 42.51% |
| - | - | 344,461,400 | 850,991,746 | 44.20 | 40.48% |
| - | - | 344,914,570 | 853,112,939 | 44.20 | 40.43% |



Perry Local School District, Lake County

**Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years**

| Tax Year/ Collection Year | School Levy (1) | County Levy | Other Levies (2) | Total Levy | Debt Service Included in Total Levy (3) | | | |
|------------------------------|--------------------|----------------|---------------------|---------------|--|--------|-------|-------|
| | | | | | School | County | Other | Total |
| 2010/2011 | \$ 44.20 | \$ 10.40 | \$ 28.40 | \$ 83.70 | - | - | - | - |
| 2011/2012 | 44.20 | 10.40 | 28.40 | 83.00 | - | - | - | - |
| 2012/2013 | 44.20 | 9.40 | 28.90 | 82.50 | - | - | - | - |
| 2013/2014 | 44.20 | 9.40 | 28.90 | 82.50 | - | - | - | - |
| 2014/2015 | 44.20 | 9.40 | 26.60 | 80.20 | - | - | - | - |
| 2015/2016 | 44.20 | 9.30 | 25.55 | 79.05 | - | - | - | - |
| 2016/2017 | 44.20 | 9.30 | 25.55 | 79.05 | - | - | - | - |
| 2017/2018 | 44.20 | 9.60 | 25.55 | 79.35 | - | - | - | - |
| 2018/2019 | 44.20 | 9.60 | 25.55 | 79.35 | - | - | - | - |
| 2019/2020 | 44.20 | 9.60 | 25.55 | 79.35 | - | - | - | - |

Source: Office of the County Auditor, Lake County, Ohio - Data is presented on a calendar year basis consistent with the County Auditor's method of maintaining the information.

- (1) The total School levy is comprised of an unvoted levy (4.20) and a current expense levy (40.00)
- (2) Other levies are comprised of levies from the following overlapping governments: Auburn JVSD, Perry Corp., Perry Twp., Lakeland Community College, Metropolitan Park District, North Perry Corp., Lake County Joint Financing District, Perry Twp. Library District, Perry Joint Fire District, and Perry Twp. Exc. Perry & N. Perry
- (3) None of the levies had debt service levies

Perry Local School District, Lake County

Property Tax Levies and Collections (1) Last Ten Years

| Collection Year (2) | Current Tax Levy | Current Tax Collections | Percent of Current Tax Collections to Current Tax Levy | Delinquent Tax Collections (3) | Total Tax Collections | Percent of Total Tax Collections to Current Tax Levy |
|------------------------|------------------------|----------------------------|--|--------------------------------------|--------------------------|---|
| 2010 | \$ 14,446,289 | \$ 13,936,527 | 96.47 | \$ 154,027 | \$ 14,090,554 | 97.54 |
| 2011 | 15,763,977 | 14,012,620 | 88.89 | 136,883 | 14,149,503 | 89.76 |
| 2012 | 14,172,752 | 13,990,337 | 98.71 | 729,822 | 14,720,159 | 103.86 |
| 2013 | 13,689,043 | 13,559,388 | 99.05 | 152,920 | 13,712,308 | 100.17 |
| 2014 | 13,065,786 | 12,936,439 | 99.01 | 195,090 | 13,131,529 | 100.50 |
| 2015 | 13,757,386 | 13,647,484 | 99.20 | 179,621 | 13,827,105 | 100.51 |
| 2016 | 13,757,386 | 13,647,484 | 99.20 | 179,621 | 13,827,105 | 100.51 |
| 2017 | 14,164,943 | 14,040,390 | 99.12 | 170,180 | 14,210,570 | 100.32 |
| 2018 | 11,902,686 | 11,781,623 | 98.98 | 108,281 | 11,889,904 | 99.89 |
| 2019 | 10,432,409 | 10,343,712 | 99.15 | 104,092 | 10,447,804 | 100.15 |

Source: Office of the County Auditor, Lake County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2020 information cannot be presented because all collections have not been made by June 30, 2020.
- (3) The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.
- (4) A property tax settlement was reached with the Perry Power Plant. The proceeds from the settlement are included with delinquent taxes.

Perry Local School District, Lake County

**Principal Taxpayers
Real Estate Tax
2019 and 2010 (1)**

| <u>Name of Taxpayer</u> | December 31, 2019 | |
|--|-----------------------|--|
| | <u>Assessed Value</u> | <u>Percent of Real Property Assessed Value</u> |
| First Energy Nuclear | \$49,551,600 | 18.49% |
| APSCO Properties LTD | 1,434,790 | 0.54% |
| Norshar Company | 1,015,000 | 0.38% |
| NSA Property Holdings | 991,790 | 0.37% |
| Deming III LLC | 863,790 | 0.32% |
| L C Ohio Port and Economic Development Authority | 663,440 | 0.25% |
| Deming IX LLC | 616,090 | 0.23% |
| Lane Corporate Partners | 479,680 | 0.18% |
| Newgen Legacy Property | 442,630 | 0.17% |
| CEI | 409,060 | 0.14% |
| Totals | <u>\$56,467,870</u> | <u>21.07%</u> |
| Total Assessed Valuation | <u>\$267,997,520</u> | |

| <u>Name of Taxpayer</u> | December 31, 2010 | |
|--------------------------|-----------------------|--|
| | <u>Assessed Value</u> | <u>Percent of Real Property Assessed Value</u> |
| First Energy Nuclear | \$65,450,000 | 22.01% |
| Losely Gertrude TR | 1,505,870 | 0.51% |
| Fifth Third Bank | 1,473,380 | 0.50% |
| A & L Nurseries LLC | 1,413,850 | 0.48% |
| APSCO Properties LTD | 1,607,820 | 0.54% |
| Deming V LLC | 1,193,820 | 0.40% |
| Norshar Company | 1,186,780 | 0.40% |
| Deming III LLC | 1,094,310 | 0.37% |
| LCN Holdings Inc. | 858,120 | 0.29% |
| Loreto Development | 819,110 | 0.28% |
| Totals | <u>\$76,603,060</u> | <u>25.76%</u> |
| Total Assessed Valuation | <u>\$297,322,540</u> | |

Source: Office of the County Auditor, Lake County, Ohio

(1) The amounts presented represent the assessed values upon which 2010 and 2019 collections were based.

Perry Local School District, Lake County

**Principal Taxpayers
Public Utilities Tax
2019 and 2010 (1)**

| December 31, 2019 | | |
|------------------------------|-------------------------|--|
| Name of Taxpayer | Assessed Value | Percent of Public Utility Assessed Value |
| First Energy Nuclear | \$45,697,480 | 59.41% |
| American Transmission | 20,444,980 | 26.58% |
| CEI | 7,792,857 | 10.13% |
| East Ohio Gas | 1,061,830 | 1.38% |
| Orwell Natural Gas | 342,620 | 0.45% |
| Total | \$75,339,767 | 97.95% |
| Total Assessed Valuation | \$76,917,050 | |

| December 31, 2010 | | |
|------------------------------|--------------------------|--|
| Name of Taxpayer | Assessed Value | Percent of Public Utility Assessed Value |
| First Energy Nuclear | \$170,466,510 | 88.74% |
| American Transmission | 7,220,890 | 3.76% |
| Ohio Edison | 6,947,160 | 3.62% |
| C E I | 6,884,720 | 3.58% |
| East Ohio Gas | 555,080 | 0.29% |
| Total | \$192,074,360 | 99.99% |
| Total Assessed Valuation | \$192,084,340 | |

Source: Office of the County Auditor, Lake County, Ohio

(1) The amounts presented represent the assessed values upon which 2010 and 2019 collections were based.

Perry Local School District, Lake County

**Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2020**

| | Debt Attributable to Governmental Activities | Percentage Applicable to School District (1) | Amount of Direct and Overlapping Debt |
|---|---|--|--|
| Overlapping Debt: | | | |
| Payable from Property Taxes | | | |
| Lake County Bonds | \$7,395,000 | 14.55% | \$1,075,973 |
| Perry Village Loans (2) | 552,966 | 100.00% | 552,966 |
| Perry Township Bonds (3) | 173,705 | 100.00% | 173,705 |
| Total Overlapping Debt | \$8,121,671 | | \$1,802,644 |
| Direct Debt - Perry Local School District | | | |
| Capital Leases | 54,686 | 100.00% | 54,686 |
| Total Direct Debt | 54,686 | | 54,686 |
| Total Direct and Overlapping Debt | \$8,176,357 | | \$1,857,330 |

Source: Office of the Auditor, Lake County, Ohio; Perry Township & Perry Village

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2018 collection year.
- (2) Information provided as of the entity's most recent available financial audit (December 31, 2018).
- (3) Information provided as of the entity's most recent available financial audit (December 31, 2019).

Perry Local School District, Lake County

Ratio of General Debt to Estimated Actual Value, Personal Income, and Debt per Capita Last Ten Fiscal Years

| Fiscal Year | Population (1) | Estimated Actual Value of Taxable Property (2) | General Debt | | | | Ratio of General Debt to Estimated Actual Value (2) | Ratio of General Debt to Personal Income (3) | General Debt Per Capita |
|----------------|----------------|--|--------------------------------|-------------------|---------------|-------|--|---|-------------------------------|
| | | | Energy Conservation Note | Capital Leases | Total Debt | | | | |
| 2011 | 7,088 (a) | \$ 1,067,770,631 | \$ 1,181,694 | \$ - | \$ 1,181,694 | 0.11% | 0.65% | \$ 166.72 | |
| 2012 | 7,088 (a) | 989,041,738 | 963,162 | - | 963,162 | 0.10% | 0.53% | 135.89 | |
| 2013 | 7,088 (a) | 921,646,698 | 736,068 | 261,664 | 997,732 | 0.11% | 0.55% | 140.76 | |
| 2014 | 7,088 (a) | 901,549,814 | 500,078 | 204,328 | 704,406 | 0.08% | 0.39% | 99.38 | |
| 2015 | 7,088 (a) | 939,147,816 | 254,842 | 148,658 | 403,500 | 0.04% | 0.22% | 56.93 | |
| 2016 | 7,088 (a) | 958,275,200 | - | 94,613 | 94,613 | 0.01% | 0.05% | 13.35 | |
| 2017 | 7,088 (a) | 940,073,610 | - | 143,420 | 143,420 | 0.02% | 0.08% | 20.23 | |
| 2018 | 7,088 (a) | 883,558,801 | - | 109,372 | 109,372 | 0.01% | 0.06% | 15.43 | |
| 2019 | 7,088 (a) | 850,991,746 | - | 82,029 | 82,029 | 0.01% | 0.05% | 11.57 | |
| 2020 | 7,088 (a) | 853,112,939 | - | 54,686 | 54,686 | 0.01% | 0.03% | 7.72 | |

Sources: (1) U.S. Bureau of Census, Census of Population
(a) 2010 Federal Census

Perry Local School District, Lake County

**Computation of Legal Debt Margin
Last Ten Fiscal Years**

| | 2011 | 2012 | 2013 | 2014 |
|---|---------------|---------------|---------------|---------------|
| Assessed Valuations | \$489,406,880 | \$442,324,550 | \$414,354,740 | \$398,970,590 |
| Debt Limit - 9% of Taxable Valuation (1) | \$44,046,619 | \$39,809,210 | \$37,291,927 | \$35,907,353 |
| Amount of Debt Applicable to Debt Limit | | | | |
| Energy Conservation Notes | 1,181,694 | 963,162 | 736,068 | 500,078 |
| Exemptions: | | | | |
| Energy Conservation Notes | (1,181,694) | (963,162) | (736,068) | (500,078) |
| Amount of Debt Subject to Limit | - | - | - | - |
| Legal Debt Margin | \$44,046,619 | \$39,809,210 | \$37,291,927 | \$35,907,353 |
| Legal Debt Margin as a Percentage of the Debt Limit | 100.00% | 100.00% | 100.00% | 100.00% |
| Unvoted Debt Limit - .10% of Taxable Valuation (1) | \$489,407 | \$442,325 | \$414,355 | \$398,971 |
| Amount of Debt Subject to Limit | - | - | - | - |
| Unvoted Legal Debt Margin | \$489,407 | \$442,325 | \$414,355 | \$398,971 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit | 100.00% | 100.00% | 100.00% | 100.00% |

Source: Lake County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

Perry Local School District, Lake County

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$430,001,780</u> | <u>\$427,516,650</u> | <u>\$426,529,990</u> | <u>\$375,610,500</u> | <u>\$344,461,400</u> | <u>\$344,914,570</u> |
| <u>\$38,700,160</u> | <u>\$38,476,499</u> | <u>\$38,387,699</u> | <u>\$33,804,945</u> | <u>\$31,001,526</u> | <u>\$31,042,311</u> |
| 254,842 | - | - | - | - | - |
| (254,842) | - | - | - | - | - |
| - | 500,078 | - | - | - | - |
| <u>\$38,700,160</u> | <u>\$37,976,421</u> | <u>\$38,387,699</u> | <u>\$33,804,945</u> | <u>\$31,001,526</u> | <u>\$31,042,311</u> |
| 100.00% | 98.70% | 100.00% | 100.00% | 100.00% | 100.00% |
| \$430,002 | \$427,517 | \$426,530 | \$375,611 | \$344,461 | \$344,915 |
| - | - | - | - | - | - |
| <u>\$430,002</u> | <u>\$427,517</u> | <u>\$426,530</u> | <u>\$375,611</u> | <u>\$344,461</u> | <u>\$344,915</u> |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

**Demographic and Economic Statistics
(includes North Perry Village, Perry Township and Perry Village)
Last Ten Years**

| <u>Year</u> | <u>Population (1)</u> | | <u>Total Personal Income (3)</u> | <u>Per Capita Personal Income (1)</u> | <u>Unemployment Rate (2)</u> |
|-------------|-----------------------|-----|--|---|----------------------------------|
| 2011 | 7,088 | (a) | \$ 180,899,936 | \$ 25,522 | 7.40% |
| 2012 | 7,088 | (a) | 180,899,936 | 25,522 | 6.50% |
| 2013 | 7,088 | (a) | 180,899,936 | 25,522 | 7.10% |
| 2014 | 7,088 | (a) | 180,899,936 | 25,522 | 6.70% |
| 2015 | 7,088 | (a) | 180,899,936 | 25,522 | 5.70% |
| 2016 | 7,088 | (a) | 180,899,936 | 25,522 | 4.90% |
| 2017 | 7,088 | (a) | 180,899,936 | 25,522 | 4.90% |
| 2018 | 7,088 | (a) | 180,899,936 | 25,522 | 5.70% |
| 2019 | 7,088 | (a) | 180,899,936 | 25,522 | 4.70% |
| 2020 | 7,088 | (a) | 180,899,936 | 25,522 | 4.70% |

Sources: (1) U.S. Bureau of Census, Census of Population
(a) 2010 Federal Census
(2) Represents Lake County

Perry Local School District, Lake County

Principal Employers 2020 and 2011

| | | 2020 | |
|---|--------------------|----------------------------|--------------------------------------|
| Employer | Nature of Business | Number of Employees (2) | Percentage of Total Employment |
| FirstEnergy Corporation (CEI) | Energy | 720 | 20.38% |
| Perry Local School District | Education | 248 | 7.02% |
| APSCO/Tt Electronics | Manufacturing | 210 | 5.95% |
| Cottage Gardens | Agriculture | 180 | 5.10% |
| Mid-West Materials | Manufacturing | 60 | 1.70% |
| Rideout's IGA | Grocer | 50 | 1.42% |
| Perry Joint Fire District | Safety | 40 | 1.13% |
| Sheetz | Grocer | 33 | 0.93% |
| Lake County Nursery | Agriculture | 30 | 0.85% |
| NewGreen Legacy Services, Inc. | Energy | 18 | 0.51% |
| Total | | 1,589 | 44.99% |
| Total Employment within the School District (1) | | <u>3,532</u> | |

| | | 2011 | |
|---|--------------------|----------------------------|--------------------------------------|
| Employer | Nature of Business | Number of Employees (2) | Percentage of Total Employment |
| FirstEnergy Corporation (CEI) | Energy | 700 | 19.82% |
| APSCO | Manufacturing | 275 | 7.79% |
| Perry Local School District | Education | 256 | 7.25% |
| Cottage Gardens | Agriculture | 166 | 4.70% |
| Lake County Nursery | Agriculture | 57 | 1.61% |
| Mid-West Materials | Manufacturing | 55 | 1.56% |
| Rideout's IGA | Grocer | 50 | 1.42% |
| Perry Joint Fire District | Safety | 43 | 1.22% |
| Total | | 1,602 | 45.36% |
| Total Employment within the School District (1) | | <u>3,532</u> | |

Sources:

- (1) Obtained from the 2000 U.S. Census Bureau
- (2) Obtained from the various employer information

Perry Local School District, Lake County

Building Statistics Last Ten Fiscal Years

| | 2011 | 2012 (2) | 2013 | 2014 |
|---|-------|----------|-------|-------|
| Perry Elementary School | | | | |
| Constructed in 1995 | | | | |
| Total Building Square Footage 83,000 | | | | |
| Enrollment Grades K-4 | 0 | 0 | 0 | 595 |
| Student Capacity | 1,200 | 1,200 | 1,200 | 1,200 |
| Regular Instruction Classrooms | 0 | 0 | 0 | 38 |
| Regular Instruction Teachers | 0 | 0 | 0 | 33 |
| Special Instruction Classrooms | 0 | 0 | 0 | 17 |
| Special Instruction Teachers | 0 | 0 | 0 | 8.5 |
| Perry Primary Elementary School | | | | |
| Enrollment Grades K-2 | 367 | 313 | 331 | 0 |
| Regular Instruction Classrooms | 20 | 20 | 20 | 0 |
| Regular Instruction Teachers | 18 | 15 | 15 | 0 |
| Special Instruction Classrooms | 10 | 10 | 10 | 0 |
| Special Instruction Teachers | 3 | 5 | 7.5 | 0 |
| Perry Intermediate Elementary School | | | | |
| Enrollment Grades 3-5 | 420 | 418 | 399 | 0 |
| Regular Instruction Classrooms | 28 | 28 | 28 | 0 |
| Regular Instruction Teachers | 18 | 18 | 18 | 0 |
| Special Instruction Classrooms | 10 | 10 | 10 | 0 |
| Special Instruction Teachers | 6.5 | 6 | 4.5 | 0 |
| Perry Middle School | | | | |
| Constructed in 1995 | | | | |
| Total Building Square Footage 113,000 | | | | |
| Enrollment Grades 5-8/ 6-8 (1) | 456 | 438 | 452 | 593 |
| Student Capacity | 1,200 | 1,200 | 1,200 | 1,200 |
| Regular Instruction Classrooms | 24 | 24 | 24 | 24 |
| Regular Instruction Teachers | 19 | 19 | 18 | 24 |
| Special Instruction Classrooms | 11 | 11 | 11 | 11 |
| Special Instruction Teachers | 11 | 13 | 10.5 | 14.5 |
| Perry High School | | | | |
| Constructed in 1993 | | | | |
| Total Building Square Footage 271,000 | | | | |
| Enrollment Grades 9-12 | 606 | 600 | 596 | 574 |
| Student Capacity | 1,200 | 1,200 | 1,200 | 1,200 |
| Regular Instruction Classrooms | 30 | 30 | 29 | 29 |
| Regular Instruction Teachers | 23 | 21 | 21 | 22 |
| Special Instruction Classrooms | 18 | 18 | 19 | 19 |
| Special Instruction Teachers | 17 | 15 | 19.5 | 16 |

Source: District Records, Ohio Department of Education

- (1) Location of grade levels in buildings changed in August 2009 and a new building was created; K-4 was split into Perry Primary School housing grades K-2, Perry Intermediate housing grades 3-5, and Perry Middle housing grades 6-8
- (2) District provided enrollment at end of the 2011-2012 school year.

Perry Local School District, Lake County

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------|-------|-------|-------|-------|-------|
| 568 | 561 | 557 | 559 | 538 | 481 |
| 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 38 | 38 | 38 | 38 | 38 | 38 |
| 28.5 | 26 | 32 | 30 | 30 | 30 |
| 17 | 17 | 17 | 17 | 17 | 17 |
| 8 | 9.5 | 5 | 4 | 4 | 4 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 582 | 565 | 572 | 513 | 485 | 507 |
| 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 24 | 24 | 24 | 24 | 24 | 24 |
| 24.5 | 24 | 28 | 28 | 28 | 30 |
| 11 | 11 | 11 | 11 | 11 | 11 |
| 11.5 | 12.5 | 7 | 5 | 5 | 5 |
| 593 | 596 | 642 | 618 | 610 | 441 |
| 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 29 | 29 | 29 | 29 | 29 | 29 |
| 29 | 22 | 34 | 32 | 32 | 30 |
| 19 | 19 | 19 | 19 | 19 | 19 |
| 20.5 | 18 | 5 | 5 | 5 | 5 |

Perry Local School District, Lake County

**Operating Statistics
Last Ten Fiscal Years**

| Fiscal Year | Student Enrollment | | General Government | | Governmental Activities | |
|-------------|------------------------|-------------------|------------------------|----------------|-------------------------|----------------|
| | Average Enrollment (1) | Percent of Change | Total Expenditures (2) | Per Pupil Cost | Total Expenses | Per Pupil Cost |
| 2011 | 1,849 | -0.80% | \$ 27,366,353 | \$ 14,801 | \$ 29,851,587 | \$ 16,145 |
| 2012 (3) | 1,769 | -5.10% | 27,259,864 | 15,410 | 31,527,852 | 17,822 |
| 2013 | 1,778 | 0.51% | 27,991,689 | 15,743 | 27,736,548 | 15,600 |
| 2014 | 1,762 | -0.90% | 28,493,423 | 16,171 | 30,563,104 | 17,346 |
| 2015 | 1,743 | -1.08% | 28,449,179 | 16,322 | 29,964,851 | 17,192 |
| 2016 | 1,722 | -1.20% | 26,928,611 | 15,638 | 28,665,287 | 16,647 |
| 2017 | 1,721 | -0.06% | 28,405,264 | 16,505 | 30,642,396 | 17,805 |
| 2018 | 1,690 | -1.80% | 27,807,302 | 16,454 | 16,126,165 | 9,542 |
| 2019 | 1,633 | -3.37% | 26,723,578 | 16,365 | 24,850,497 | 15,218 |
| 2020 | 1,560 | -4.47% | 25,787,749 | 16,531 | 28,298,883 | 18,140 |

Source: School District Records

- (1) Based upon EMIS information provided to the Ohio Department of Education
- (2) Debt Service expenditures and other financing uses have been excluded
- (3) The School District provided enrollment at the end of 2011-2012 school year.

Perry Local School District, Lake County

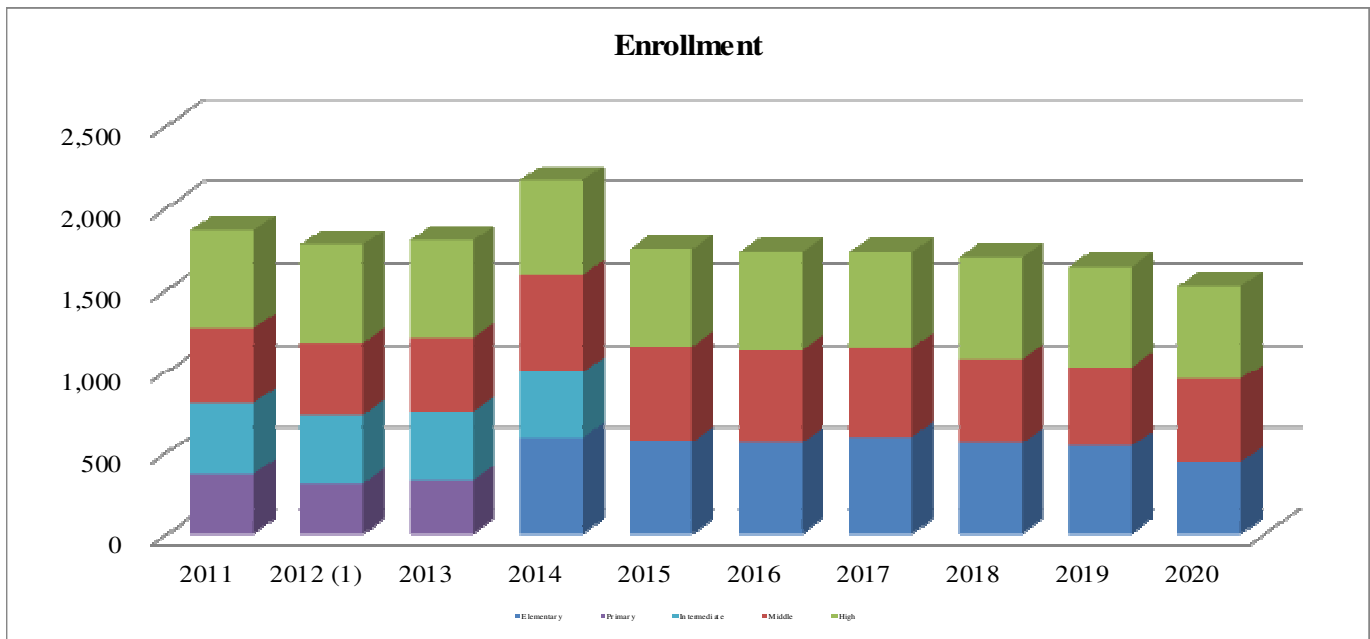
Enrollment Statistics Last Ten Fiscal Years

| Fiscal Year | Elementary School | Primary School | Intermediate School | Middle School | High School | Total |
|-------------|-------------------|----------------|---------------------|---------------|-------------|-------|
| 2011 | 0 | 367 | 420 | 456 | 606 | 1,849 |
| 2012 (1) | 0 | 313 | 418 | 438 | 600 | 1,769 |
| 2013 | 0 | 331 | 399 | 452 | 596 | 1,778 |
| 2014 (2) | 595 | 0 | 0 | 593 | 574 | 1,762 |
| 2015 | 568 | 0 | 0 | 582 | 593 | 1,743 |
| 2016 | 561 | 0 | 0 | 565 | 596 | 1,722 |
| 2017 | 598 | 0 | 0 | 541 | 582 | 1,721 |
| 2018 | 559 | 0 | 0 | 513 | 618 | 1,690 |
| 2019 | 538 | 0 | 0 | 485 | 610 | 1,633 |
| 2020 | 481 | 0 | 0 | 507 | 572 | 1,560 |

Source: Ohio Department of Education (ODE)

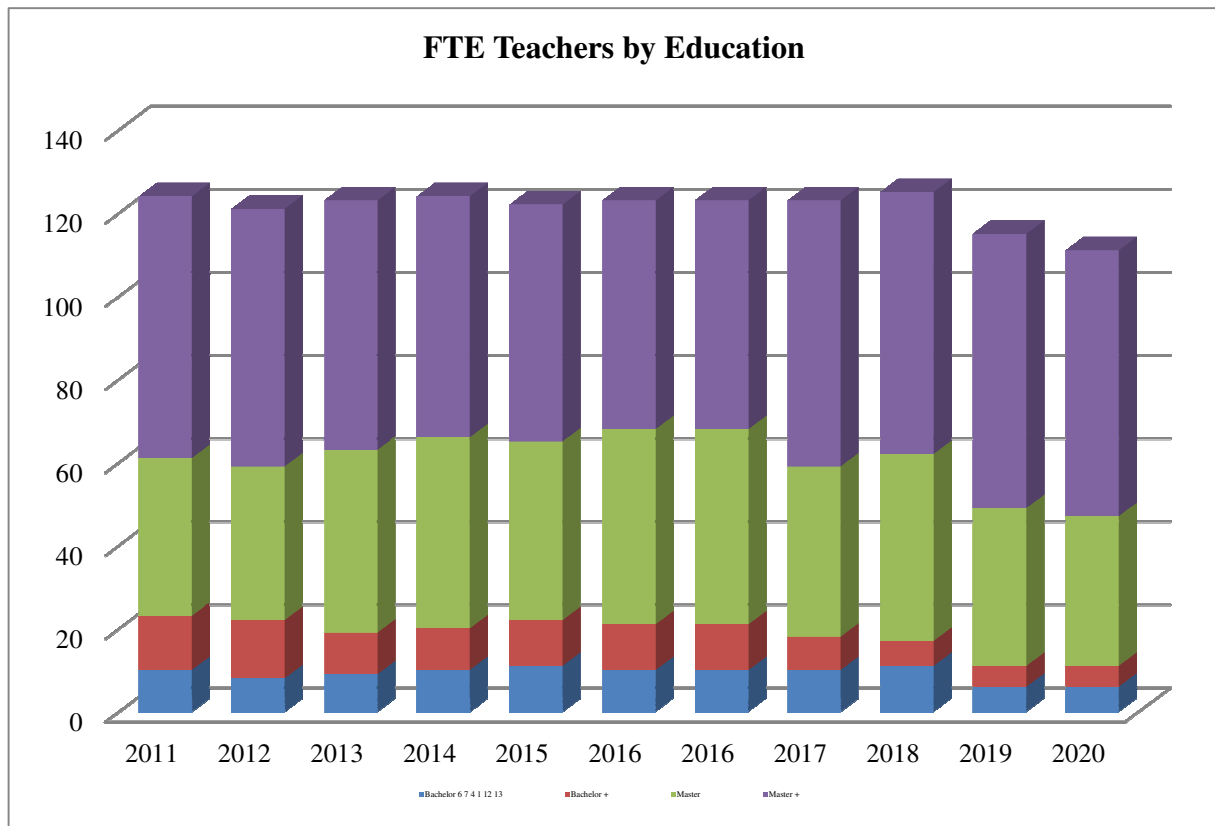
(1) District provided enrollment at end of the 2011-2012 school year. Information from ODE was unavailable.

(2) Information provided from State Report Card.



**Full-Time Equivalent Teachers by Education
Last Ten Fiscal Years**

| <u>Degree</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Bachelor's Degree | 10 | 8 | 9 | 10 | 11 | 10 | 10 | 11 | 6 | 6 |
| Bachelor + 15 | 5 | 5 | 2 | 3 | 4 | 5 | 2 | 1 | 1 | 1 |
| Bachelor + 30 | 8 | 9 | 8 | 7 | 7 | 6 | 6 | 5 | 4 | 4 |
| Master's Degree | 38 | 37 | 44 | 46 | 43 | 47 | 41 | 45 | 38 | 36 |
| Master + 15 | <u>63</u> | <u>62</u> | <u>60</u> | <u>58</u> | <u>57</u> | <u>55</u> | <u>64</u> | <u>63</u> | <u>66</u> | <u>64</u> |
| Total | <u>124</u> | <u>121</u> | <u>123</u> | <u>124</u> | <u>123</u> | <u>123</u> | <u>123</u> | <u>125</u> | <u>115</u> | <u>111</u> |



Source: School District Records

Perry Local School District, Lake County

**Teachers' Salaries
Last Ten Fiscal Years**

| Fiscal Year | Minimum Salary (1) | Maximum Salary (2) | Average Salary Comparable Districts (3) | Statewide Average Salary (3) |
|----------------|-----------------------|-----------------------|--|------------------------------------|
| 2011 | \$ 32,846 | \$ 72,654 | N/A | \$ 56,715 |
| 2012 | 35,903 | 76,507 | N/A | N/A |
| 2013 | 35,903 | 83,772 | N/A | N/A |
| 2014 | 35,903 | 83,772 | N/A | N/A |
| 2015 | 35,903 | 83,772 | N/A | N/A |
| 2016 | 35,903 | 83,772 | N/A | N/A |
| 2017 | 39,232 | 88,900 | N/A | 71,435 |
| 2018 | 40,409 | 91,567 | N/A | 60,433 |
| 2019 | 41,621 | 91,567 | N/A | 62,353 |
| 2020 | 43,692 | 93,398 | N/A | 63,916 |

Source: (1) Starting teacher with no experience

(2) Teacher with a Masters degree +15

(3) Provided by the Ohio Department of Education

N/A - The information is currently unavailable from the Ohio Department of Education.

**Attendance and Graduation Rates
Last Ten Fiscal Years**

| <u>Fiscal Year</u> | <u>Perry Attendance Rate</u> | <u>State Average</u> | <u>Perry Graduation Rate</u> | <u>State Average</u> |
|--------------------|------------------------------|----------------------|------------------------------|----------------------|
| 2011 | 95.80% | 94.50% | 97.50% | 84.30% |
| 2012 | 95.79% | N/A | N/A | N/A |
| 2013 | N/A | N/A | 93.60% | N/A |
| 2014 | 94.80% | N/A | 93.60% | 82.20% |
| 2015 | 95.79% | N/A | 98.00% | N/A |
| 2016 | 95.30% | N/A | 95.70% | N/A |
| 2017 | 95.30% | N/A | 92.80% | 84.10% |
| 2018 | 91.00% | N/A | 97.40% | 85.30% |
| 2019 | 95.10% | N/A | 97.40% | N/A |
| 2020 | 94.60% | N/A | 97.30% | N/A |

Source: Ohio Department of Education

N/A - The information is currently unavailable from the Ohio Department of Education and School District records.

Perry Local School District, Lake County

School District Employees by Function/Program Last Ten Fiscal Years

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|
| Regular Instruction | 78.00 | 73.00 | 72.00 | 79.00 | 82.00 | 78.00 | 102.00 | 94.00 | 94.00 | 94.00 |
| Special Instruction | 37.00 | 38.50 | 43.00 | 39.00 | 40.00 | 37.00 | 12.00 | 14.00 | 14.00 | 14.00 |
| Pupil Support Services | | | | | | | | | | |
| Special Education Supervisor | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Guidance Counselors | 4.00 | 4.00 | 4.00 | 5.00 | 4.00 | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 |
| Librarians | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Psychologists | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Speech and Language Pathologists | 0.00 | 0.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Nurses | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Educational/Media Associates | 25.50 | 26.50 | 27.00 | 33.50 | 31.00 | 33.00 | 27.00 | 22.00 | 23.50 | 22.50 |
| Media/Theatre Specialists | 0.00 | 0.00 | 0.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 |
| Facilitators | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.50 | 1.00 |
| Dean of Students | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| Athletic Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Tutors | 10.00 | 8.50 | 10.00 | 12.00 | 14.00 | 12.00 | 11.00 | 10.00 | 10.00 | 7.00 |
| Recreational | 1.00 | 1.00 | 1.00 | 1.50 | 1.50 | 1.50 | 1.50 | 0.00 | 0.00 | 0.00 |
| Administrators | | | | | | | | | | |
| Elementary | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.00 | 1.00 |
| Middle | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| High | 2.00 | 2.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| District | 4.00 | 4.00 | 5.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Operation of Plant | | | | | | | | | | |
| Supervision | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Custodians | 18.00 | 17.00 | 16.50 | 19.50 | 17.50 | 16.00 | 15.00 | 16.00 | 16.00 | 15.00 |
| Maintenance | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 | 3.00 |
| Pupil Transportation | | | | | | | | | | |
| Supervision | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bus Operators | 17.00 | 17.00 | 17.00 | 16.00 | 17.00 | 18.00 | 14.60 | 15.00 | 15.00 | 16.00 |
| Bus Aides | 2.00 | 1.50 | 2.00 | 3.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Van Drivers | 0.00 | 0.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bus Mechanics | 2.00 | 2.00 | 1.50 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Food Service Program | 13.00 | 13.00 | 13.00 | 11.00 | 13.00 | 15.00 | 11.00 | 13.00 | 13.00 | 10.00 |
| Administrative Support Services | | | | | | | | | | |
| Secretary/Administrative Support | 20.00 | 20.00 | 18.00 | 19.00 | 19.00 | 19.00 | 16.50 | 16.00 | 17.50 | 16.00 |
| Information Technology | 2.00 | 2.00 | 2.00 | 2.00 | 2.50 | 2.50 | 3.50 | 4.00 | 4.00 | 4.00 |

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Source: District Records

Perry Local School District, Lake County

Free or Reduced Lunch Program Percentages Last Ten Fiscal Years

| School Year | Students | Students Applicable for Free Lunch | Percentage of Applicable Students for the Free Lunch Program | Students Applicable for Reduced Lunch | Percentage of Applicable Students for the Reduced Lunch Program | Total Students Applicable for the Free and Reduced Lunch Program | Total Percentage of Applicable Students for the Free and Reduced Lunch Programs |
|-------------|----------|------------------------------------|--|---------------------------------------|---|--|---|
| 2011 | 1,941 | 386 | 19.89% | 60 | 3.09% | 446 | 22.98% |
| 2012 | 1,900 | 379 | 19.95% | 72 | 3.79% | 451 | 23.74% |
| 2013 | 1,790 | 354 | 19.78% | 82 | 4.58% | 436 | 24.36% |
| 2014 | 1,798 | 400 | 22.25% | 89 | 4.95% | 489 | 27.20% |
| 2015 | 1,767 | 363 | 20.54% | 90 | 5.09% | 453 | 25.64% |
| 2016 | 1,722 | 367 | 21.31% | 88 | 5.11% | 455 | 26.42% |
| 2017 | 1,721 | 361 | 20.98% | 99 | 5.75% | 462 | 26.84% |
| 2018 | 1,740 | 341 | 19.60% | 74 | 4.25% | 415 | 23.85% |
| 2019 | 1,650 | 282 | 17.09% | 72 | 4.36% | 354 | 21.45% |
| 2020 | 1,692 | 309 | 18.26% | 74 | 4.37% | 383 | 22.64% |

Source: "Lunch MR 81 Report for October" obtained from the Ohio Department of Education.

OHIO AUDITOR OF STATE KEITH FABER



PERRY LOCAL SCHOOL DISTRICT

LAKE 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 1/5/2021

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

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