



**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2021**

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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Education
Amanda-Clearcreek Local School District
328 East Main Street
Amanda, Ohio 43102

We have reviewed the *Independent Auditor's Report* of the Amanda-Clearcreek Local School District, Fairfield County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

March 03, 2022

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**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY
JUNE 30, 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund	18
Statement of Fund Net Position – Proprietary Fund.....	19
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund.....	20
Statement of Cash Flows – Proprietary Fund.....	21
Statement of Changes in Fiduciary Net Position – Custodial Fund	22
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Schedule of the School District’s Proportionate Share of the Net Pension Liability – SERS – Last Eight Fiscal Years	66
Schedule of the School District’s Proportionate Share of the Net OPEB Liability – SERS – Last Five Fiscal Years	69

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY
JUNE 30, 2021**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Schedule of the School District’s Proportionate Share of the Net Pension Liability – STRS – Last Eight Fiscal Years	70
Schedule of the School District’s Proportionate Share of the Net OPEB Liability (Asset) – STRS – Last Five Fiscal Years.....	73
Schedule of the School District’s Contributions – SERS – Last Ten Fiscal Years	74
Schedule of the School District’s Contributions – STRS – Last Ten Fiscal Years	76
Notes to the Required Supplementary Information	78
Schedule of Expenditures of Federal Awards.....	81
Notes to the Schedule of Expenditures of Federal Awards.....	82
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	83
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.....	85
Schedule of Audit Findings – 2 CFR § 200.515	87
Corrective Action Plan – 2 CFR § 200.511(c).....	89

INDEPENDENT AUDITOR'S REPORT

January 18, 2022

Amanda-Clearcreek Local School District
Fairfield County
328 East Main Street
Amanda, Ohio 43102

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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 Amanda-Clearcreek Local School District, Fairfield County, Ohio, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2021, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

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

Perry & Associates CPAs A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

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

Financial Highlights

Net position of governmental activities increased \$1,661,531.

General revenues accounted for \$17,946,992 of total revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$4,696,681 of total revenues of \$22,643,673.

Using the Basic Financial Statements

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Amanda-Clearcreek Local School District as a financial whole, an entire operating entity.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide 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 major funds with all other nonmajor funds presented in total in one column.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2021?"

The Statement of Net Position and the Statements of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal 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 those assets. The 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. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity:

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. 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 major funds, which are the General Fund and the Building Capital Projects 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 fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – The School District's only proprietary fund is an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service fund is to account for health, dental, and vision self-insurance. The proprietary fund uses the accrual basis of accounting.

Fiduciary Funds – The School District's fiduciary fund is a custodial fund. All of the School District's fiduciary assets are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

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 fiscal years 2021 and 2020:

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

(Table 1)
Net Position

	Governmental Activities		Increase/ (Decrease)
	2021	2020 *	
Assets			
Current Assets	\$23,658,912	\$18,152,375	\$5,506,537
Net OPEB Asset	894,519	864,803	29,716
Capital Assets	22,435,978	22,296,635	139,343
Total Assets	<u>46,989,409</u>	<u>41,313,813</u>	<u>5,675,596</u>
Deferred Outflows of Resources			
Pension	3,125,114	3,018,266	106,848
OPEB	508,735	294,278	214,457
Total Deferred Outflows of Resources	<u>3,633,849</u>	<u>3,312,544</u>	<u>321,305</u>
Liabilities			
Current and Other Liabilities	2,701,978	2,432,109	269,869
Long-Term Liabilities			
Due Within One Year	751,506	393,999	357,507
Due In More Than One Year:			
Net Pension Liability	16,796,849	15,411,180	1,385,669
Net OPEB Liability	1,508,785	1,673,437	(164,652)
Other Amounts Due in More Than One Year	4,124,170	1,508,765	2,615,405
Total Liabilities	<u>25,883,288</u>	<u>21,419,490</u>	<u>4,463,798</u>
Deferred Inflows of Resources			
Property Taxes	4,001,627	3,823,520	178,107
Pension	592,343	1,180,288	(587,945)
OPEB	2,011,927	1,730,517	281,410
Total Deferred Inflows Of Resources	<u>6,605,897</u>	<u>6,734,325</u>	<u>(128,428)</u>
Net Position			
Net Investment in Capital Assets	20,351,625	21,139,353	(787,728)
Restricted	1,279,576	1,328,967	(49,391)
Unrestricted (Deficits)	(3,497,128)	(5,995,778)	2,498,650
Total Net Position	<u>\$18,134,073</u>	<u>\$16,472,542</u>	<u>\$1,661,531</u>

*GASB Statement No. 84 was implemented during fiscal year 2021 which restated fiscal year 2020. See Note 3 for additional details on the restatement.

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

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.

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. 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.

Total assets of governmental activities increased \$5,675,596. The majority of this increase is primarily in current assets due mainly to increases in equity in pooled cash and cash equivalents and income taxes receivable. These increases were due to fiscal year 2021 being the first full year of income tax collections. An additional reason for the increase in equity in pooled cash and cash equivalents was due to the School District presenting unspent capital lease proceeds for the new lease-purchase capital lease. Capital assets increased \$139,343 due to the current year capital asset additions exceeding the current year deletions and depreciation.

Total liabilities increased \$4,463,798. The increase is largely due to the change in the net pension liability and the issuance of a lease-purchase capital lease.

Total net position increased \$1,661,531. Unrestricted net position increased \$2,498,650 mainly due to fiscal year 2021 being the first full year of income tax collections.

Table 2 shows the highlights of the School District's revenues and expenses for fiscal years 2021 and 2020. These two main components are subtracted to yield the change in net position. This table uses the full accrual method of accounting.

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

Expenses are shown in programs that are easily identifiable utilizing the current Uniform School Accounting System (USAS) coding structure.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2021 and 2020.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

(Table 2)
Change in Net Position

	Governmental Activities		Increase/ (Decrease)
	2021	2020 *	
Revenues			
Program Revenues:			
Charges for Services and Sales	\$1,243,629	\$1,724,441	(\$480,812)
Operating Grants, Contributions, and Interest	3,390,188	3,291,281	98,907
Capital Grants and Contributions	62,864	0	62,864
Total Program Revenues	4,696,681	5,015,722	(319,041)
General Revenues:			
Property Taxes	4,575,186	4,107,666	467,520
Income Taxes	3,665,737	1,326,393	2,339,344
Grants and Entitlements	9,414,768	8,668,927	745,841
Gain on Sale of Capital Assets	12,418	0	12,418
Contributions not Restricted to Specific Programs	500	0	500
Investment Earnings	44,127	110,967	(66,840)
Miscellaneous	234,256	137,154	97,102
Total General Revenues	17,946,992	14,351,107	3,595,885
Total Revenues	22,643,673	19,366,829	3,276,844
Program Expenses			
Instruction:			
Regular	9,113,025	9,431,748	(318,723)
Special	3,530,912	3,906,826	(375,914)
Vocational	389,869	303,279	86,590
Student Intervention Services	0	1,310	(1,310)
Support Services:			
Pupils	935,004	1,006,226	(71,222)
Instructional Staff	791,147	478,684	312,463
Board of Education	114,887	89,747	25,140
Administration	1,125,293	1,230,402	(105,109)
Fiscal	473,539	494,874	(21,335)
Business	50,062	49,972	90
Operation and Maintenance of Plant	2,106,502	1,718,885	387,617
Pupil Transportation	941,913	1,068,599	(126,686)
Central	133,517	115,727	17,790
Operation of Non-Instructional Services	800,122	868,634	(68,512)
Extracurricular Activities	450,615	481,003	(30,388)
Interest and Fiscal Charges	25,735	22,022	3,713
Total Expenses	20,982,142	21,267,938	(285,796)
Change in Net Position	1,661,531	(1,901,109)	3,562,640
Net Position at Beginning of Year	16,472,542	18,373,651	(1,901,109)
Net Position at End of Year	\$18,134,073	\$16,472,542	\$1,661,531

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

*GASB Statement No. 84 was implemented during fiscal year 2021 which restated fiscal year 2020. See Note 3 for additional details on the restatement.

Governmental Activities

Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, and restricted intergovernmental revenues, were \$4,696,681 of total revenues for fiscal year 2021. The \$319,041 decrease is mainly due to a decrease in charges for services revenue due primarily to COVID-19 and the fact that students were on a blended model for schooling for most of fiscal year 2021 and there was a reduction in extracurricular activities revenue due to restrictions on attendance set by the State.

General revenues were \$17,946,992, which increased from prior fiscal year mainly due to the residents of the School District voting for a two percent income tax in fiscal year 2020 and fiscal year 2021 being the first full year of collections. Property taxes revenue increased due to an increase in assessed valuations. Grants and entitlements increased due to increases in State foundation revenues.

Expenses for the School District remained fairly consistent with a total minor decrease of \$285,796.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total of cost of services and the net of services for fiscal year 2021 compared with fiscal year 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020 *	2021	2020 *
Instruction	\$13,033,806	\$13,643,163	\$10,068,125	\$10,576,541
Support Services	6,671,864	6,253,116	5,934,482	5,341,918
Operation of Non-Instructional Services	800,122	868,634	21,032	150,963
Extracurricular Activities	450,615	481,003	236,087	160,772
Interest and Fiscal Charges	25,735	22,022	25,735	22,022
Total Expenses	<u>\$20,982,142</u>	<u>\$21,267,938</u>	<u>\$16,285,461</u>	<u>\$16,252,216</u>

*GASB Statement No. 84 was implemented during fiscal year 2021 which restated fiscal year 2020. See Note 3 for additional details on the restatement.

The School District’s Funds

Information about the School District’s major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$22,676,765, expenditures of \$21,925,799, and other financing sources (use) of \$3,200,975. The net change in fund balance for the year was most significant in the general fund with an increase of \$2,234,036, which is mainly due to fiscal year 2021 being the first full year of income tax collections. The building major fund also had a significant increase in fiscal year 2021 of \$1,850,347. This fund was created in fiscal year 2021

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

for the issuance of a lease-purchase agreement for capital improvements for the School District's buildings and property.

General Fund - Budget 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 2021, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the general fund original and final budgeted amounts is listed on page 18, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

A review of the budgetary comparison statement for the general fund reflects an overall increase of \$3,276,016 between the original budget and final budgeted revenues which includes other financing sources. This increase was mainly due the School District originally anticipating receiving less income tax revenue due to the uncertainty of the income tax levy that passed in November 2019. There was also a significant increase between the final budget and actual revenues for intergovernmental revenues due to the School District receiving more State Foundation revenue than anticipated.

Final appropriations were \$369,329 more than original appropriations, including other financing use, mainly due to the School District making adjustments during the fiscal year as it attempted to deal with changes in expenditures as they occurred. The decrease in expenditures from the final budget to actual expenditures including other financing use was \$366,688, which is mostly related to the School District closely monitoring expenditures.

Capital Assets

At the end of fiscal year 2021, the School District had \$22,435,978 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and textbooks, which represented an increase of \$139,343 from fiscal year 2020. The increase was due to current fiscal year capitalized purchases and improvements exceeding current year depreciation and deletions. For more information on capital assets, refer to Note 11 in the notes to the basic financial statements.

Debt Administration

At June 30, 2021, the School District had \$698,405 in total outstanding general obligation bonds and bond premiums. The School District also had outstanding capital leases in the amount of \$3,236,295 which included a lease-purchase agreement entered into during fiscal year 2021 in the amount of \$3,185,200. For more information on debt administration, refer to Notes 16 and 17 of the notes to the basic financial statements.

At June 30, 2021, the School District's overall legal debt margin was \$18,801,427, with an unvoted debt margin of \$227,684.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Unaudited

Current Issues

Although considered a low-wealth district, Amanda-Clearcreek Local School District has remained in stable financial condition. As indicated in the preceding financial information, the School District is dependent upon property taxes as well as additional local funding. Property tax revenue makes up 20 percent of the School District's revenues. In the past, the School District has had to return to the voters to maintain a constant level of service due to increases in the cost to do business. School District's voters passed a 2 percent earned income tax levy which began to be collected on January 1, 2020, for a period of 15 years. Income taxes make up 16 percent of the School District's fiscal year 2021 revenue. Careful financial planning and the continued support of local funding has permitted the School District to continue to provide a quality education for its students.

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 information, contact Lana Fairchild, Treasurer of Amanda-Clearcreek Local School Board of Education, 328 East Main Street, Amanda, Ohio 43102.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities
<u>Assets:</u>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$15,659,865
Cash and Cash Equivalents with Fiscal Agents	1,331,102
Accounts Receivable	63,297
Income Tax Receivable	1,617,944
Intergovernmental Receivable	183,238
Accrued Interest Receivable	2,412
Materials and Supplies Inventory	3,458
Inventory Held for Resale	7,068
Property Taxes Receivable	4,738,321
Prepaid Items	52,207
Net OPEB Asset	894,519
Capital Assets:	
Land	292,457
Construction in Progress	1,417,861
Depreciable Capital Assets, Net	20,725,660
<i>Total Assets</i>	46,989,409
<u>Deferred Outflows of Resources:</u>	
Pension	3,125,114
OPEB	508,735
<i>Total Deferred Outflows of Resources</i>	3,633,849
<u>Liabilities:</u>	
Accounts Payable	152,011
Contracts Payable	426,354
Accrued Wages and Benefits Payable	1,539,949
Intergovernmental Payable	387,716
Accrued Interest Payable	6,452
Claims Payable	165,100
Matured Compensated Absences Payable	24,396
Long-Term Liabilities:	
Due Within One Year	751,506
Due in More Than One Year:	
Net Pension Liability	16,796,849
Net OPEB Liability	1,508,785
Other Amounts Due in More Than One Year	4,124,170
<i>Total Liabilities</i>	25,883,288
<u>Deferred Inflows of Resources:</u>	
Property Taxes	4,001,627
Pension	592,343
OPEB	2,011,927
<i>Total Deferred Inflows of Resources</i>	6,605,897
<u>Net Position:</u>	
Net Investment in Capital Assets	20,351,625
Restricted for Debt Service	608,149
Restricted for Capital Improvements	36,826
Restricted for Other Purposes:	
Classroom Facilities Maintenance	178,777
Scholarships	10,308
Local, State, and Federal Grants	355,727
District and Student Managed Activities	89,789
Unrestricted (Deficit)	(3,497,128)
<i>Total Net Position</i>	\$18,134,073

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Total Governmental Activities
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$9,113,025	\$771,599	\$306,437	\$0	(\$8,034,989)
Special	3,530,912	172,871	1,586,880	0	(1,771,161)
Vocational	389,869	0	127,894	0	(261,975)
Support Services:					
Pupils	935,004	0	364,617	0	(570,387)
Instructional Staff	791,147	0	68,256	0	(722,891)
Board of Education	114,887	0	0	0	(114,887)
Administration	1,125,293	2,186	1,783	0	(1,121,324)
Fiscal	473,539	0	4,955	0	(468,584)
Business	50,062	0	0	0	(50,062)
Operation and Maintenance of Plant	2,106,502	332	165,845	6,000	(1,934,325)
Pupil Transportation	941,913	0	59,975	56,864	(825,074)
Central	133,517	0	6,569	0	(126,948)
Operation of Non-Instructional Services	800,122	82,613	696,477	0	(21,032)
Extracurricular Activities	450,615	214,028	500	0	(236,087)
Interest and Fiscal Charges	25,735	0	0	0	(25,735)
Total Governmental Activities	\$20,982,142	\$1,243,629	\$3,390,188	\$62,864	(16,285,461)

General Revenues:

Property Taxes Levied for:

General Purposes	4,241,565
Debt Service	278,861
Facility Maintenance	54,760

Income Taxes Levied for:

General Purposes	3,665,737
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Grants and Entitlements not Restricted

to Specific Programs:	9,414,768
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Gain on Sale of Capital Assets

	12,418
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Contributions not Restricted

to Specific Programs	500
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Investment Earnings

	44,127
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Miscellaneous

	234,256
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Total General Revenues

17,946,992

Change in Net Position

1,661,531

Net Position at Beginning of Year -

Restated (See Note 3)

16,472,542

Net Position at End of Year

\$18,134,073

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$11,495,457	\$2,260,218	\$1,476,609	\$15,232,284
Receivables:				
Property Taxes	4,409,860	0	328,461	4,738,321
Income Taxes	1,617,944	0	0	1,617,944
Intergovernmental	22,416	0	160,822	183,238
Accrued Interest	2,412	0	0	2,412
Interfund	80,589	0	1,307	81,896
Accounts	16,037	0	0	16,037
Prepaid Items	48,329	0	3,878	52,207
Materials and Supplies Inventory	0	0	3,458	3,458
Inventory Held for Resale	0	0	7,068	7,068
<i>Total Assets</i>	<u>\$17,693,044</u>	<u>\$2,260,218</u>	<u>\$1,981,603</u>	<u>\$21,934,865</u>
<u>Liabilities:</u>				
Accounts Payable	\$125,838	\$0	\$26,173	\$152,011
Contracts Payable	0	409,871	16,483	426,354
Accrued Wages and Benefits Payable	1,392,737	0	147,212	1,539,949
Intergovernmental Payable	365,055	0	22,661	387,716
Interfund Payable	1,307	0	80,589	81,896
Matured Compensated Absences Payable	24,396	0	0	24,396
<i>Total Liabilities</i>	<u>1,909,333</u>	<u>409,871</u>	<u>293,118</u>	<u>2,612,322</u>
<u>Deferred Inflows of Resources:</u>				
Property Taxes	3,725,341	0	276,286	4,001,627
Unavailable Revenue	591,370	0	43,705	635,075
<i>Total Deferred Inflows of Resources</i>	<u>4,316,711</u>	<u>0</u>	<u>319,991</u>	<u>4,636,702</u>
<u>Fund Balances:</u>				
Nonspendable	48,329	0	7,336	55,665
Restricted	0	1,850,347	1,253,807	3,104,154
Committed	170,538	0	7,424	177,962
Assigned	322,357	0	128,814	451,171
Unassigned (Deficit)	10,925,776	0	(28,887)	10,896,889
<i>Total Fund Balances</i>	<u>11,467,000</u>	<u>1,850,347</u>	<u>1,368,494</u>	<u>14,685,841</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$17,693,044</u>	<u>\$2,260,218</u>	<u>\$1,981,603</u>	<u>\$21,934,865</u>

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Reconciliation of Total Governmental Fund Balances to

Net Position of Governmental Activities

June 30, 2021

Total Governmental Fund Balances \$14,685,841

***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. These assets consist of:

Land	292,457	
Construction in Progress	1,417,861	
Depreciable Capital Assets	44,682,831	
Accumulated Depreciation	<u>(23,957,171)</u>	22,435,978

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.

Delinquent Property Taxes	321,121	
Income Taxes	286,764	
Intergovernmental	22,056	
Investment Earnings	303	
Tuition and Fees	1,965	
Extracurricular Activities	2,258	
Miscellaneous	<u>608</u>	635,075

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (6,452)

The net pension liability and net OPEB liability (asset) are not due and payable in the current period; therefore the liabilities (asset) and related deferred inflows/outflows are not reported in the governmental funds:

Net OPEB Asset	894,519	
Deferred Outflows - Pension	3,125,114	
Deferred Outflows - OPEB	508,735	
Net Pension Liability	(16,796,849)	
Net OPEB Liability	(1,508,785)	
Deferred Inflows - Pension	(592,343)	
Deferred Inflows - OPEB	<u>(2,011,927)</u>	(16,381,536)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Refunding Bonds Payable	(650,000)	
Capital Leases Payable	(3,236,295)	
Premium on Refunding Bonds	(48,405)	
Compensated absences	<u>(940,976)</u>	(4,875,676)

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,640,843

Net Position of Governmental Activities \$18,134,073

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$4,201,337	\$0	\$334,579	\$4,535,916
Income Taxes	3,616,792	0	0	3,616,792
Intergovernmental	10,670,316	0	2,287,792	12,958,108
Investment Earnings	37,605	0	12,520	50,125
Tuition and Fees	941,921	0	0	941,921
Extracurricular Activities	512	0	214,360	214,872
Contributions and Donations	2,500	0	40,270	42,770
Charges for Services	0	0	82,613	82,613
Miscellaneous	223,486	0	10,162	233,648
Total Revenues	19,694,469	0	2,982,296	22,676,765
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,445,103	0	326,388	7,771,491
Special	3,145,930	0	566,158	3,712,088
Vocational	374,327	0	0	374,327
Support Services:				
Pupils	699,014	0	281,713	980,727
Instructional Staff	684,349	0	76,218	760,567
Board of Education	119,507	0	0	119,507
Administration	1,086,917	0	1,736	1,088,653
Fiscal	492,827	0	10,588	503,415
Business	50,062	0	0	50,062
Operation and Maintenance of Plant	1,562,813	0	453,712	2,016,525
Pupil Transportation	1,090,781	0	49,661	1,140,442
Central	112,605	0	31,854	144,459
Operation of Non-Instructional Services	0	0	883,271	883,271
Extracurricular Activities	71,110	0	358,795	429,905
Capital Outlay	142,426	1,278,471	109,146	1,530,043
Debt Service:				
Principal Retirement	22,299	0	295,000	317,299
Interest and Fiscal Charges	14,736	0	31,900	46,636
Issuance Costs	0	56,382	0	56,382
Total Expenditures	17,114,806	1,334,853	3,476,140	21,925,799
Excess of Revenues Over (Under) Expenditures	2,579,663	(1,334,853)	(493,844)	750,966
<u>Other Financing Sources (Use):</u>				
Issuance of a Capital Lease	0	3,185,200	0	3,185,200
Transfers In	19,179	0	380,581	399,760
Proceeds from Sale of Capital Assets	15,775	0	0	15,775
Transfers Out	(380,581)	0	(19,179)	(399,760)
Total Other Financing Sources (Use)	(345,627)	3,185,200	361,402	3,200,975
Net Change in Fund Balances	2,234,036	1,850,347	(132,442)	3,951,941
Fund Balances at Beginning of Year - Restated (See Note 3)	9,232,964	0	1,500,936	10,733,900
Fund Balances at End of Year	\$11,467,000	\$1,850,347	\$1,368,494	\$14,685,841

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds		\$3,951,941
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Asset Additions	1,732,996	
Depreciation Expense	<u>(1,590,296)</u>	142,700
The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets are removed from the capital assets account in the statement of net position and offset against the proceeds from the sale of capital assets resulting in a gain on the sale of capital assets in the statement of activities.		
Proceeds from Sale of Capital Assets	(15,775)	
Gain on Disposal of Capital Assets	<u>12,418</u>	(3,357)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Delinquent Property Taxes	39,270	
Income Taxes	48,945	
Intergovernmental	(132,651)	
Investment Earnings	(10,325)	
Tuition and Fees	1,965	
Extracurricular Activities	2,258	
Miscellaneous	<u>608</u>	(49,930)
The issuance of a capital lease is an other financing source in governmental funds, but the issuance increases the long-term liabilities on the statement of activities.		
		(3,185,200)
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 the governmental funds:		
Premium Amortization	24,203	
Accrued Interest Payable	<u>(3,302)</u>	20,901
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bond payments	295,000	
Capital lease payments	<u>22,299</u>	317,299
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,301,314	
OPEB	<u>46,372</u>	1,347,686
Except for amounts reported as deferred inflows/outflows, changes in net pension liability and OPEB (asset) liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,992,190)	
OPEB	<u>81,043</u>	(1,911,147)
Compensated absences 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.		
		(129,214)
Internal service funds used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
Change in Net Position		<u>1,159,852</u>
Change in Net Position of Governmental Activities		<u>\$1,661,531</u>

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2021

	Budget Amounts			Variance With Final Budget Over/(Under)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$4,071,835	\$4,170,106	\$4,190,174	\$20,068
Income Tax	568,065	2,924,761	2,932,217	7,456
Intergovernmental	9,703,164	10,598,526	10,665,497	66,971
Investment Earnings	130,626	50,626	37,836	(12,790)
Tuition and Fees	1,002,378	983,558	940,246	(43,312)
Contributions and Donations	2,000	2,000	2,500	500
Miscellaneous	65,880	71,235	222,897	151,662
<i>Total Revenues</i>	<u>15,543,948</u>	<u>18,800,812</u>	<u>18,991,367</u>	<u>190,555</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,439,650	7,352,683	7,371,491	(18,808)
Special	3,238,106	3,456,275	3,123,060	333,215
Vocational	307,269	342,489	354,274	(11,785)
Student Intervention Services	1,439	983	0	983
Support Services:				
Pupils	955,493	789,198	721,472	67,726
Instructional Staff	447,014	608,314	604,301	4,013
Board of Education	120,407	309,699	304,815	4,884
Administration	1,130,605	1,101,550	1,059,780	41,770
Fiscal	500,840	587,205	503,225	83,980
Business	56,456	58,565	55,000	3,565
Operation and Maintenance of Plant	1,973,880	1,731,721	1,713,029	18,692
Pupil Transportation	894,013	1,118,873	1,110,075	8,798
Central	106,870	111,640	108,968	2,672
Extracurricular Activities	46,721	75,402	71,309	4,093
Capital Outlay	441,978	167,435	312,964	(145,529)
Debt Service:				
Interest and Fiscal Charges	0	9,013	9,013	0
<i>Total Expenditures</i>	<u>17,660,741</u>	<u>17,821,045</u>	<u>17,422,776</u>	<u>398,269</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,116,793)</u>	<u>979,767</u>	<u>1,568,591</u>	<u>588,824</u>
<u>Other Financing Sources (Use):</u>				
Proceeds from Sale of Capital Assets	3,486	3,486	6,225	2,739
Transfers In	27	19,179	19,179	0
Transfers Out	(140,975)	(350,000)	(381,581)	(31,581)
<i>Total Other Financing Sources (Use)</i>	<u>(137,462)</u>	<u>(327,335)</u>	<u>(356,177)</u>	<u>(28,842)</u>
<i>Net Change in Fund Balance</i>	(2,254,255)	652,432	1,212,414	559,982
<i>Fund Balance at Beginning of Year</i>	9,255,277	9,255,277	9,255,277	0
<i>Prior Year Encumbrances Appropriated</i>	<u>532,251</u>	<u>532,251</u>	<u>532,251</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$7,533,273</u>	<u>\$10,439,960</u>	<u>\$10,999,942</u>	<u>\$559,982</u>

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Fund Net Position

Proprietary Fund

June 30, 2021

	<u>Internal Service</u>
<u>Assets:</u>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$427,581
Cash and Cash Equivalents with Fiscal Agent	1,331,102
Accounts Receivable	<u>47,260</u>
<i>Total Assets</i>	<u>1,805,943</u>
<u>Liabilities:</u>	
Current Liabilities:	
Claims Payable	<u>165,100</u>
<u>Net Position:</u>	
Unrestricted	<u><u>\$1,640,843</u></u>

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2021

	<u>Internal Service</u>
<u>Operating Revenues:</u>	
Charges for Services	<u>\$3,070,703</u>
<u>Operating Expenses:</u>	
Purchased Services	133,739
Claims	<u>1,781,532</u>
<i>Total Operating Expenses</i>	<u>1,915,271</u>
Operating Income	1,155,432
<u>Non-Operating Revenues:</u>	
Interest	<u>4,420</u>
<i>Change in Net Position</i>	1,159,852
<i>Net Position at Beginning of Year</i>	<u>480,991</u>
<i>Net Position at End of Year</i>	<u><u>\$1,640,843</u></u>

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

For the Fiscal Year Ended June 30, 2021

	<u>Internal Service</u>
Increase in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	\$3,070,703
Cash Payments to Suppliers for Goods and Services	(133,739)
Cash Payments for Claims	<u>(2,346,961)</u>
<i>Net Cash Provided by Operating Activities</i>	590,003
Cash Flows from Investing Activities:	
Interest	<u>4,420</u>
<i>Net Increase in Cash and Cash Equivalents</i>	594,423
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,164,260</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,758,683</u></u>
Reconciliation of Operating Income to Net	
Cash Provided by Operating Activities:	
Operating Income	\$1,155,432
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(47,260)
Decrease in Claims Payable	<u>(518,169)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$590,003</u></u>

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position

Custodial Fund

For the Fiscal Year Ended June 30, 2021

	<u>Tournament Account</u>
<u>Additions:</u>	
Charges Received for OHSAA	\$1,713
<u>Deductions:</u>	
Distributions on Behalf of OHSAA	<u>1,713</u>
<i>Change in Net Position</i>	0
<i>Net Position at Beginning of Year</i>	<u>0</u>
<i>Net Position at End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Amanda-Clearcreek Local School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District is a local school district as defined by Ohio Revised Code Section 3311.03. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The School District was established through the consolidation of existing land areas and school districts. It is staffed by 80 classified employees, 107 certificated full-time teaching personnel and 11 administrative employees who provide services to 1,572 students.

Reporting Entity

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

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

The School District is associated with one jointly governed organization: the Metropolitan Educational Technology Association (META). The School District is also associated with three insurance purchasing pools: the Ohio School Plan (OSP), the South Central Ohio Insurance Consortium, and Ohio School Comp Workers’ Compensation Group Rating Program. These organizations are presented in Note 19 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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. The government-wide statements normally distinguish between those activities that are governmental and those that are considered business-type activities; however, the School District has no business-type activities.

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

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

Fund Accounting

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

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

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

Building Fund This fund is used to account for and report the restricted lease to purchase proceeds used for upgrades and improvements to the School District's property and buildings.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, cash flows. Proprietary funds are classified as enterprise or internal service: the School District has no enterprise funds.

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 accounted for the operation of the School District's self-insurance program for employee medical, surgical, prescription drug, and dental claims.

Fiduciary Fund Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The School District's fiduciary fund, a custodial fund, is used to account for receipts and expenses related to the Ohio High School Athletic Association athletic tournament activities.

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 (revenues) and decreases (expenses) in total net position.

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

For the proprietary fund, 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 activity.

For the fiduciary fund, a statement of changes in fiduciary net position reports additions to and deductions from its custodial fund.

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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. Revenue from income taxes is recognized in the period in which the income is earned. On the accrual basis, revenue from property taxes and payment in lieu of taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue 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 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 nonexchange 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, income taxes, interest, tuition, grants, fees, and rent.

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 plans. The deferred outflows of resources related to pension/OPEB are explained in Notes 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 until that time. For the School District, deferred inflows of resources include

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

property taxes, pension and OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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, income taxes, intergovernmental grants, investment earnings, tuition and fees, extracurricular activities, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 15. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity and pooled cash and cash equivalents" on the financial statements.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. For fiscal year 2021, there are no investments shown.

During fiscal year 2021, investments were limited to the money market mutual funds, municipal bonds, federal agency securities, commercial paper, and negotiable certificates of deposit.

Except for nonparticipating investment contracts, the School District reports investments at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit are reported at cost. The School District had no nonnegotiable certificates of deposit for fiscal year 2021.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to \$37,605, which includes \$810 assigned from other School District funds.

"Cash and Cash Equivalents with Fiscal Agents" represents monies on hand at the fiscal agent for medical and dental insurance cash balances for the self-insurance program with the South Central Ohio Insurance Consortium.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Prepaid Items

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

Inventory

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

Capital Assets

The School District's only capital assets are 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 in the fund financial statements.

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

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

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables". These amounts are eliminated on the statement of net position.

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

records a liability for accumulated unused vacation time when earned for administrators with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on sick leave accumulated by June 30 by those employees who are eligible to receive termination payments and by those employees for whom it is probable that they will become eligible to receive termination benefits in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in union contracts.

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-term Obligations

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

Internal Activity

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

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

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Bond Premium and Issuance Costs

On the government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable; bond discounts are presented as a decrease of the face amount of the bonds payable. On the governmental fund statements, bond premiums and discounts are recorded in the year the bonds are issued. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent. Bond issuance costs are shown as expensed in the year of the debt issuance.

Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes prepaids for all governmental fund types.

Restricted: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. 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.

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

Assigned: Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District's Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District's Board of Education or a School District official delegated that authority by resolution or by State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education has also assigned fund balance for public school support and capital purchases and improvements.

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. 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 School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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 charges for services for services for self-insurance programs. Operating expenses are necessary costs' incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

Estimates

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

Budgetary Data

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

The certificate of estimated resources may be amended during the fiscal 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 statement reflect the amounts in the amended certificate at the time the permanent appropriations were passed. The amounts reported as the final budgeted amounts in the budgetary statement reflect the final amended certificate approved.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Some of the School District's funds are separate for budgeting purposes then they are combined on the GAAP basis. The public school support special revenue fund is budgeted individually on a cash basis but is combined with the general fund on a GAAP basis.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENTS OF FUND BALANCES AND NET POSITION

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

For fiscal year 2021, the School District also implemented GASB Statement No. 84, *Fiduciary Activities* and related guidance from (GASB) *Implementation Guide No. 2019-2, Fiduciary Activities*. GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the School District will no longer be reporting agency funds. The School District reviewed its private purpose trust fund and its agency funds. The private purpose trust fund will be reclassified as a governmental fund. Of the three agency funds, one fund will be reported in the new fiduciary fund classification as a custodial fund, while the other two funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the School District's financial statements.

Restatement of Fund Balances and Net Position

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

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances, June 30, 2020	\$9,143,404	\$1,375,334	\$10,518,738
Adjustments; GASB Statement 84	<u>89,560</u>	<u>125,602</u>	<u>215,162</u>
Restated Fund Balances, June 30, 2020	<u><u>\$9,232,964</u></u>	<u><u>\$1,500,936</u></u>	<u><u>\$10,733,900</u></u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

	<u>Governmental Activities</u>
Net Position, June 30, 2020	\$16,257,380
Adjustments; GASB Statement 84	<u>215,162</u>
Restated Net Position, June 30, 2020	<u><u>\$16,472,542</u></u>

The implementation of GASB Statement No. 84 had the following effect on fiduciary net position as of June 30, 2020:

	<u>Private Purpose Trust</u>	<u>Agency</u>
	<u>Endowment</u>	
Net Position, June 30, 2020	\$19,368	\$0
Adjustments:		
Assets	0	(195,794)
Liabilities	0	(195,794)
GASB Statement 84	<u>(19,368)</u>	<u>0</u>
Restated Net Position, June 30, 2020	<u><u>\$0</u></u>	<u><u>\$0</u></u>

NOTE 4 - ACCOUNTABILITY

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

	<u>Deficit Fund Balances</u>
<u>Special Revenue Funds:</u>	
Food Service	(\$2,155)
School Emergency Relief	(5,745)
Title I	(12,455)
Title II-A	(3,761)

The deficits in the special revenue funds were a result of the application of generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (budget basis) is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Fair market value adjustments, negative cash interfund advances, and prepaids are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
4. Encumbrances are treated as expenditures (budget basis) rather than as committed or assigned fund balance (GAAP basis).
5. Budgetary revenues and expenditures of the public school support fund and termination benefits fund are reclassified to the general fund for GAAP Reporting.

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

Net Change in Fund Balance	
GAAP Basis	\$2,234,036
Net Adjustment for Revenue Accruals	(714,031)
Net Adjustment for Expenditure Accruals	209,475
Beginning:	
Negative cash interfund advances	(22,154)
Fair Value of Investments	1,752
Ending:	
Negative cash interfund advances	80,589
Fair Value of Investments	139
Prepaids	(48,329)
To reclassify excess of revenues and other sources of financial resources under expenditures and other uses of financial resources into financial statement fund types	11,241
Adjustment for Encumbrances	<u>(540,304)</u>
Budget Basis	<u><u>\$1,212,414</u></u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations, including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. 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. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At June 30, 2021, the School District’s internal service fund had a balance of \$1,331,102 with fiscal agents, which was held by the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (See Note 19). The balances were held by SCOIC in pooled accounts which are representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for SCOIC as a whole may be obtained from the fiscal agent, Bloom-Carroll Local School District, 5240 Plum Road, Carroll, Ohio 43112.

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

Measurement/Investment	Measurement Amount	Maturity	Ratings	Percentage of Total Investment
<i>Fair Value - Level One Inputs:</i>				
Money Market Mutual Funds	\$1,123,880	under one year	n/a	47.38
<i>Fair Value - Level Two Inputs:</i>				
Federal Farm Credit Bank Notes	99,620	under three years	Aaa	4.20
Federal Home Loan Bank Notes	148,453	under five years	Aaa	6.26
Municipal Bonds	99,839	under seven years	Aa2	4.21
Commercial Paper	499,711	under one year	P-1	21.07
Negotiable Certificates of Deposit	400,461	under three years	n/a	16.88
<i>Total Fair Value - Level Two Inputs</i>	<u>1,248,084</u>			
Total	<u><u>\$2,371,964</u></u>			

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

Credit Risk Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Moody's ratings for the School District's investments are listed in the table above. The School District has no policy on credit risk beyond the requirements in State statutes.

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 commercial paper investments are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department agent but not in the School District's name. 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.

Concentration of Credit Risk Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District places no limit on the amount it may invest in any one issuer.

NOTE 7 - 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 property located in the School District. Real property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2019, were levied after April 1, 2020, and are collected in calendar year 2021 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 Fairfield County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Accrued property taxes receivable includes real property, public utility property which are measurable as of June 30, 2021, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 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 – property taxes.

The amount available as an advance at June 30, 2021, was \$385,659 in the general fund, \$25,016 in the bond retirement fund, and \$4,898 in the classroom facilities maintenance fund. The amount available as an advance at June 30, 2020, was \$374,496 in the general fund, \$29,915 in the bond retirement fund, and \$4,769 in the classroom facilities maintenance fund.

On an 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 deferred inflows of resources – unavailable revenue.

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

	2020 Second- Half Collections		2021 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$210,706,700	95.78%	\$212,904,840	93.51%
Public Utility Personal	9,284,490	4.22%	14,779,450	6.49%
Total Assessed Value	<u>\$219,991,190</u>	<u>100.00%</u>	<u>\$227,684,290</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$37.10		\$36.80	

The decrease in the tax rate was due a reduction in the taxes required to meet debt service requirements.

NOTE 8 - TAX ABATEMENTS

School District property taxes were reduced by a Community Reinvestment Area agreement entered into by the City of Lancaster. The abated taxes for the School District amounted to \$5,792.

NOTE 9 - INCOME TAX

The School District levies a voted tax of two percent income tax for general operations on the earned income only for all residents of the School District. The tax was effective on January 1, 2020, and is effective for fifteen years. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

NOTE 10 - RECEIVABLES

Receivables at June 30, 2021, consisted of property taxes, income taxes, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full due to the ability to foreclose for

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Delinquent property taxes as of June 30, 2021, were \$321,120.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<u>Governmental Activities:</u>	
Title I	\$68,117
Title II-A	19,215
SERS Reimbursement	608
Elementary School Support Emergency Relief Grant	40,015
Food Service State Reimbursements	33,475
State of Ohio Gas Tax Reimbursement	4,561
State Foundation Adjustment	13,750
Medicaid	3,497
Total Intergovernmental Receivables	<u><u>\$183,238</u></u>

NOTE 11 - CAPITAL ASSETS

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

	<u>Balance at 6/30/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 6/30/21</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$292,457	\$0	\$0	\$292,457
Construction in Progress	0	1,417,861	0	1,417,861
Total Capital Assets Not Being Depreciated	<u>292,457</u>	<u>1,417,861</u>	<u>0</u>	<u>1,710,318</u>
Capital Assets Being Depreciated:				
Land Improvements	2,707,262	0	0	2,707,262
Buildings and Improvements	38,057,535	0	0	38,057,535
Furniture, Fixtures and Equipment	1,190,169	37,700	0	1,227,869
Vehicles	1,701,374	277,435	(175,857)	1,802,952
Textbooks	887,213	0	0	887,213
Total Capital Assets Being Depreciated	<u>44,543,553</u>	<u>315,135</u>	<u>(175,857)</u>	<u>44,682,831</u>
Less Accumulated Depreciation:				
Land Improvements	(2,256,201)	(120,467)	0	(2,376,668)
Buildings and Improvements	(17,139,285)	(1,263,975)	0	(18,403,260)
Furniture, Fixtures and Equipment	(977,969)	(65,301)	0	(1,043,270)
Vehicles	(1,278,707)	(140,553)	172,500	(1,246,760)
Textbooks	(887,213)	0	0	(887,213)
Total Accumulated Depreciation	<u>(22,539,375)</u>	<u>(1,590,296) *</u>	<u>172,500</u>	<u>(23,957,171)</u>
Total Capital Assets Being Depreciated, Net	<u>22,004,178</u>	<u>(1,275,161)</u>	<u>(3,357)</u>	<u>20,725,660</u>
Governmental Activities Capital Assets, Net	<u><u>\$22,296,635</u></u>	<u><u>\$142,700</u></u>	<u><u>(\$3,357)</u></u>	<u><u>\$22,435,978</u></u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,406,801
Vocational	1,996
Support Services:	
Operation and Maintenance of Plant	17,928
Pupil Transportation	148,010
Operation of Non-Instructional Services:	2,732
Extracurricular Activities	12,829
Total Depreciation Expense	<u>\$1,590,296</u>

Construction in progress consisted of a football stadium scoreboard project in the amount of \$139,390 and lease-purchase improvements to School District buildings and property in the amount of \$1,278,471.

NOTE 12 - RISK MANAGEMENT

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 has joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 19).

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

Building and Contents-replacement cost (\$1,000 deductible)	\$78,916,598
Automobile Liability (no deductible):	
Bodily Injury and Property Damage-combined single limit	3,000,000
Medical Payments - each person	10,000
General Liability:	
Each Occurrence	3,000,000
Aggregate Limit	5,000,000
Product-Complete Operations Aggregate Limit	3,000,000
Medical Expense Limit-per person/accident	10,000
Employers Liability-Stop Gap:	
Per Accident	3,000,000
Per Disease Each Employee	3,000,000
Per Disease Policy Limit	3,000,000
Employee Benefits Liability:	
Per Claim	3,000,000
Aggregate Limit	5,000,000
Educational Legal Liability	
Employment Practices Injury – Each Wrongful Act	3,000,000
Employment Practices Injury – Annual Aggregate	5,000,000

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

Workers' Compensation

The School District participates in the workers' compensation program provided by the State of Ohio. The School District participates in the Ohio SchoolComp Workers' Compensation Group Rating Program (Program), an insurance purchasing pool (Note 19). The Program is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for participants. The participating school districts continue to pay their own premiums and have the opportunity to receive premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can either receive a premium refund or assessment. Employers will pay experience or based rated premiums under the same terms as if they were not in a group. The total premium for the entire group is the standard premium of the group. The standard premium serves as the benchmark that is adjusted up and down. In order to allocate the savings derived by formation of the Program, the Program's executive committee annually calculates the group premium based on developed incurred claim losses for the whole group. The new premium is compared to the standard premium. If the group premium is lower than the standard premium, a refund will be distributed to the employers of the group. If the premium is higher, an assessment will be charged to each participant.

Participation in the Program is limited to school districts that can meet the Program's selection criteria. The firm of Sedwick Managed Care Ohio serves as the third party administrator of the Program and provides administrative, cost control, and actuarial services. Each year, the School District pays an enrollment fee to the Program to cover the cost of administering the Program.

The School District may withdraw from the Program if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Program prior to withdrawal.

Medical and Dental

The School District provides a medical, prescription drug, and dental insurance program for its employees through the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (Note 19). The School District's medical, prescription drug, and dental were all considered self-insured programs due to the School District retaining the risk. SCOIC contracted with CareFactor for claims servicing. The School District had shared risk pool coverage and stop-loss insurance through SCOIC for individual claims in excess of \$100,000 per employee per year for medical and prescription claims. SCOIC purchases stop loss coverage for individual claims over \$1,500,000. SCOIC members also participate in a Jefferson Health Plan shared risk pool for individual claims from \$500,000 to \$1,500,000. The Jefferson Health Plan has a stop loss coverage insurance policy through Sun Life which covered individual claims in excess of \$1,500,000 per employee per year for medical and prescription claims. The School District has no stop loss coverage for the dental claims. The maximum dental benefit per covered person is \$1,500 per calendar year. The premiums paid into the internal service fund are used for claims, claim reserves, and administrative costs. The internal service fund presented in the financial statements reflects the premiums paid into the self-insurance internal service fund by the same funds that pay the employees' salaries. The School District pays monthly medical premiums of up to \$2,511 for certified and classified employees for family coverage and up to \$1,041 for certified and classified employees for single coverage of which the employees are responsible for 20 percent of the medical premium. The School District pays monthly dental premiums of up to \$108 for family and single coverage for certified and classified employees.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

The claims liability of \$165,100 reported in the internal service fund at June 30, 2021, is based on the requirements of Governmental Accounting Standards Board Statement Number 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate provided by an actuary for medical and dental claims. The full amount of claims payable is presented as current liabilities because it is expected to be paid within the following fiscal year. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years, including medical, surgical, prescription drug, and dental are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2020	<u>\$307,195</u>	<u>\$3,336,727</u>	<u>\$2,960,653</u>	<u>\$683,269</u>
2021	683,269	1,828,792 (1)	2,346,961	165,100
(1) Claims Expense		\$1,781,532		
+ Stop Loss Receivable from current year		47,260		
- Stop Loss Receivable from prior year		0		
		<u>\$1,828,792</u>		

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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 pensions/OPEB are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$366,669 for fiscal year 2021. Of this amount, \$35,393 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

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

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

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

The School District's contractually required contribution to STRS was \$934,645 for fiscal year 2021. Of this amount, \$199,672 is reported as an intergovernmental payable.

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

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

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.0645845%	0.05221475%	
Current Measurement Date	<u>0.0677559%</u>	<u>0.05089728%</u>	
Change in Proportionate Share	<u>0.0031714%</u>	<u>-0.00131747%</u>	
Proportionate Share of the Net			<u>Total</u>
Pension Liability	\$4,481,518	\$12,315,331	\$16,796,849
Pension Expense	\$443,695	\$1,548,495	\$1,992,190

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$8,705	\$27,632	\$36,337
Changes of assumptions	0	661,096	661,096
Net difference between projected and actual earnings on pension plan investments	284,485	598,896	883,381
Changes in proportionate Share and difference between the School District contributions and proportionate share of contributions	114,718	128,268	242,986
School District contributions subsequent to the measurement date	<u>366,669</u>	<u>934,645</u>	<u>1,301,314</u>
Total Deferred Outflows of Resources	<u><u>\$774,577</u></u>	<u><u>\$2,350,537</u></u>	<u><u>\$3,125,114</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$78,748	\$78,748
Changes in Proportionate Share and Difference between the School District contributions and proportionate share of contributions	<u>60,401</u>	<u>453,194</u>	<u>513,595</u>
Total Deferred Inflows of Resources	<u><u>\$60,401</u></u>	<u><u>\$531,942</u></u>	<u><u>\$592,343</u></u>

\$1,301,314 reported as deferred outflows of resources related to pension resulting from the School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	\$11,445	\$274,128	\$285,573
2023	128,414	78,262	206,676
2024	118,580	320,515	439,095
2025	<u>89,068</u>	<u>211,045</u>	<u>300,113</u>
Total	<u><u>\$347,507</u></u>	<u><u>\$883,950</u></u>	<u><u>\$1,231,457</u></u>

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.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

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

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

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$6,139,132	\$4,481,518	\$3,090,748

Actuarial Assumptions - STRS

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

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

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

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

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

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

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$17,534,887	\$12,315,331	\$7,892,192

NOTE 14 - DEFINED BENEFIT OPEB PLANS

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

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 Financial Report which can be obtained on SERS’ website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District’s surcharge obligation was \$46,372.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District’s contractually required contribution to SERS was \$46,372 for fiscal year 2021, all is reported as an intergovernmental payable.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability (Asset):			
Prior Measurement Date	0.0665438%	0.05221475%	
Current Measurement Date	<u>0.0694228%</u>	<u>0.05089728%</u>	
Change in Proportionate Share	<u>0.0028790%</u>	<u>-0.00131747%</u>	
Proportionate Share of the:			<u>Total</u>
Net OPEB Liability	\$1,508,785	\$0	\$1,508,785
Net OPEB (Asset)	\$0	(\$894,519)	(\$894,519)
OPEB Expense	(\$12,486)	(\$68,557)	(\$81,043)

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$19,816	\$57,316	\$77,132
Changes of assumptions	257,196	14,766	271,962
Net difference between projected and actual earnings on OPEB plan investments	17,001	31,349	48,350
Changes in proportionate Share and difference between the School District contributions and proportionate share of contributions contributions subsequent School District contributions subsequent to the measurement date	59,511	5,408	64,919
	<u>46,372</u>	<u>0</u>	<u>46,372</u>
Total Deferred Outflows of Resources	<u>\$399,896</u>	<u>\$108,839</u>	<u>\$508,735</u>

Deferred Inflows of Resources			
Differences between expected and actual experience	\$767,323	\$178,176	\$945,499
Changes of assumptions	38,004	849,643	887,647
Changes in Proportionate Share and Difference between the School District contributions and proportionate share of contributions	113,494	65,287	178,781
Total Deferred Inflows of Resources	<u>\$918,821</u>	<u>\$1,093,106</u>	<u>\$2,011,927</u>

\$46,372 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	(\$119,618)	(\$246,362)	(\$365,980)
2023	(118,388)	(225,143)	(343,531)
2024	(118,588)	(217,699)	(336,287)
2025	(111,613)	(211,500)	(323,113)
2026	(75,154)	(40,026)	(115,180)
Thereafter	<u>(21,936)</u>	<u>(43,537)</u>	<u>(65,473)</u>
Total	<u>(\$565,297)</u>	<u>(\$984,267)</u>	<u>(\$1,549,564)</u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability at June 30, 2019, was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the 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 (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
School District's proportionate share of the net OPEB liability	\$1,846,715	\$1,508,785	\$1,240,131
	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$1,188,053	\$1,508,785	\$1,937,685

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Actuarial Assumptions – STRS

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

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 initial, 4 percent ultimate

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net OPEB asset	(\$778,290)	(\$894,519)	(\$993,135)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	(\$987,014)	(\$894,519)	(\$781,846)

NOTE 15 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Administrators are generally granted twenty days of vacation per year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Staff members who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 300 days for all employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 75 days for all employees. A bonus of 40 days is granted if retirement is by the State Teachers Retirement System or School Employees Retirement System standard in the first year eligible.

Insurance Benefits

The School District is self-insured for employee healthcare benefits for all its employees. Employees are provided with dental insurance through Employee Benefit Management Corporation (EMBC), health insurance through Ohio PPO, and vision insurance through Vision Service Plan (VSP). The School District provides life insurance to its employees through Champion Life purchased through the Anderson Insurance Group.

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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, 2021, two of the Board of Education members elected Social Security.

NOTE 16 - CAPITALIZED LEASE - LESSEE DISCLOSURE

During prior fiscal years, the School District entered into a capital lease for the acquisition of new copiers. The lease agreement is accounted for as program/function expenditures in the general fund with an offsetting amount reported as another financing source, inception of capital lease. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

During fiscal year 2021, the School District (Lessee) entered into a lease-purchase agreement with Key Government Finance Incorporated (Lessor), a subdivision of KeyBank, for the purpose of capital upgrades and improvements to the School District's buildings and property. The School District will convey to the Lessor a base leasehold interest in the real property and existing improvements and, in turn, the School District shall lease the project facilities from the Lessor subject to annual appropriations.

Proceeds of the lease, in the amount of \$3,185,200, are reflected in the basic financial statements in the building capital projects fund. The lease will be repaid from the general fund using property tax revenues. There were no principal payments made on this lease during fiscal year 2021. The amount of the unspent lease proceeds, \$1,850,347 after payables in the amount of \$409,871, are presented in the financial statements at their fair value of \$2,260,218.

Leased equipment was originally capitalized in the amount of \$113,244, the present value of the minimum lease payments at the inception of the leases. The accumulated depreciation as of June 30, 2021 was \$67,946, and the book value was \$45,298. Lease project facilities are still in the construction phase and are capitalized as construction in progress in the amount of \$1,417,861.

Capital assets acquired by lease have been capitalized in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability has been recorded as a long-term obligation. Principal payments in fiscal year 2021 totaled \$22,299, and were paid from the general fund.

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30,	Principal	Interest
2022	\$335,299	\$54,219
2023	325,296	46,832
2024	303,600	40,479
2025	308,700	35,366
2026	313,900	30,167
2027-2031	1,649,500	69,777
Present Value of Net Minimum Lease Payments	<u>\$3,236,295</u>	<u>\$276,840</u>

NOTE 17 - LONG-TERM OBLIGATIONS

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

	Amount Outstanding 6/30/20	Additions	Deductions	Amount Outstanding 6/30/21	Amount Due Within One Year
Governmental Activities:					
2008 Refunding General					
Obligation Bonds - 3.00% - 4.00%					
Term Bonds	\$945,000	\$0	\$295,000	\$650,000	\$320,000
Unamortized Premium	72,608	0	24,203	48,405	0
Total General Obligation Bonds	<u>1,017,608</u>	<u>0</u>	<u>319,203</u>	<u>698,405</u>	<u>320,000</u>
Net Pension Liability:					
STRS	11,546,977	768,354	0	12,315,331	0
SERS	3,864,203	617,315	0	4,481,518	0
Total Net Pension Liability	<u>15,411,180</u>	<u>1,385,669</u>	<u>0</u>	<u>16,796,849</u>	<u>0</u>
Net OPEB Liability:					
SERS	<u>1,673,437</u>	<u>0</u>	<u>164,652</u>	<u>1,508,785</u>	<u>0</u>
Capital Lease Payable	73,394	3,185,200	22,299	3,236,295	335,299
Compensated Absences	811,762	276,756	147,542	940,976	96,207
Total General Long-Term Obligations	<u>\$18,987,381</u>	<u>\$4,847,625</u>	<u>\$653,696</u>	<u>\$23,181,310</u>	<u>\$751,506</u>

Refunding General Obligation Bonds - During fiscal year 2008, the School District issued \$2,219,998 of advance refunding general obligation bonds for a portion of the School District's \$4,417,000 School Facilities Construction and Improvement Bonds. The bonds were issued at a premium in the amount of \$363,044. The refunding resulted in an economic gain of \$684,826 and a reduction of \$401,410 in future debt service payments. At June 30, 2021, \$655,000 of the refunded bonds were outstanding. Assets are being held in escrow to retire these bonds at maturity.

Principal and interest requirements to retire the School District's outstanding debt at June 30, 2021, are as follows:

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Fiscal Year Ending June 30,	General Obligation Refunding Bonds	
	Term Bonds	
	Principal	Interest
2022	\$320,000	\$19,600
2023	330,000	6,600
Total	\$650,000	\$26,200

There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: the general fund and the food service, student wellness and success, title I, and title II-A special revenue funds. For Additional information related to the net pension/OPEB liability (asset) see Notes 13 and Note 14. Compensated absences will be paid from the general fund and the food service and title I special revenue funds.

The School District's overall legal debt margin was \$18,801,427, with an unvoted debt margin of \$227,684 at June 30, 2021.

NOTE 18 - INTERFUND ACTIVITY

Interfund balances at June 30, 2021, consist of the following individual interfund receivables and payables:

	Interfund Receivable	Interfund Payable
Major Funds:		
General	\$80,589	\$1,307
Other Governmental Funds:		
Community Grant	0	1,001
School Emergency Relief	521	44,419
Title I	786	27,321
Title II-A	0	7,848
Total Other Governmental Funds	1,307	80,589
Total All Funds	\$81,896	\$81,896

The interfund receivables/payables are due to the general fund making advances to other non-major governmental funds to subsidize negative cash balances. The general fund owed money to the school emergency relief and title I nonmajor special revenue funds for the reimbursement of services provided. The interfund payables are anticipated to be repaid within one year.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

	Transfer To	Transfer From
Major Funds:		
General	\$19,179	\$380,581
Other Governmental Funds:		
Food Service	130,264	0
Student Managed Activity	0	19,179
District Managed Activities	130,317	0
Permanent Improvement	120,000	0
Total Other Governmental Funds	380,581	19,179
Total All Funds	\$399,760	\$399,760

Transfers of \$380,581 were made from the general fund to the nonmajor funds to reallocate monies for capital project payments and to support programs accounted for in other funds. The transfer of \$19,179 from the student managed activity nonmajor special revenue fund to the general fund was made during the fiscal year to close out old student managed accounts no longer used.

NOTE 19 - JOINTLY GOVERNED ORGANIZATION AND INSURANCE PURCHASING POOLS

Jointly Governed Organization

Metropolitan Educational Technology Association (META) The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium and a regional council of governments. META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology, and student services, a purchasing cooperative, and other individual services based on each client's needs. The governing board of META consists of a president, vice president and twelve board members who represent the members of META. The Board works with META's Chief Executive Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid META \$67,122 for services provided during the fiscal year. Financial information can be obtained from META Solutions, David Varda, CFO, 100 Executive Drive, Marion Ohio 43302.

Insurance Purchasing Pool

Ohio School Plan - The School District participates in the Ohio School Plan (OSP), and insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs, and other administrative services. The OSP's business and affairs are conducted by a twelve member Board of Directors consisting of school district superintendents and treasurers. Hylant Administrative Services, LLC is the Administrator of the OSP and is responsible for providing underwriting, claims management, risk management, accounting, system support services, sales, and marketing.

South Central Ohio Insurance Consortium - The School District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost effective cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of the

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

SCOIC. Members include 24 public entities with approximately 4,000 employees covered for medical and prescription benefits with many different plan designs in place, as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom-Carroll Local School District serves as the fiscal agent for the SCOIC.

SCOIC contracts with the Jefferson Health Plan, a risk sharing, claims servicing, and insurance purchasing pool, for medical, dental, and prescription drug coverage on a self-insured basis and for an internal pool and stop loss insurance. The SCOIC members are considered self-insured and pay a monthly premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payments of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool paid dividends to the participants. The School District, member of SCOIC, participated in the shared risk pool through SCOIC for individual claims in excess of \$100,000. SCOIC contracts with CareFactor to service claims of SCOIC members. SCOIC members purchase stop loss coverage for individual claims over \$1,500,000. SCOIC members also participate in a Jefferson Health Plan shared risk pool for individual claims from \$500,000 to \$1,500,000. Sun Life provides stop loss coverage for individual claims over \$1,500,000 for members of the Jefferson Health Plan. In the event that the School District would withdraw from SCOIC, the School District would be required to give a 180-day notice prior to the end of their three-year contract, be responsible for all run-out claims and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom-Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

Ohio SchoolComp Workers' Compensation Group Rating Program - The Ohio SchoolComp Workers' Compensation Group Rating Program (Program) is a shared risk pool among school districts in Ohio. Section 4123.29, Ohio Revised Code, permits the establishment of employer group rating plans for workers' compensation rating purposes. The Program is governed by the Ohio School Board Association (OSBA) Executive Committee that consists of seven members as follows: the president of OSBA, Immediate Past President of OSBA, and five representatives elected from the participating school districts.

The Program, a Bureau of Workers' Compensation certified sponsor, established the program based upon guidelines set forth by the Bureau of Workers' Compensation (BWC). The Program created a group of school districts that will practice effective workplace safety and claims management to achieve lower premiums for workers compensation coverage than they would individually. The participating school districts continue to pay their own premiums and have the opportunity to receive premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can receive either a premium refund or premium assessment. The Program's third party administrator (TPA), Sedgewick provides administrative, cost control, and actuarial services to the Program. The cost of the TPA will be paid by each school district in proportion to its payroll to the total payroll of the group. The School District paid \$23,487 to the Program during fiscal year 2021.

NOTE 20 - SET-ASIDE CALCULATIONS

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

	Capital Improvements
Set-aside Balance as of June 30, 2020	\$0
Current Year Set-aside Requirement	265,515
Current Year Offsets	(54,037)
Qualifying Disbursements	(460,498)
Total	(249,020)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

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

NOTE 21 - SIGNIFICANT COMMITMENTS

Encumbrances

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

General Fund	\$540,304
Nonmajor Governmental Funds	1,200,959
Total	\$1,741,263

Contractual Commitments

As of June 30, 2021, the School District had contractual purchase commitments for the following projects:

Project	Fund	Original Contract	Paid to Date	Amount Remaining
New Scoreboard	General	\$147,800	\$139,390	\$8,410
High School Track Improvements	Building	352,838	130,671	222,167
Energy Savings Project	Building	1,551,000	1,147,800	403,200
	Total	\$2,051,638	\$1,417,861	\$633,777

NOTE 22 - FUND BALANCES

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Fund Balances	General Fund	Building Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>				
Prepays	\$48,329	\$0	\$3,878	\$52,207
Materials and Supplies	0	0	3,458	3,458
<i>Total Nonspendable</i>	<u>48,329</u>	<u>0</u>	<u>7,336</u>	<u>55,665</u>
<i>Restricted for:</i>				
Debt Service	0	0	594,041	594,041
Capital Improvements	0	1,850,347	36,826	1,887,173
Classroom Facilities Maintenance	0	0	174,909	174,909
Local, State and Federal Grants	0	0	348,319	348,319
Scholarships	0	0	10,308	10,308
District and Student Managed Activities	0	0	89,404	89,404
<i>Total Restricted</i>	<u>0</u>	<u>1,850,347</u>	<u>1,253,807</u>	<u>3,104,154</u>
<i>Committed to:</i>				
Capital Improvements	0	0	7,424	7,424
Purchases on Order	170,538	0	0	170,538
<i>Total Committed</i>	<u>170,538</u>	<u>0</u>	<u>7,424</u>	<u>177,962</u>
<i>Assigned to:</i>				
Purchases on Order	286,418	0	0	286,418
Public School Support	35,939	0	0	35,939
Capital Improvements	0	0	128,814	128,814
<i>Total Assigned</i>	<u>322,357</u>	<u>0</u>	<u>128,814</u>	<u>451,171</u>
<i>Unassigned (Deficit):</i>	<u>10,925,776</u>	<u>0</u>	<u>(28,887)</u>	<u>10,896,889</u>
<i>Total Fund Balances</i>	<u><u>\$11,467,000</u></u>	<u><u>\$1,850,347</u></u>	<u><u>\$1,368,494</u></u>	<u><u>\$14,685,841</u></u>

NOTE 23 - CONTINGENCIES

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, 2021, if applicable, cannot be determined at this time.

School Foundation

In fiscal year 2021, School District foundation funding was 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. The final adjustment was not material and is not reflected in the accompanying financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Litigation

The School District is currently a party to legal proceedings as of June 30, 2021. The School District's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

NOTE 24 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the school district received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. 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 losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020, and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

NOTE 25 - SUBSEQUENT EVENT

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the respective school. For fiscal year 2021, the School District reported \$878,868 in revenue and expenditures/expense related to these programs. Also during fiscal year 2021, the School District reported \$566,539 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each School District. The School District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

Amanda-Clearcreek Local School District

Required Supplementary Information

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Eight Fiscal Years (1)

	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.06775590%	0.06458450%	0.06963630%
School District's Proportionate Share of the Net Pension Liability	\$4,481,518	\$3,864,203	\$3,988,200
School District's Covered Payroll	\$2,285,236	\$2,076,637	\$2,259,222
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	196.11%	186.08%	176.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%

(1) Information prior to 2014 is not available.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.07039830%	0.07110160%	0.06683250%	0.06612100%	0.06612100%
\$4,206,142	\$5,203,980	\$3,813,527	\$3,346,346	\$3,932,004
\$2,570,000	\$2,487,429	\$2,654,107	\$2,480,924	\$2,700,773
163.66%	209.21%	143.68%	134.88%	145.59%
69.50%	62.98%	69.16%	71.70%	65.52%

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AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.06942280%	0.06654380%	0.07047310%	0.07170010%	0.07181380%
School District's Proportionate Share of the Net OPEB Liability	\$1,508,785	\$1,673,437	\$1,955,114	\$1,924,242	\$2,046,959
School District's Covered Payroll	\$2,285,236	\$2,076,637	\$2,259,222	\$2,570,000	\$2,487,429
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	66.02%	80.58%	86.54%	74.87%	82.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Eight Fiscal Years (1)

	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.05089728%	0.05221475%	0.05108788%
School District's Proportionate Share of the Net Pension Liability	\$12,315,331	\$11,546,977	\$11,233,077
School District's Covered Payroll	\$6,102,993	\$6,341,193	\$5,779,007
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	201.79%	182.09%	194.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%

(1) Information prior to 2014 is not available.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.05355662%	0.05376593%	0.05156114%	0.04919111%	0.04919111%
\$12,722,489	\$17,997,077	\$14,249,991	\$11,964,980	\$14,252,606
\$5,824,650	\$5,714,743	\$5,392,193	\$5,467,464	\$5,494,962
218.42%	314.92%	264.27%	218.84%	259.38%
75.30%	66.80%	72.10%	74.70%	69.30%

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AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
 State Teachers Retirement System of Ohio
 Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.05089728%	0.05221475%	0.05108788%	0.05355662%	0.05376593%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$894,519)	(\$864,805)	(\$820,929)	\$2,089,581	\$2,875,416
School District's Covered Payroll	\$6,102,993	\$6,341,193	\$5,779,007	\$5,824,650	\$5,714,743
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered - Payroll	-14.66%	-13.64%	-14.21%	35.87%	50.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability				
Contractually Required Contribution	\$366,669	\$319,933	\$280,346	\$304,995
Contributions in Relation to the Contractually Required Contribution	<u>(366,669)</u>	<u>(319,933)</u>	<u>(280,346)</u>	<u>(304,995)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,619,064	\$2,285,236	\$2,076,637	\$2,259,222
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	46,372	40,402	52,674	48,601
Contributions in Relation to the Contractually Required Contribution	<u>(46,372)</u>	<u>(40,402)</u>	<u>(52,674)</u>	<u>(48,601)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.77%</u>	<u>1.77%</u>	<u>2.54%</u>	<u>2.15%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.77%</u>	<u>15.77%</u>	<u>16.04%</u>	<u>15.65%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
\$359,800	\$348,240	\$349,811	\$343,606	\$373,787	\$365,291
(359,800)	(348,240)	(349,811)	(343,606)	(373,787)	(365,291)
\$0	\$0	\$0	\$0	\$0	\$0
\$2,570,000	\$2,487,429	\$2,654,107	\$2,480,924	\$2,700,773	\$2,715,918
14.00%	14.00%	13.18%	13.85%	13.84%	13.45%
40,291	35,309	55,804	35,487	35,305	42,390
(40,291)	(35,309)	(55,804)	(35,487)	(35,305)	(42,390)
\$0	\$0	\$0	\$0	\$0	\$0
1.57%	1.42%	2.10%	1.43%	1.31%	1.56%
15.57%	15.42%	15.28%	15.28%	15.15%	15.01%

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability				
Contractually Required Contribution	\$934,645	\$854,419	\$887,767	\$809,061
Contributions in Relation to the Contractually Required Contribution	<u>(934,645)</u>	<u>(854,419)</u>	<u>(887,767)</u>	<u>(809,061)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$6,676,036	\$6,102,993	\$6,341,193	\$5,779,007
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
\$815,451	\$800,064	\$754,907	\$710,770	\$714,345	\$668,891
<u>(815,451)</u>	<u>(800,064)</u>	<u>(754,907)</u>	<u>(710,770)</u>	<u>(714,345)</u>	<u>(668,891)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,824,650	\$5,714,743	\$5,392,193	\$5,467,464	\$5,494,962	\$5,145,315
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$54,675	\$54,950	\$51,453
<u>0</u>	<u>0</u>	<u>0</u>	<u>(54,675)</u>	<u>(54,950)</u>	<u>(51,453)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

Net Pension Liability

Changes in Assumptions – SERS

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

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

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Changes in Assumptions - STRS

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

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

Changes in Benefit Terms – STRS OPEB

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

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

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	\$ 168,445
COVID-19 School Breakfast Program	10.553	N/A	26,172
Total School Breakfast Program			<u>194,617</u>
National School Lunch Program - Noncash Assistance	10.555	N/A	62,403
National School Lunch Program	10.555	N/A	393,851
COVID-19 National School Lunch Program	10.555	N/A	39,858
Total National School Lunch Program			<u>496,112</u>
Total Child Nutrition Cluster			<u>690,729</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>690,729</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Education</i>			
COVID-19 Coronavirus Relief Fund	21.019	2021	87,099
TOTAL U.S. DEPARTMENT OF TREASURY			<u>87,099</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies:			
Title I Grants to Local Educational Agencies	84.010	2020	31,869
Title I Grants to Local Educational Agencies	84.010	2021	201,918
Total Title I Grants to Local Educational Agencies			<u>233,787</u>
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	2021	316,407
Special Education - Preschool Grants (IDEA Preschool)	84.173	2021	7,465
Total Special Education Cluster			<u>323,872</u>
Supporting Effective Instruction State Grants:			
Supporting Effective Instruction State Grants	84.367	2020	7,730
Supporting Effective Instruction State Grants	84.367	2021	70,118
Total Supporting Effective Instruction State Grants			<u>77,848</u>
Student Support and Academic Enrichment Program	84.424	2021	26,936
COVID-19 Education Stabilization Fund (ESF):			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	2021	164,742
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>827,185</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,605,013</u>

The accompanying notes are an integral part of this schedule.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of **Amanda-Clearcreek Local School District**, Fairfield County, Ohio (the District) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, 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 comingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE E – FOOD DONATION PROGRAM

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

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

January 18, 2022

Amanda-Clearcreek Local School District
Fairfield County
328 East Main Street
Amanda, Ohio 43102

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 **Amanda-Clearcreek Local School District**, Fairfield County, (the District) as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated January 18, 2022, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2021-001 to be a material weakness.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**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**

January 18, 2022

Amanda-Clearcreek Local School District
Fairfield County
328 East Main Street
Amanda, Ohio 43102

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited **Amanda-Clearcreek 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 Amanda-Clearcreek Local School District's major federal program for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of audit 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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

FINDING NUMBER 2021-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the District and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the District's annual financial report were noted:

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

FINDING NUMBER 2021-001 (Continued)

Material Weakness (Continued)

Financial Reporting (Continued)

- An invoice dated June 30, 2021 related to the District's lease-purchase improvements to buildings and property totaling \$279,200 was not properly recorded, resulting in an understatement of Capital Outlay expenditures and Contracts Payable in the Building Fund. For Governmental Activities, this resulted in an understatement of Construction in Progress and Contracts Payable; and
- Errors were noted in the calculation of depreciation expense resulting in an overstatement of Depreciable Capital Assets, Net and an understatement of Instruction: Regular expense and Support Services: Operation and Maintenance of Plant expense in Governmental Activities.

Not completing year end adjusting entries accurately resulted in the financial statements requiring adjustment. The financial statements reflect all adjustments noted above.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all year end adjusting entries are properly calculated and incorporated into the financial statements.

Officials' Response: See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None



*Amanda-Clearcreek
Local School District*

328 East Main Street
Amanda, Ohio 43102
phone 740-969-7250 * fax 740-969-3722

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2021-001	We plan to work with LGS and Valuation Engineers to update the Capital Assets schedule to ensure all assets are accounted for and depreciation schedules are accurate. Additionally we will maintain a list of outstanding payables at year end and more critically review the year end adjusting entries to ensure accuracy and completeness.	6/30/2022	Lana Fairchild

James B. Dick
Superintendent



Lana L. Fairchild
Treasurer

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OHIO AUDITOR OF STATE KEITH FABER



AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

FAIRFIELD 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 3/15/2022

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

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