



**ELIDA LOCAL SCHOOL DISTRICT  
ALLEN COUNTY  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2021**

313 Second St.  
Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

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Cambridge, OH 43725  
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OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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Board of Education  
Elida Local School District  
4380 Sunnydale Road  
Elida, Ohio 45807

We have reviewed the *Independent Auditor's Report* of the Elida Local School District, Allen 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 Elida 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

February 10, 2022

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**ELIDA LOCAL SCHOOL DISTRICT  
ALLEN COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

December 22, 2021

Elida Local School District  
Allen County  
4380 Sunnysdale Avenue  
Elida, Ohio 45807

To the Board of Education:

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for 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.

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***Auditor's Responsibility (Continued)***

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Elida Local School District, Allen County, Ohio, as of June 30, 2021 and the respective changes in cash financial position and budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

Ohio Administrative Code § 117-2-03(B) requires the School District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

*Supplemental Information*

Our audit was conducted to opine on the 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.

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



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**Elida Local School District**  
Statement of Net Position - Cash Basis  
June 30, 2021

	Governmental Activities
<b><u>Assets</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$18,613,290
<b><u>Net Position</u></b>	
Restricted for:	
Debt Service	3,139,927
Capital Projects	8,703,513
Food Service	620,492
Other Purposes	689,868
Unrestricted	5,459,490
Total Net Position	\$18,613,290

See accompanying notes to the basic financial statements

**Elida Local School District**  
Statement of Activities - Cash Basis  
For the Fiscal Year Ended June 30, 2021

	Program Cash Receipts			Net (Disbursement) Receipt and Change in Net Position
	Disbursements	Charges for Services	Operating Grants, Contributions, and Interest	Governmental Activities
<b><u>Governmental Activities</u></b>				
Instruction:				
Regular	\$14,901,053	\$1,261,196	\$652,020	(\$12,987,837)
Special	3,695,974	91,018	2,230,696	(1,374,260)
Vocational	0	0	18,195	18,195
Support Services:				
Pupils	1,481,252	0	840,534	(640,718)
Instructional Staff	756,029	0	5,808	(750,221)
Board of Education	96,401	0	0	(96,401)
Administration	1,599,904	0	0	(1,599,904)
Fiscal	663,669	0	0	(663,669)
Business	17,444	0	0	(17,444)
Operation and Maintenance				
of Plant	3,487,346	0	69,962	(3,417,384)
Pupil Transportation	1,179,513	0	20,253	(1,159,260)
Central	163,695	0	0	(163,695)
Noninstructional Services	1,343,535	391,088	1,131,979	179,532
Extracurricular Activities	770,502	229,884	543	(540,075)
Capital Outlay	24,907,255	0	0	(24,907,255)
Debt Service:				
Principal Retirement	1,058,419	0	0	(1,058,419)
Accretion on Capital Appreciation Bonds	1,217,850	0	0	(1,217,850)
Interest and Fiscal Charges	1,327,974	0	0	(1,327,974)
<b>Total Governmental Activities</b>	<b>\$58,667,815</b>	<b>\$1,973,186</b>	<b>\$4,969,990</b>	<b>(51,724,639)</b>

**General Receipts**

Property Taxes Levied for:	
General Purposes	10,331,090
Classroom Facilities Maintenance	192,136
Debt Service	3,407,518
Permanent Improvements	329,160
Payment in Lieu of Taxes	19,117
Grants and Entitlements not Restricted to Specific Programs	25,184,955
Interest	210,441
Rent	10,464
Miscellaneous	742,923
Capital Loan Issued	988,122
<b>Total General Receipts</b>	<b>41,415,926</b>
Change in Net Position	(10,308,713)
Net Position at Beginning of Year	28,922,003
Net Position at End of Year	<b>\$18,613,290</b>

See accompanying notes to the basic financial statements

**Elida Local School District**  
Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
June 30, 2021

	General	Bond Retirement	Building	Classroom Facilities
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$5,855,920	\$3,139,927	\$4,229,954	\$4,001,925
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	6,810	0	0	0
Total Assets	<u>\$5,862,730</u>	<u>\$3,139,927</u>	<u>\$4,229,954</u>	<u>\$4,001,925</u>
<b><u>Fund Balances</u></b>				
Nonspendable	\$1,310	\$0	\$0	\$0
Restricted	5,500	3,139,927	4,229,954	4,001,925
Assigned	1,863,568	0	0	0
Unassigned (Deficit)	3,992,352	0	0	0
Total Fund Balances	<u>\$5,862,730</u>	<u>\$3,139,927</u>	<u>\$4,229,954</u>	<u>\$4,001,925</u>

See accompanying notes to the basic financial statements

<u>Other Governmental</u>	<u>Total</u>
\$1,378,754	\$18,606,480
<u>0</u>	<u>6,810</u>
<u>\$1,378,754</u>	<u>\$18,613,290</u>
\$0	1,310
1,775,184	13,152,490
0	1,863,568
<u>(396,430)</u>	<u>3,595,922</u>
<u>\$1,378,754</u>	<u>\$18,613,290</u>

**Elida Local School District**  
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2021

	General	Bond Retirement	Building	Classroom Facilities
<b><u>Receipts</u></b>				
Property Taxes	\$10,331,090	\$3,407,518	\$0	\$0
Payment in Lieu of Taxes	19,117	0	0	0
Intergovernmental	12,204,166	309,491	0	13,542,893
Interest	17,386	0	60,870	131,048
Tuition and Fees	1,600,759	0	0	0
Charges for Services	0	0	0	0
Extracurricular Activities	38,300	0	0	0
Rent	10,464	0	0	0
Miscellaneous	721,002	0	0	0
Total Receipts	<u>24,942,284</u>	<u>3,717,009</u>	<u>60,870</u>	<u>13,673,941</u>
<b><u>Disbursements</u></b>				
Current:				
Instruction:				
Regular	13,959,574	0	0	0
Special	2,536,335	0	0	0
Support Services:				
Pupils	771,344	0	0	0
Instructional Staff	624,907	0	0	0
Board of Education	96,401	0	0	0
Administration	1,476,985	0	0	0
Fiscal	587,866	65,877	0	0
Business	17,444	0	0	0
Operation and Maintenance of Plant	3,243,191	0	0	0
Pupil Transportation	970,627	0	0	0
Central	163,695	0	0	0
Noninstructional Services	26,737	0	0	0
Extracurricular Activities	551,581	0	0	0
Capital Outlay	2,621	0	2,188,039	22,716,595
Debt Service:				
Principal Retirement	51,269	1,007,150	0	0
Accretion on Capital Appreciation Bonds	0	1,217,850	0	0
Interest and Fiscal Charges	9,324	1,318,650	0	0
Total Disbursements	<u>25,089,901</u>	<u>3,609,527</u>	<u>2,188,039</u>	<u>22,716,595</u>
Excess of Receipts Over (Under) Disbursements	(147,617)	107,482	(2,127,169)	(9,042,654)
<b><u>Other Financing Sources</u></b>				
Capital Loan Issued	988,122	0	0	0
Changes in Fund Balances	840,505	107,482	(2,127,169)	(9,042,654)
Fund Balances at Beginning of Year	<u>5,022,225</u>	<u>3,032,445</u>	<u>6,357,123</u>	<u>13,044,579</u>
Fund Balances at End of Year	<u>\$5,862,730</u>	<u>\$3,139,927</u>	<u>\$4,229,954</u>	<u>\$4,001,925</u>

See accompanying notes to the basic financial statements

Other Governmental	Total
\$521,296	\$14,259,904
0	19,117
4,096,844	30,153,394
2,688	211,992
0	1,600,759
142,543	142,543
191,584	229,884
0	10,464
21,921	742,923
4,976,876	47,370,980
941,479	14,901,053
1,159,639	3,695,974
709,908	1,481,252
131,122	756,029
0	96,401
122,919	1,599,904
9,926	663,669
0	17,444
244,155	3,487,346
208,886	1,179,513
0	163,695
1,316,798	1,343,535
218,921	770,502
0	24,907,255
0	1,058,419
0	1,217,850
0	1,327,974
5,063,753	58,667,815
(86,877)	(11,296,835)
0	988,122
(86,877)	(10,308,713)
1,465,631	28,922,003
\$1,378,754	\$18,613,290

**Elida Local School District**  
Statement of Receipts, Disbursements, and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<b><u>Receipts</u></b>				
Property Taxes	\$10,143,813	\$10,143,813	\$10,331,090	\$187,277
Payment in Lieu of Taxes	0	0	19,117	19,117
Intergovernmental	10,232,716	10,997,716	12,204,166	1,206,450
Interest	143,691	143,691	17,386	(126,305)
Tuition and Fees	1,193,641	1,193,641	1,600,759	407,118
Extracurricular Activities	33,705	33,705	38,300	4,595
Rent	22,550	22,550	10,464	(12,086)
Miscellaneous	105,757	113,757	717,485	603,728
<b>Total Receipts</b>	<b>21,875,873</b>	<b>22,648,873</b>	<b>24,938,767</b>	<b>2,289,894</b>
<b><u>Disbursements</u></b>				
Current:				
Instruction:				
Regular	13,941,270	14,692,751	13,959,766	732,985
Special	2,532,028	2,722,243	2,536,500	185,743
Support Services:				
Pupils	1,197,762	1,197,762	771,344	426,418
Instructional Staff	587,825	588,130	631,407	(43,277)
Board of Education	81,435	81,435	96,401	(14,966)
Administration	1,392,402	1,392,402	1,482,280	(89,878)
Fiscal	541,007	566,007	587,866	(21,859)
Business	83,907	91,407	19,505	71,902
Operation and Maintenance of Plant	2,311,515	3,699,637	3,323,061	376,576
Pupil Transportation	941,144	1,101,144	1,066,182	34,962
Central	141,127	141,127	163,695	(22,568)
Noninstructional Services	40,852	40,852	26,737	14,115
Extracurricular Activities	556,303	556,303	551,581	4,722
Capital Outlay	3,189	3,189	2,621	568
Debt Service:				
Principal Retirement	0	52,000	51,269	731
Interest and Fiscal Charges	0	9,500	9,324	176
<b>Total Disbursements</b>	<b>24,351,766</b>	<b>26,935,889</b>	<b>25,279,539</b>	<b>1,656,350</b>
Excess of Receipts				
Under Disbursements	(2,475,893)	(4,287,016)	(340,772)	3,946,244
<b><u>Other Financing Sources</u></b>				
Refund of Prior Year Expenditures	63,040	63,040	5,447	(57,593)
Capital Loan Issued	0	988,122	988,122	0
<b>Total Other Financing Sources</b>	<b>63,040</b>	<b>1,051,162</b>	<b>993,569</b>	<b>(57,593)</b>
Changes in Fund Balance	(2,412,853)	(3,235,854)	652,797	3,888,651
Fund Balance at Beginning of Year	4,682,646	4,682,646	4,682,646	0
Prior Year Encumbrances Appropriated	335,107	335,107	335,107	0
<b>Fund Balance at End of Year</b>	<b>\$2,604,900</b>	<b>\$1,781,899</b>	<b>\$5,670,550</b>	<b>\$3,888,651</b>

See accompanying notes to the basic financial statements



**Elida Local School District**  
Statement of Cash Basis Fiduciary Net Position  
Fiduciary Fund  
June 30, 2021

	<u>Private Purpose Trust</u>
<b><u>Assets</u></b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$360,313</u>
<b><u>Net Position</u></b>	
Held in Trust for Scholarships	<u>\$360,313</u>

See accompanying notes to the basic financial statements

**Elida Local School District**  
Statement of Cash Basis Change in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2021

	Private Purpose Trust	Custodial
<b><u>Additions:</u></b>		
Interest	\$558	\$0
Gifts and Donations	71,470	0
Charges Received for OHSAA	0	20,033
Total Additions	72,028	20,033
<b><u>Deductions:</u></b>		
Noninstructional Services	30,628	0
Distributions on Behalf of OHSAA	0	20,033
Total Deductions	30,628	20,033
Change in Net Position	41,400	0
Net Position at Beginning of Year	318,913	0
Net Position at End of Year	\$360,313	\$0

See accompanying notes to the basic financial statements

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

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

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

The School District is located in Allen County. It is staffed by ninety-four classified employees, one hundred fifty-six certified teaching personnel, and sixteen administrative employees who provide services to 2,193 students and other community members. The School District currently operates three instructional buildings and an administration building.

**Reporting Entity**

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the School District.

The Elida Education Foundation, Inc. is organized as an Ohio non-profit corporation which operates exclusively for the benefit of the School District. The Foundation receives and administers donations for educational and public charitable purposes. The Foundation is governed by a five member board of trustees. One trustee is a member of the Board of Education, appointed by the Board of Education. One trustee is the Superintendent of the School District and one trustee is the Treasurer of the School District. The remaining two trustees are elected at the annual meeting of the members. The Foundation is a blended component unit of the School District. The School District acts as fiscal agent for the Foundation. The activity of the Foundation is reflected as a private purpose trust fund of the School District.

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

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

The following activities are included within the reporting entity:

Within the School District boundaries, Temple Christian and the Center for Autism and Dyslexia are operated as private schools. Current State legislation provides funding to the private schools. The monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the private schools. The activity is reflected in a special revenue fund of the School District for financial reporting purposes.

The School District participates in two jointly governed organizations and three insurance pools. These organizations include the Northwest Ohio Area Computer Services Cooperative (NOACSC), Apollo Career Center, Ohio School Plan, Allen County Schools Health Benefit Plan, and Lima Allen County Chamber of Commerce Workers' Compensation Group Rating Plan. These organizations are presented in Notes 15 and 16 to the basic financial statements

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

These financial statements are presented on a cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principals include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the School District's accounting policies.

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the cash balance of the governmental activities of the School District at fiscal year end. The statement of activities compares disbursements with program receipts for each function or program of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the School District is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the School District's general receipts.

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

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

**Fund Financial Statements**

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

**B. Fund Accounting**

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

**Governmental Funds**

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The School District's major funds are the General Fund, the Bond Retirement debt service fund, and the Building and Classroom Facilities capital projects funds.

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

Bond Retirement Fund - The Bond Retirement Fund is used to account for property taxes restricted for the payment of principal, interest, and related costs on general obligation debt.

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

Classroom Facilities Fund - The Classroom Facilities Fund accounts for monies received from the Ohio Schools Facilities Commission for building construction.

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

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

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The School District's private purpose trust fund accounts for college scholarships for students after graduation. The School District's custodial fund is used to account for resources remitted to the Ohio High School Athletic Association.

**C. Basis of Accounting**

The School District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements.

**D. Budgetary Process**

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

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

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

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

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

**E. Cash and Investments**

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

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

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

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 was \$17,386, which included \$12,379 assigned from other School District funds.

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

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

**F. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the General Fund represent unexpended revenues restricted for bus purchases and unclaimed monies that have a legal restriction on their use.

**G. Capital Assets**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

**H. Compensated Absences**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the School District.

**I. Long-Term Obligations**

Cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when disbursements are made.

**J. Net Position**

Net position is reported as restricted when there are limitations imposed on its use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for student activities, music and athletic programs, classroom facilities maintenance, and local grants; unexpended revenues restricted for bus purchases; and unclaimed monies that have a legal restriction on their use. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**K. Fund Balance**

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

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

**Restricted** - Fund balance is 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.



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

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

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

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

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

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

**L. Pensions/Other Postemployment Benefits**

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

**Note 3 - Accountability and Compliance**

**A. Accountability**

At June 30, 2021, the ESSER Cares, Title VI-B, Title III, Title I, Title II-A, and Title IV-A special revenue funds had deficit cash balances of \$308,102, \$25,383, \$1,582, \$ 5,981, \$55,221, and \$161, respectively, resulting from disbursements in advance of grant receipts. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed.

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

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**Note 3 - Accountability and Compliance** (continued)

**B. Compliance**

For fiscal year ended June 30, 2021, the Auxiliary Services special revenue fund had expenditures plus encumbrances in excess of appropriations, in the amount of \$35.

**Note 4 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash, receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than restricted, committed, or assigned fund balance (cash basis). The General Fund encumbrances outstanding at year end (budgetary basis) was \$189,638.

**Note 5 - Deposits and Investments**

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

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System, 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.

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

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

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

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

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

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

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

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

Investments

The School District reports their investments at cost, fair value, or net asset value per share. The fair value of the negotiable certificates of deposit is not materially different than cost. As of June 30, 2021, the School District had the following investments.

<u>Measurement/Investment</u>	<u>Measurement Amount</u>	<u>Less Than Six Months</u>	<u>Six Months to One Year</u>
Cost			
Negotiable Certificates of Deposit	\$2,341,000	\$1,735,000	\$606,000
U.S. Treasury Securities	4,279,625	4,279,625	0
Fair Value			
Mutual Funds	239,881	239,881	0
Net Asset Value Per Share			
STAR Ohio	5,103,666	5,103,666	0
Total Investments	<u>\$11,964,172</u>	<u>\$11,358,172</u>	<u>\$606,000</u>

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

The negotiable certificates of deposit are generally covered by FDIC and/or SIPC insurance. The U.S. treasury securities and mutual funds carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAA by Standard and Poor's. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that no-load money market mutual funds must be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service and STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

The negotiable certificates of deposit and U.S. treasury securities make up 19.57 and 35.77 percent of the School District's total portfolio, respectively.

**Note 6 - Property Taxes**

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

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

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**Note 6 - Property Taxes** (continued)

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

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

The School District receives property taxes from Allen County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2020, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

	2020 Second- Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$392,063,260	96.66%	\$395,231,820	96.43%
Public Utility	13,556,710	3.34	14,642,240	3.57
Total Assessed Value	<u>\$405,619,970</u>	<u>100.00%</u>	<u>\$409,874,060</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$42.92		\$42.25	

**Note 7 - Risk Management**

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

Coverage provided by the Ohio School Plan is as follows:

General Liability	
Per Occurrence	\$6,000,000
General Aggregate	8,000,000
Building and Contents	100,873,095
Vehicle Liability	6,000,000

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

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

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**Note 7 - Risk Management** (continued)

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

The School District participates in the Allen County Schools Health Benefit Plan (Plan), a public entity shared risk pool consisting of ten school districts and the Allen County Educational Service Center. The School District pays monthly premiums to the Plan for employee medical and dental benefits. The Plan is responsible for the management and operations of the program and the payment of claims. Upon withdrawal from the Plan, a participant is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

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

**Note 8 - Contractual Obligations**

As of June 30, 2021, the School District had contractual commitments as follows:

Vendor	Outstanding Balance
Cardinal Bus Sales and Service, Inc.	\$188,444
Garmann/Miller Associates, Inc.	450,804
Peterson Construction Company	6,897,755
Heyne Construction	414,500

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

General Fund	\$189,638
Building Fund	899,155
Classroom Facilities Fund	6,735,491
Other Governmental Funds	618,323
Total	\$8,442,607

**Note 9 - Defined Benefit Pension Plans**

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

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

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

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

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

The net pension/OPEB liability (asset) is not reported on the face of the financial statements but are rather disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

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

**Note 9 - Defined Benefit Pension Plans** (continued)

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

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

Age and service requirements for retirement are as follows.

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

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

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

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

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

The School District's contractually required contribution to SERS was \$487,291 for fiscal year 2021.



**Note 9 - Defined Benefit Pension Plans** (continued)

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

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

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

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

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

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

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

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

**Note 9 - Defined Benefit Pension Plans** (continued)

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

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

The School District's contractually required contribution to STRS was \$1,523,705 for fiscal year 2021.

**Net Pension Liability**

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

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	.09907280%	.08660722%	
Current Measurement Date	.09913200%	.08725589%	
Change in Proportionate Share	.00005920%	.00064867%	
 Proportionate Share of the Net Pension Liability	 \$6,556,800	 \$21,112,821	 \$27,669,621

**Actuarial Assumptions - SERS**

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

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

Elida Local School District  
Notes to the Basic Financial Statements  
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**Note 9 - Defined Benefit Pension Plans** (continued)

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

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

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

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

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

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

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

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

**Note 9 - Defined Benefit Pension Plans** (continued)

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
School District's Proportionate Share of the Net Pension Liability	\$8,982,014	\$6,556,800	\$4,521,998

**Actuarial Assumptions - STRS**

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

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

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

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

Elida Local School District  
Notes to the Basic Financial Statements  
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**Note 9 - Defined Benefit Pension Plans** (continued)

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

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

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

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

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net Pension Liability	\$30,060,981	\$21,112,821	\$13,530,000

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Notes to the Basic Financial Statements  
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**Note 9 - Defined Benefit Pension Plans** (continued)

**Social Security System**

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

**Note 10 - Defined Benefit OPEB Plans**

See Note 9 for a description of the net OPEB liability (asset).

**School Employees Retirement System (SERS)**

Plan Description - The School District contributes to the SERS Health Care Fund administered by SERS for nonteaching retirees and their beneficiaries. For GASB Statement No. 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. The SERS Health Care Plan provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need ten years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of sixty-five and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by State statute. The financial report of the Plan is included in the SERS Annual Financial Report which can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under employers/audit resources.

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

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

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**Note 10 - Defined Benefit OPEB Plans** (continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. State statute provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$64,053.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the amount assigned to the Health Care Fund. The School District's contribution for health care was \$82,764 for fiscal year 2021.

**State Teachers Retirement System (STRS)**

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

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

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

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**Note 10 - Defined Benefit OPEB Plans** (continued)

**Net OPEB Liability (Asset)**

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.

	SERS	STRS	Total
Proportion of the Net OPEB Liability			
Prior Measurement Date	.10106670%	.08660722%	
Current Measurement Date	.10276570%	.08725589%	
Change in Proportionate Share	.00169900%	.00064867%	
 Proportionate Share of the Net OPEB Liability (Asset)	 \$2,233,435	 (\$1,533,521)	 \$699,914

**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 termination). Actuarially determined amounts are subject to continual review and potential modification as actual results are compared with past expectations and new estimates are made about the future.

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

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



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

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**Note 10 - Defined Benefit OPEB Plans** (continued)

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

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

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

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

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

The SERS Health Care Plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 9.

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

**Note 10 - Defined Benefit OPEB Plans** (continued)

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

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

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
School District's Proportionate Share of the Net OPEB Liability	\$2,733,669	\$2,233,434	\$1,835,750
	1% Decrease (6% Decreasing to 3.75%)	Current Trend Rate (7% Decreasing to 4.75%)	1% Increase (8% Decreasing to 5.75%)
School District's Proportionate Share of the Net OPEB Liability	\$1,758,660	\$2,233,434	\$2,868,330

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

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**Note 10 - Defined Benefit OPEB Plans** (continued)

**Actuarial Assumptions - STRS**

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

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

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

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

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

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

The STRS Health Care Plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 9.

Elida Local School District  
Notes to the Basic Financial Statements  
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**Note 10 - Defined Benefit OPEB Plans** (continued)

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

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's Proportionate Share of the Net OPEB Asset	\$1,334,263	\$1,533,521	\$1,702,584
	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Asset	\$1,692,090	\$1,533,521	\$1,340,360

**Note 11 - Other Employee Benefits**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. All two hundred sixty day administrative personnel earn twenty days of vacation per contract period. The Superintendent and Treasurer earn twenty-five days of vacation per contract period. Accumulated unused vacation time is paid to classified employees, administrative personnel, and the Superintendent and Treasurer upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to two hundred seventy-five days for both certified and classified employees (excluding bus drivers and bus mechanics). Sick leave may be accumulated up to 1,716 hours and 2,200 hours for bus drivers and bus mechanics, respectively. Upon retirement, payment is made for 25 percent of the first two hundred days and \$25 for each day over two hundred for certified employees. Upon retirement, payment is made for 25 percent of the first fifty days and at 40 percent for each day over fifty days for classified employees (excluding bus drivers and bus mechanics). Upon retirement, payment is made for 25 percent of the first 300 hours for bus drivers and 400 hours for bus mechanics and at 40 percent for each hour over those limits.

Elida Local School District  
Notes to the Basic Financial Statements  
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**Note 11 - Other Employee Benefits** (continued)

**B. Health Care Benefits**

The School District offers medical, drug, and dental insurance to most employees through the Allen County Schools Health Benefit Plan. Vision insurance is provided by Fidelity Security Life. In addition, the School District offers life insurance through Dearborn National Life Insurance.

**Note 12 - Long-Term Obligations**

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

	Balance at 6/30/20	Additions	Reductions	Balance at 6/30/21	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds					
2008 School Improvement Bonds					
Capital Appreciation Bonds 4.75%	\$769,986	\$0	\$237,150	\$532,836	\$204,486
Accretion on Capital Appreciation Bonds	3,524,556	608,657	1,217,850	2,915,363	0
2016 School Improvement Refunding Bonds					
Serial Bonds 2-4%	11,840,000	0	350,000	11,490,000	365,000
Term Bonds 3.38%	10,985,000	0	0	10,985,000	0
Capital Appreciation Bonds 2-3%	939,970	0	0	939,970	0
Accretion on Capital Appreciation Bonds	1,032,480	392,243	0	1,424,723	0
2018 School Improvement Bonds					
Serial Bonds 2.5-4%	3,755,000	0	420,000	3,335,000	435,000
Term Bonds 3.25-3.75%	13,320,000	0	0	13,320,000	0
Capital Appreciation Bonds 2.81-3.08%	536,446	0	0	536,446	0
Accretion on Capital Appreciation Bonds	146,970	100,244	0	247,214	0
Bond Premium	361,335	0	8,617	352,718	0
Capital Loan from Direct Borrowing 2.15%	0	988,122	51,269	936,853	101,587
<b>Total Governmental Activities</b>	<b>\$47,211,743</b>	<b>\$2,089,266</b>	<b>\$2,284,886</b>	<b>\$47,016,123</b>	<b>\$1,106,073</b>

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

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**Note 12 - Long-Term Obligations** (continued)

2008 School Improvement General Obligation Bonds - On September 4, 2008, the School District issued general obligation bonds, in the amount of \$38,249,986; serial bonds, in the amount of \$12,320,000, term bonds, in the amount of \$25,160,000, and capital appreciation bonds, in the amount of \$769,986. During fiscal year 2016, a portion of the serial bonds and all of the term bonds were refunded, in the amount of \$1,400,000 and \$25,160,000, respectively. The remaining serial bonds matured and were fully retired during fiscal year 2019.

The capital appreciation bonds will mature in fiscal years 2021 through 2023. The maturity amount of the bonds is \$5,820,000. For fiscal year 2021, \$608,657 was accreted for a total bond value of \$3,448,199.

2016 School Improvement Refunding Bonds - On January 14, 2016, the School District issued general obligation refunding bonds, in the amount of \$26,559,970; serial bonds, in the amount of \$14,635,000, term bonds, in the amount of \$10,985,000, and capital appreciation bonds, in the amount of \$939,970. These bonds refunded \$26,560,000 of the School District's 2008 School Improvement General Obligation Bonds.

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

The term bonds maturing on December 1, 2029, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, 2028, in the amount of \$1,910,000, at a redemption price equal to 100 percent of the principal amount redeemed accrued interest to the redemption date.

The term bonds maturing on December 1, 2036, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, 2034, in the amount of \$4,660,000, at a redemption price equal to 100 percent of the principal amount redeemed accrued interest to the redemption date.

The capital appreciation bonds will mature in fiscal years 2024 through 2026. The maturity amount for the bonds is \$5,580,000. For fiscal year 2021, \$392,243 was accreted for a total bond value \$2,364,693.

As of June 30, 2021, the refunded bonds were fully retired.

2018 School Improvement General Obligation Bonds - On September 10, 2018, the School District issued general obligation bonds, in the amount of \$17,906,446, for constructing, renovating, and improving school facilities. The bond issue included serial, term, and capital appreciation bonds, in the original amount of \$4,050,000, \$13,320,000, and \$536,446, respectively. The bonds were issued for a thirty fiscal year period, with final maturity in fiscal year 2049. The bonds are being retired through the Bond Retirement debt service fund.

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

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**Note 12 - Long-Term Obligations** (continued)

The serial bonds maturing on or after December 1, 2027, are subject to optional redemption on or after December 1, 2025, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The bonds maturing on December 1, 2032, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2031	\$540,000

The remaining principal, in the amount of \$560,000, will be paid at stated maturity on December 1, 2032.

The bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2033	\$575,000
2034	595,000

The remaining principal, in the amount of \$620,000, will be paid at stated maturity on December 1, 2035.

The bonds maturing on December 1, 2038, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2036	\$640,000
2037	665,000

The remaining principal, in the amount of \$685,000, will be paid at stated maturity on December 1, 2038.

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

Year	Amount
2039	\$710,000
2040	740,000
2041	765,000
2042	795,000

The remaining principal, in the amount of \$825,000, will be paid at stated maturity on December 1, 2043.

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

**Note 12 - Long-Term Obligations** (continued)

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

Year	Amount
2044	\$855,000
2045	885,000
2046	920,000
2047	955,000

The remaining principal, in the amount of \$990,000, will be paid at stated maturity on December 1, 2048.

The capital appreciation bonds will mature in fiscal years 2025 through 2027. The maturity amount for the bonds is \$1,425,000. For fiscal year 2021, \$100,244 was accreted for a total bond value \$783,660.

Capital Loan - On December 23, 2020, the School District obtained a loan, through a direct borrowing, for equipment. The loan was issued for a nine year period, with final maturity in fiscal year 2030. The loan will be paid from the General fund.

The School District's overall debt margin was (\$1,110,660) with an unvoted debt margin of \$409,874 at June 30, 2021. The School District is authorized to exceed the 9 percent debt limitation with the issuance of bonds for the purpose of funding less than 50 percent of the local share of the Ohio School Construction Commission building project.

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

Fiscal Year Ending June 30,	General Obligation Bonds				
	Serial	Term	Capital Appreciation	Interest	Total
2022	\$800,000	\$0	\$204,486	\$2,541,026	\$3,545,512
2023	825,000	0	176,317	2,539,957	3,541,274
2024	860,000	0	152,033	2,537,485	3,549,518
2025	0	0	575,324	2,983,938	3,559,262
2026	0	0	487,615	3,071,647	3,559,262
2027-2031	5,875,000	3,875,000	413,477	7,484,087	17,647,564
2032-2036	6,465,000	7,550,000	0	3,558,047	17,573,047
2037-2041	0	5,890,000	0	1,679,870	7,569,870
2042-2046	0	4,125,000	0	935,158	5,060,158
2047-2049	0	2,865,000	0	163,782	3,028,782
	\$14,825,000	\$24,305,000	\$2,009,252	\$27,494,997	\$68,634,249



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

**Note 12 - Long-Term Obligations** (continued)

Principal and interest requirements to retire the capital loan outstanding at June 30, 2021, were as follows:

Fiscal Year Ending June 30,	Capital Loan	Interest	Total
2022	\$101,587	\$19,599	\$121,186
2023	103,782	17,404	121,186
2024	106,025	15,161	121,186
2025	108,317	12,869	121,186
2026	110,658	10,528	121,186
2027-2031	406,484	17,662	424,146
	<u>\$936,853</u>	<u>\$93,223</u>	<u>\$1,030,076</u>

**Note 13 - Fund Balance**

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

Fund Balance	General	Bond Retirement	Building	Classroom Facilities
Nonspendable for:				
Unclaimed Monies	\$1,310	\$0	\$0	\$0
Restricted for:				
Building Construction	0	0	4,229,954	4,001,925
Bus Purchase	5,500	0	0	0
Debt Service	0	3,139,927	0	0
Total Restricted	<u>5,500</u>	<u>3,139,927</u>	<u>4,229,954</u>	<u>4,001,925</u>
Assigned for:				
Capital Improvements	168,914	0	0	0
Educational Activities	32,057	0	0	0
Projected Budget Shortage	1,475,020	0	0	0
Unpaid Obligations	187,577	0	0	0
Total Assigned	<u>1,863,568</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	3,992,352	0	0	0
Total Fund Balance	<u>\$5,862,730</u>	<u>\$3,139,927</u>	<u>\$4,229,954</u>	<u>\$4,001,925</u>

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

**Note 13 - Fund Balance** (continued)

Fund Balance	Other Governmental Funds	Total Governmental Funds
Nonspendable for:		
Unclaimed Monies	\$0	\$1,310
Restricted for:		
Athletics and Music	218,752	218,752
Building Construction	6,731	8,238,610
Bus Purchase	0	5,500
Classroom Facilities Maintenance	376,650	376,650
Debt Service	0	3,139,927
Food Service Operations	620,492	620,492
Permanent Improvements	464,903	464,903
School Safety	11,428	11,428
Student Activities	76,228	76,228
Total Restricted	1,775,184	13,152,490
Assigned for:		
Capital Improvements	0	168,914
Educational Activities	0	32,057
Projected Budget Shortage	0	1,475,020
Unpaid Obligations	0	187,577
Total Assigned	0	1,863,568
Unassigned (Deficit)	(396,430)	3,595,922
Total Fund Balance	\$1,378,754	\$18,613,290

**Note 14 - Set Asides**

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

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

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**Note 14 - Set Asides** (continued)

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

	<u>Capital Improvements</u>
Balance June 30, 2020	\$0
Current Year Set Aside Requirement	490,008
Qualifying Expenditures	(96,020)
Current Year Offsets	(393,988)
Balance June 30, 2021	<u>\$0</u>

**Note 15 - Jointly Governed Organizations**

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

The School District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of educational entities within the boundaries of Allen, Auglaize, Hancock, Hardin, Lucas, Mercer, Paulding, Putnam, Seneca, Van Wert, and Wood Counties, and the Cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities. The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member school districts within each county. The degree of control exercised by any participating educational entity is limited to its representation on the Board. During fiscal year 2021, the School District paid \$68,742 to NOACSC for various services. Financial information can be obtained from NOACSC, 4277 East Road, Elida, Ohio 45807

**B. Apollo Career Center**

The Apollo Career Center is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Center is operated under the direction of a Board consisting of one representative from each of the participating school district's elected boards. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from the Apollo Career Center, 3325 Shawnee Road, Lima, Ohio 45806.

**Note 16 - Insurance Pools**

**A. Ohio School Plan**

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Schuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Schuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Harcum-Schuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

**B. Allen County Schools Health Benefit Plan**

The School District participates in the Allen County Schools Health Benefit Plan (Plan), a public entity shared risk pool consisting of the school districts within Allen County and the Allen County Educational Service Center. The Plan is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical and dental benefits to the employees of the participating school districts. Each participating school district's superintendent is appointed to a Board of Directors which advises the Trustee, Allen County Educational Service Center, concerning aspects of the administration of the Plan.

Each school district decides which plans offered by the Board of Directors will be extended to its employees. Participation in the Plan is by written application subject to acceptance by the Board of Directors and payment of the monthly premiums. Financial information can be obtained from the Allen County Educational Service Center, 1920 Slabtown Road, Lima, Ohio 45801.

**C. Lima Allen County Chamber of Commerce Workers' Compensation Group Rating Plan**

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Lima Allen County Chamber of Commerce Workers' Compensation Group Rating Plan (Plan) was established through the Lima Allen County Chamber of Commerce as an insurance purchasing pool. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

**Note 17 - Contingencies**

**A. Grants**

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

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

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**Note 17 - Contingencies** (continued)

**B. School Foundation**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2021 have been finalized. Final adjustments are included in the November 12, 2021 Foundation Statement.

**C. Litigation**

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

**Note 18 - COVID 19**

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

**Note 19 - Subsequent Event**

For fiscal year 2022, School District foundation funding received from the State will be funded using a direct funding model. Under this new model, community school, STEM school, and scholarship 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 \$1,486,827 in revenues and expenditures/expenses related to these programs.

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**ELIDA LOCAL SCHOOL DISTRICT  
ALLEN COUNTY**

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

<b>Federal Grantor/ Pass Through Grantor / Program Title</b>	<b>Pass-Through Number</b>	<b>Federal Assistance Listing Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through The Ohio Department of Education:</i>			
Coronavirus Relief Fund	N/A	21.019	\$ 146,000
<b>Total U.S. Department of Treasury</b>			<u>146,000</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through The Ohio Department of Education:</i>			
Child Nutrition Cluster:			
National School Breakfast Program	N/A	10.553	105,786
COVID-19 National School Breakfast Program	N/A	10.553	14,093
Total National School Breakfast Program			<u>119,879</u>
National School Lunch Program	N/A	10.555	627,406
COVID-19 National School Lunch Program	N/A	10.555	94,769
Total National School Lunch Program	N/A		<u>722,175</u>
Cash Assistance			<u>842,054</u>
Non-Cash Assistance (Food Distribution)	N/A	10.555	96,261
Total Child Nutrition Cluster			<u>938,315</u>
<b>Total U.S. Department of Agriculture</b>			<u>938,315</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through The Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	N/A	84.010	626,523
Special Education Cluster (IDEA):			
Special Education Grants to States	N/A	84.027	626,660
Special Education Preschool Grants	N/A	84.173	5,148
Total Special Education Cluster (IDEA)			<u>631,808</u>
English Language Acquisition State Grants	N/A	84.365	6,868
Supporting Effective Instruction State Grants	N/A	84.367	88,637
Student Support and Academic Enrichment Program	N/A	84.424	45,722
Elementary and Secondary School Emergency Relief Fund	N/A	84.425D	744,795
<b>Total – U.S. Department of Education</b>			<u>2,144,353</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 3,228,668</u>

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

**ELIDA LOCAL SCHOOL DISTRICT  
ALLEN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
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 Elida Local School District (the School District) under programs of the federal government for the fiscal year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - CHILD NUTRITION CLUSTER**

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

**NOTE D – FOOD DONATION PROGRAM**

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

**NOTE E – MATCHING REQUIREMENTS**

Certain Federal programs require the School District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**NOTE F – PASS THROUGH FUNDS**

The School District was awarded federal program allocations to be administered on their behalf by the Allen County Educational Service Center and Mercer County Educational Service Center. For 2021, the School District's allocation was as follows:

Special Education-Preschool Grants – CFDA #84.173	\$15,814
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313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

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

December 22, 2021

Elida Local School District  
Allen County  
4380 Sunnydale Avenue  
Elida, Ohio 45807

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 **Elida Local School District**, Allen County, (the School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 22, 2021, wherein we noted the School District uses a special purpose framework other than generally accepted accounting principles.

**Internal Control Over Financial Reporting**

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

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

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

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### **Compliance and Other Matters**

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2021-001.

### **School District's Response to Finding**

The School District's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not audit the School District's response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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

December 22, 2021

Elida Local School District  
Allen County  
4380 Sunnydale Avenue  
Elida, Ohio 45807

To the Board of Education:

***Report on Compliance for Each Major Federal Program***

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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***Auditor's Responsibility (Continued)***

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

***Opinion on Each Major Federal Program***

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

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

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

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

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

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



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

**ELIDA LOCAL SCHOOL DISTRICT  
ALLEN COUNTY  
FOR THE YEAR ENDED JUNE 30, 2021**

**SCHEDULE OF AUDIT FINDINGS  
2 CFR § 200.515**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Nutrition Cluster, AL #10.553 & 10.555 Elementary and Secondary School Emergency Relief Fund – AL #84.425D
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

**ELIDA LOCAL SCHOOL DISTRICT  
ALLEN COUNTY  
FOR THE YEAR ENDED JUNE 30, 2021**

**SCHEDULE OF AUDIT FINDINGS  
2 CFR § 200.515**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2021-001**

**Noncompliance**

**Ohio Rev. Code § 117.38** provides, in part, that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code § 117-2-03(B) further clarifies the requirements of Ohio Rev. Code § 117.38.

**Ohio Admin. Code § 117-2-03(B)** requires all school districts to file annual financial reports in accordance with generally accepted accounting principles. The School District prepared its financial statements in accordance with the cash accounting basis. The accompanying financial statements omit assets, liabilities, deferred inflows/outflows, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code § 117.38, the School District may be fined and subject to various other administrative remedies for its failure to file the required financial report.

To help provide users with more meaningful financial statements, the School District should prepare its financial statements in accordance with generally accepted accounting principles. The School District should implement a control(s) such as a reminder system, to help ensure the financial statements are filed by the required date.

**OFFICIALS' RESPONSE:** See Corrective Action Plan.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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None



Joel L. Parker, CPA  
Treasurer  
Joel@elida.k12.oh.us

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Educating for Tomorrow*

Elida Local Schools  
4380 Sunnydale Ave.  
Elida, Ohio 45807  
Phone: 419-331-4155  
Fax: 419-331-1656

**ELIDA LOCAL SCHOOL DISTRICT  
ALLEN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Noncompliance Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03 (B) – Failure to file financial statements in accordance with Generally Accepted Accounting Principles (GAAP)	Not Corrected	Repeated as Finding 2021-001



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Treasurer  
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**ELIDA LOCAL SCHOOL DISTRICT  
ALLEN COUNTY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**CORRECTIVE ACTION PLAN  
2 CFR § 200.511(c)**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2021-001	The School District saves between \$5,000 and \$10,000 per year filing cash basis statements. This reporting method will continue.	N/A	Joel Parker, Treasurer



# OHIO AUDITOR OF STATE KEITH FABER



**ELIDA LOCAL SCHOOL DISTRICT**

**ALLEN 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 2/22/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)