



OHIO AUDITOR OF STATE
KEITH FABER



**NORTHRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY
JUNE 30, 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budget Basis) – General Fund	22
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension/OPEB (Asset) Liability	
School Employees Retirement System of Ohio - Pension	68
School Employees Retirement System of Ohio - OPEB.....	71
School Teachers Retirement System of Ohio - Pension.....	72
School Teachers Retirement System of Ohio – OPEB	75
Schedule of the School District Contributions	
School Employees Retirement System of Ohio - Pension	76
School Employees Retirement System of Ohio - OPEB.....	78
School Teachers Retirement System of Ohio - Pension.....	80
School Teachers Retirement System of Ohio – OPEB	80
Notes to Schedules of Required Supplementary Information.....	82

**NORTHRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY
JUNE 30, 2021**

TABLE OF CONTENTS (Continued)

TITLE	PAGE
Schedule of Expenditures of Federal Awards	85
Notes to the Schedule of Expenditures of Federal Awards	86
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required by <i>Government Auditing Standards</i>	87
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program, and on Internal Control Over Compliance required by the Uniform Guidance.....	89
Schedule of Findings.....	91

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Northridge Local School District
Licking County
6097 Johnstown-Utica Road
Johnstown, Ohio 43031

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Efficient • Effective • Transparent

Opinion

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

Emphasis of Matter

As discussed in Note 25 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2022, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 3, 2022

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Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

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

Financial Highlights

Key financial highlights for the fiscal year 2021 are as follows:

- Net position of governmental activities increased \$219,158.
- General revenues accounted for \$16,329,166 in revenues or 85 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$2,950,696, 15 percent of total revenues of \$19,279,862.
- The School District had \$19,060,704 in expenses related to governmental activities; only \$2,950,696 of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues in the amount of \$16,329,166 were adequate to provide for these programs.
- Capital assets increased \$19,545,341 primarily due to the beginning of construction for the new elementary school building.

Using this Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and Building Capital Projects Fund.

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

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

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

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Table 1 - Net Position

	2021	2020	Change
Assets			
Current and Other Assets	\$24,197,575	\$39,412,434	(\$15,214,859)
Net OPEB Asset	837,352	756,678	80,674
Capital Assets	36,397,513	16,852,172	19,545,341
Total Assets	61,432,440	57,021,284	4,411,156
Deferred Outflows of Resources			
Pension	3,289,465	2,806,363	483,102
OPEB	610,916	334,423	276,493
Total Deferred Outflows of Resources	3,900,381	3,140,786	759,595
Liabilities			
Current and Other Liabilities	4,891,406	3,217,795	1,673,611
Long-Term Liabilities:			
Due Within One Year	735,530	618,821	116,709
Due in More Than One Year:			
Net Pension Liability	16,083,647	13,971,351	2,112,296
Net OPEB Liability	1,551,468	1,661,967	(110,499)
Other Amounts	22,578,611	22,195,190	383,421
Total Liabilities	45,840,662	41,665,124	4,175,538
Deferred Inflows of Resources			
Property Taxes	9,476,341	8,577,825	898,516
Pension	74,694	603,799	(529,105)
OPEB	1,823,361	1,416,717	406,644
Total Deferred Inflows of Resources	11,374,396	10,598,341	776,055
Net Position			
Net Investment in Capital Assets	12,686,768	13,135,827	(449,059)
Restricted	3,428,255	2,031,580	1,396,675
Unrestricted	(7,997,260)	(7,268,802)	(728,458)
Total Net Position	\$8,117,763	\$7,898,605	\$219,158

The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

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

Total assets increased \$4,411,156 during fiscal year 2021. This increase is primarily due to an increase in capital assets of \$19,545,341, an increase in equity in pooled cash and cash equivalents of \$2,083,062, an increase in property taxes receivable of \$686,225, an increase in intergovernmental receivable of \$629,356, and an increase in income taxes receivable of \$323,339. The increase in capital assets is a direct result of the increase in construction in progress due to the Elementary Building Project, plus other assets purchased in fiscal year 2021 exceeding current year depreciation. The increase in equity in pooled cash and cash equivalents is due to the School District continuing to monitor annual expenses. The increase in property taxes receivable is due to an increase in the amounts certified to be collected by the individual county auditors. The increase in intergovernmental receivable is primarily due to an increase in state and federal grants. The School District was awarded a reimbursable grant from the Ohio Facilities Construction Commission for the construction of the elementary school and there were additional grants awarded due to the Federal Cares Act that is funded through the Ohio Department of Education. The increase in income taxes is a result of a combined bond and income tax levy that was approved by voters in May of 2019. Income taxes collections began January 1, 2020, for the construction of the elementary school and fiscal year 2021 was the first full year of collections. These increases were offset by a decrease in cash and cash equivalents of \$19,045,727. This decrease is a result of the continued construction of the new elementary school.

Total deferred outflows of resources increased in the amount \$759,595. This increase was primarily due to an increase in the changes of assumptions related to the School District's proportionate share of the net pension.

The \$1,673,611 increase in current and other liabilities is primarily due to an increase in retainage payable of \$1,442,987 and an increase in contracts payable of \$159,814. The increase in both contracts and retainage payable is a direct result of the elementary school building project that began in fiscal year 2020.

Long-term liabilities, excluding the pension/OPEB liability, increased \$500,130 primarily due to inception of a capital lease in the amount of \$1,071,307 for energy project upgrades to the high school and middle school lighting, improvements to the HVAC systems, and water heater replacement. This increase was offset by principal payments of \$510,000 for School Improvement General Obligation Bonds and principal payments in the amount of \$59,006 for the energy project capital leases. The increase and decrease in the net pension/OPEB liabilities represent the School District's proportionate share of the STRS and SERS unfunded benefits. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
 Unaudited

Total deferred inflows of resources increased \$776,055. This increase was a net result of three factors; an increase in deferred inflows of resources for property taxes, a decrease in deferred inflows of resources related to pension due to returns on investments, and an increase in deferred inflows of resources related to OPEB due to changes in assumptions.

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

Table 2 - Changes in Net Position

	2021	2020	Change
Program Revenues:			
Charges for Services and Sales	\$1,275,888	\$1,365,637	(\$89,749)
Operating Grants and Contributions	1,466,382	1,097,367	369,015
Capital Grants and Contributions	208,426	791,574	(583,148)
Total Program Revenues	<u>2,950,696</u>	<u>3,254,578</u>	<u>(303,882)</u>
General Revenues:			
Property Taxes	9,483,645	8,838,600	645,045
Income Taxes	1,161,603	325,104	836,499
Grants and Entitlements	5,426,902	5,153,576	273,326
Investment Earnings	21,556	647,294	(625,738)
Miscellaneous	235,460	98,262	137,198
Total General Revenues	<u>16,329,166</u>	<u>15,062,836</u>	<u>1,266,330</u>
Total Revenues	<u>19,279,862</u>	<u>18,317,414</u>	<u>962,448</u>
Program Expenses			
Instruction:			
Regular	7,131,264	6,408,135	723,129
Special	2,461,696	2,157,152	304,544
Vocational	69,992	68,626	1,366
Support Services:			
Pupils	772,114	706,219	65,895
Instructional Staff	1,018,886	1,271,066	(252,180)
Board of Education	109,189	126,144	(16,955)
Administration	1,544,774	1,281,310	263,464
Fiscal	608,176	562,884	45,292
Operation and Maintenance of Plant	1,493,914	1,772,370	(278,456)
Pupil Transportation	1,985,883	1,918,924	66,959
Central	155,930	163,962	(8,032)
Operation of Non-Instructional Services:			
Food Service Operations	383,177	393,765	(10,588)
Community Services	573	525	48
Extracurricular Activities	658,821	643,091	15,730
Interest and Fiscal Charges	666,315	557,346	108,969
Total Program Expenses	<u>19,060,704</u>	<u>18,031,519</u>	<u>1,029,185</u>
<i>Change in Net Position</i>	219,158	285,895	(66,737)
Net Position Beginning of Year	<u>7,898,605</u>	<u>7,612,710</u>	<u>285,895</u>
Net Position End of Year	<u><u>\$8,117,763</u></u>	<u><u>\$7,898,605</u></u>	<u><u>\$219,158</u></u>

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

The School District's net position increased \$219,158. Overall revenues reflect an increase in the amount of \$962,448. Program revenues decreased in the amount of \$303,882 and general revenues increased \$1,266,330. The increase in operating grants and contributions in the amount of \$369,015 is related to an increase in state and federal grants. The decrease in capital grants and contributions of \$583,148 is due to the District receiving the remaining portion of the Ohio Facilities Construction Commission grant as a reimbursement for the new elementary school project. The total grant award was one million dollars but the District had to spend that amount before being reimbursed. The increases in general revenues is primarily due to an increase in income taxes in the amount of \$836,499 and an increase in property taxes revenue in the amount of \$645,045. The increase in income taxes is a result of having a full year of collections for the levy that was approved. The collection of income taxes began on January 1, 2020. The increase in property taxes revenue is a result of the timing of the tax advances from the individual county auditors. In fiscal year 2021, 49 percent of the School District's revenues were from property taxes and 28 percent were from unrestricted grants and entitlements. The increase in miscellaneous revenues was due to greater reimbursements from the Bureau of Workers Compensation.

The School District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. Basically, the mills collected decreases as the property valuation increases thus generating about the same revenue.

Instructional programs comprise approximately 51 percent of total governmental program expenses. Of the instructional expenses, approximately 74 percent is for regular instruction, 25 percent for special instruction, and 1 percent for vocational services instruction.

Support services comprise approximately 40 percent of governmental program expenses of the School District.

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
 Unaudited

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

Table 3 - Governmental Activities

	2021 Total Cost of Services	2021 Net Cost of Services	2020 Total Cost of Services	2020 Net Cost of Services
Instruction:				
Regular	\$7,131,264	\$5,589,356	\$6,408,135	\$5,279,273
Special	2,461,696	1,775,767	2,157,152	1,474,948
Vocational	69,992	34,561	68,626	31,591
Support Services:				
Pupils	772,114	765,737	706,219	698,121
Instructional Staff	1,018,886	970,702	1,271,066	1,217,209
Board of Education	109,189	109,189	126,144	126,144
Administration	1,544,774	1,518,627	1,281,310	1,252,587
Fiscal	608,176	585,295	562,884	550,980
Operation and Maintenance of Plant	1,493,914	1,268,123	1,772,370	926,182
Pupil Transportation	1,985,883	1,985,883	1,918,924	1,918,924
Central	155,930	148,730	163,962	156,762
Operation of Non-Instructional Services:				
Food Service Operations	383,177	107,131	393,765	92,042
Community Services	573	516	525	0
Extracurricular Activities	658,821	584,076	643,091	494,832
Interest and Fiscal Charges	666,315	666,315	557,346	557,346
Totals	\$19,060,704	\$16,110,008	\$18,031,519	\$14,776,941

Table 3 clearly shows the dependence upon tax revenues and State subsidies for governmental activities. For 2021, only 15 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services, grants, and contributions. The remaining 85 percent is provided through taxes and entitlements.

The School District Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,554,558, expenditures of \$38,140,560, and other financing sources (use) of \$1,071,307, with an overall decrease in fund balance of \$17,514,695.

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

General Fund

The General Fund had total revenues of \$15,481,813, expenditures of \$14,701,255, and other financing use in the amount of (\$545,641) netting in an increase in fund balance of \$234,917. Total revenues increased by \$615,003 and total expenditures increased by \$482,340. The increase in revenues was primarily due to the timing of real estate tax advances from the individual county auditors.

Other Governmental Major Fund

Building Capital Projects Fund

The fund balance of the Building Fund at June 30, 2021, is \$530,841, a decrease of \$17,335,916 from the prior year due to the continued construction of the new elementary school. This fund was created in fiscal year 2020 to account for the proceeds from the sale of bonds and income tax revenues to be used for the construction of the new elementary school building project.

General Fund Budgeting Highlights

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

During the course of fiscal year 2021, the School District amended its General Fund budget. The School District closely monitors its resources and uses and if necessary, modifies appropriations on a timely basis.

The General Fund had original revenue budget estimates of \$14,476,206. The original budget estimates for revenues were increased to a final budget amount of \$15,618,629 due to an increase in the amounts estimated to be received for property taxes, received through the State foundation, and tuition and fees for the fiscal year. Actual revenues were \$15,627,612 at June 30, 2021.

Original appropriations, including other financing uses, were \$15,079,550. The final appropriations, including other financing uses, were increased to \$15,757,955. Due to the financial concerns of the School District, the appropriations were closely monitored throughout the fiscal year and amended to account for the fluctuations in the normal operating expenses in the General Fund. Actual expenditures were \$15,212,314 and transfers out were \$545,641 at June 30, 2021.

The School District's ending unobligated fund balance was \$7,758,234.

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
 Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the School District had \$36,397,513 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to 2020.

**Table 4 - Capital Assets at June 30, 2021
 (Net of Depreciation)**

	2021	2020
Land	\$338,545	\$338,545
Construction in Progress	23,660,356	4,397,454
Land Improvements	260,007	282,203
Buildings and Improvements	10,887,062	10,983,651
Furniture and Equipment	1,207,795	792,756
Vehicles	43,748	57,563
Totals	\$36,397,513	\$16,852,172

See Note 11 for more detailed information of the School District's capital assets.

Debt

At June 30, 2021, the School District had \$22,767,568 in School Improvement Bonds (including bond premiums) and capital leases outstanding. The changes from fiscal year 2020 follows:

Table 5 - Outstanding Debt, at Fiscal Year End

	2021	2020
School Improvement Bonds	\$20,620,000	\$21,130,000
Bond Premium	1,135,267	1,180,677
Capital Leases	1,012,301	0
Totals	\$22,767,568	\$22,310,677

See Notes 16 and 17 for more detailed information of the School District's debt. The net pension liability under GASB 68 and the net OPEB liability under GASB 75 are also reported as a long-term obligation that have been previously disclosed within the management's discussion and analysis.

Northridge Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Economic Factors

The School District continues to closely monitor all financial activity. The School District will continue to be conservative in the area of expenses in the future. The School District continues to utilize a Board of Education Finance Committee formed during fiscal year 2007. The Finance Committee's job is to monitor the School District's financial stability and to meet once a month where it approves the monthly financial statements and reports to the Board of Education and finance related recommendations. The Ohio Department of Education released the School District from fiscal caution during fiscal year 2013. The Board of Education and Administration of the School District must continue to maintain careful financial planning and prudent fiscal management in order to preserve the opportunities of our students and staff.

According to the most recent five year forecast approved by the Board of Education, the School District is projecting deficit spending beginning in fiscal year 2022 due to the \$300,000 fiscal year 2020 and \$300,000 fiscal year 2021 cut in State Funding. The cut in State Funding was mandated by State of Ohio, Governor DeWine, as a COVID pandemic reduction. The State of Ohio has yet to tap into the rainy day funds to help schools remain whole in the State Funding Model.

The voters approved in May of 2019 a combination twenty-seven year, 4.3 mill bond levy and a one-half percent earned income tax levy to provide \$24.5 million to construct the new elementary school. The School District issued bonds in fiscal year 2020 for \$22 million. The Building Capital Projects Fund will raise approximately \$1 million per year with \$1.5 million earmarked to the new building construction and future maintenance of all facilities. The collections for this projection was slowed down due to the COVID pandemic state-wide shut downs mandated by State of Ohio, Governor DeWine. The shut downs have had an impact by driving up unemployment and reducing expected income tax revenues.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Britt Lewis, Treasurer/CFO at Northridge Local School District, 6097 Johnstown-Utica Road, Johnstown, Ohio 43031. You may also e-mail the Treasurer at blewis@laca.org.

Basic Financial Statements

Northridge Local School District, Ohio
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,234,135
Cash and Cash Equivalents	325,815
Cash and Cash Equivalents with Escrow Agents	85,168
Income Taxes Receivable	552,066
Materials and Supplies Inventory	12,130
Inventory Held for Resale	3,111
Accrued Interest Receivable	5,995
Intergovernmental Receivable	1,634,982
Accounts Receivable	69,955
Prepaid Items	74,757
Property Taxes Receivable	10,199,461
Net OPEB Asset	837,352
Nondepreciable Capital Assets	23,998,901
Depreciable Capital Assets, Net	12,398,612
<i>Total Assets</i>	61,432,440
Deferred Outflows of Resources	
Pension	3,289,465
OPEB	610,916
<i>Total Deferred Outflows of Resources</i>	3,900,381
Liabilities	
Accounts Payable	120,510
Contracts Payable	1,309,213
Accrued Wages and Benefits Payable	1,100,382
Matured Compensated Absences Payable	10,969
Accrued Interest Payable	168,730
Intergovernmental Payable	396,960
Retainage Payable	1,784,642
Long-Term Liabilities:	
Due Within One Year	735,530
Due in More Than One Year:	
Net Pension Liability	16,083,647
Net OPEB Liability	1,551,468
Other Amounts Due in More Than One Year	22,578,611
<i>Total Liabilities</i>	45,840,662
Deferred Inflows of Resources	
Property Taxes	9,476,341
Pension	74,694
OPEB	1,823,361
<i>Total Deferred Inflows of Resources</i>	11,374,396
Net Position	
Net Investment in Capital Assets	12,686,768
Restricted for:	
Capital Projects	2,829,831
Facilities Maintenance	324,688
Food Service Operations	31,530
Technology Improvements	18,000
Local, State, and Federal Grants	203,849
Student Activities	20,357
Unrestricted (Deficit)	(7,997,260)
<i>Total Net Position</i>	\$8,117,763

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions		
Governmental Activities					Governmental Activities
Instruction:					
Regular	\$7,131,264	\$1,160,210	\$381,698	\$0	(\$5,589,356)
Special	2,461,696	0	685,929	0	(1,775,767)
Vocational	69,992	0	35,431	0	(34,561)
Support Services:					
Pupils	772,114	0	6,377	0	(765,737)
Instructional Staff	1,018,886	0	48,184	0	(970,702)
Board of Education	109,189	0	0	0	(109,189)
Administration	1,544,774	22,790	3,357	0	(1,518,627)
Fiscal	608,176	0	22,881	0	(585,295)
Operation and Maintenance of Plant					
	1,493,914	17,365	0	208,426	(1,268,123)
Pupil Transportation	1,985,883	0	0	0	(1,985,883)
Central	155,930	0	7,200	0	(148,730)
Operation of Non-Instructional Services:					
Food Service Operations	383,177	8,774	267,272	0	(107,131)
Community Services	573	57	0	0	(516)
Extracurricular Activities	658,821	66,692	8,053	0	(584,076)
Interest and Fiscal Charges	666,315	0	0	0	(666,315)
Totals	\$19,060,704	\$1,275,888	\$1,466,382	\$208,426	(\$16,110,008)
General Revenues					
Property Taxes Levied for:					
					8,171,226
					1,312,419
Income Taxes Levied for:					
					15,970
					1,145,633
Grants and Entitlements not Restricted to Specific Programs					
					5,426,902
					21,556
					235,460
Total General Revenues					16,329,166
Change in Net Position					219,158
Net Position Beginning of Year					7,898,605
Net Position End of Year					\$8,117,763

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio

*Balance Sheet
Governmental Funds
June 30, 2021*

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,002,349	\$1,712,341	\$1,519,445	\$11,234,135
Cash and Cash Equivalents	0	325,815	0	325,815
Cash and Cash Equivalents in Escrow Accounts	0	85,168	0	85,168
Income Taxes Receivable	8,135	543,931	0	552,066
Materials and Supplies Inventory	11,782	0	348	12,130
Inventory Held for Resale	590	0	2,521	3,111
Accrued Interest Receivable	5,398	597	0	5,995
Intergovernmental Receivable	78,281	0	1,556,701	1,634,982
Accounts Receivable	68,623	0	1,332	69,955
Prepaid Items	41,061	0	33,696	74,757
Interfund Receivable	439,471	0	2,205	441,676
Property Taxes Receivable	8,825,027	0	1,374,434	10,199,461
<i>Total Assets</i>	<u>\$17,480,717</u>	<u>\$2,667,852</u>	<u>\$4,490,682</u>	<u>\$24,639,251</u>
Liabilities				
Accounts Payable	\$88,268	\$20,144	\$12,098	\$120,510
Contracts Payable	0	238,189	1,071,024	1,309,213
Accrued Wages and Benefits Payable	1,077,561	0	22,821	1,100,382
Matured Compensated Absences Payable	10,969	0	0	10,969
Interfund Payable	2,205	0	439,471	441,676
Retainage Payable	0	1,784,642	0	1,784,642
Intergovernmental Payable	356,422	8,281	32,257	396,960
<i>Total Liabilities</i>	<u>1,535,425</u>	<u>2,051,256</u>	<u>1,577,671</u>	<u>5,164,352</u>
Deferred Inflows of Resources				
Property Taxes not Levied to Finance Current Year Operations	8,200,609	0	1,275,732	9,476,341
Unavailable Revenue	251,309	85,755	690,136	1,027,200
<i>Total Deferred Inflows of Resources</i>	<u>8,451,918</u>	<u>85,755</u>	<u>1,965,868</u>	<u>10,503,541</u>
Fund Balances				
Nonspendable	52,843	0	34,044	86,887
Restricted	0	530,841	1,398,144	1,928,985
Assigned	1,474,778	0	0	1,474,778
Unassigned (Deficit)	5,965,753	0	(485,045)	5,480,708
<i>Total Fund Balances</i>	<u>7,493,374</u>	<u>530,841</u>	<u>947,143</u>	<u>8,971,358</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$17,480,717</u>	<u>\$2,667,852</u>	<u>\$4,490,682</u>	<u>\$24,639,251</u>

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio
*Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position
June 30, 2021*

Total Governmental Fund Balances \$8,971,358

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 36,397,513

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources: unavailable revenue in the funds:

Delinquent Property Taxes	166,063	
Income Taxes	88,410	
Intergovernmental Revenues	669,229	
Investment Earnings	2,635	
Tuition and Fees	80,350	
Miscellaneous	20,513	
	1,027,200	1,027,200

Accrued Interest Payable is recognized for outstanding long-term liabilities with interest accrual that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds. (168,730)

Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:

Bonds Payable	(20,620,000)	
Bond Premium	(1,135,267)	
Capital Leases Payable	(1,012,301)	
Compensated Absences	(546,573)	
	(23,314,141)	(23,314,141)

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

Net OPEB Asset	837,352	
Deferred Outflows - Pension	3,289,465	
Deferred Outflows - OPEB	610,916	
Net Pension Liability	(16,083,647)	
Net OPEB Liability	(1,551,468)	
Deferred Inflows - Pension	(74,694)	
Deferred Inflows - OPEB	(1,823,361)	
	(14,795,437)	(14,795,437)

Net Position of Governmental Activities \$8,117,763

See accompanying notes to the basic financial statements

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

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$8,179,032	\$0	\$1,315,021	\$9,494,053
Income Taxes	14,069	1,115,067	0	1,129,136
Intergovernmental	5,788,836	0	1,516,526	7,305,362
Investment Earnings	25,977	41,021	5	67,003
Tuition and Fees	1,195,797	0	0	1,195,797
Extracurricular Activities	23,137	0	66,402	89,539
Rentals	17,365	0	0	17,365
Charges for Services	0	0	10,650	10,650
Contributions and Donations	22,653	0	8,053	30,706
Miscellaneous	214,947	0	0	214,947
<i>Total Revenues</i>	<u>15,481,813</u>	<u>1,156,088</u>	<u>2,916,657</u>	<u>19,554,558</u>
Expenditures				
Current:				
Instruction:				
Regular	5,891,950	0	266,202	6,158,152
Special	1,839,139	0	367,153	2,206,292
Vocational	59,608	0	3,009	62,617
Support Services:				
Pupils	664,067	0	6,767	670,834
Instructional Staff	921,157	0	53,425	974,582
Board of Education	109,189	0	0	109,189
Administration	1,362,691	0	3,562	1,366,253
Fiscal	526,692	30,163	19,321	576,176
Operation and Maintenance of Plant	1,268,382	0	6,998	1,275,380
Pupil Transportation	1,839,559	0	0	1,839,559
Central	153,936	0	0	153,936
Operation of Non-Instructional Services:				
Food Service Operations	0	0	327,149	327,149
Community Services	573	0	0	573
Extracurricular Activities	64,312	0	555,634	619,946
Capital Outlay	0	19,445,762	1,071,024	20,516,786
Debt Service:				
Principal Retirement	0	59,006	510,000	569,006
Interest and Fiscal Charges	0	28,380	685,750	714,130
<i>Total Expenditures</i>	<u>14,701,255</u>	<u>19,563,311</u>	<u>3,875,994</u>	<u>38,140,560</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>780,558</u>	<u>(18,407,223)</u>	<u>(959,337)</u>	<u>(18,586,002)</u>
Other Financing Sources (Use)				
Transfers In	0	0	545,641	545,641
Inception of a Capital Lease	0	1,071,307	0	1,071,307
Transfers Out	(545,641)	0	0	(545,641)
<i>Total Other Financing Sources (Use)</i>	<u>(545,641)</u>	<u>1,071,307</u>	<u>545,641</u>	<u>1,071,307</u>
<i>Net Change in Fund Balances</i>	234,917	(17,335,916)	(413,696)	(17,514,695)
<i>Fund Balances Beginning of Year</i>	<u>7,258,457</u>	<u>17,866,757</u>	<u>1,360,839</u>	<u>26,486,053</u>
<i>Fund Balances End of Year</i>	<u>\$7,493,374</u>	<u>\$530,841</u>	<u>\$947,143</u>	<u>\$8,971,358</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds (\$17,514,695)

***Amounts reported for governmental activities in the Statement of Activities
are different because***

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

Capital Asset Additions	20,382,229	
Depreciation Expense	(482,073)	19,900,156

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the loss on disposal of capital assets: (354,815)

Revenues and expenses in the Statement of Activities that do not provide current financial resources are not reported as revenues and expenditures in the funds:

Delinquent Property Taxes	(10,408)	
Income Taxes	32,467	
Intergovernmental Revenues	(234,363)	
Investment Earnings	(45,442)	
Tuition and Fees	(35,587)	
Charges for Services	(1,876)	
Miscellaneous	20,513	(274,696)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

General Obligation Bonds Payable	510,000	
Capital Leases Payable	59,006	569,006

In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due. 2,405

Compensated Absences Payable are reported in the Statement of Activities and do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (43,239)

Inception of capital leases are reported as other financing sources in the governmental funds, but the inception increases long-term liabilities on the statement of activities. (1,071,307)

The amortization of premiums are reported on the Statement of Activities. 45,410

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

Pension	1,230,586	
OPEB	48,734	1,279,320

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

Pension	(2,330,675)	
OPEB	12,288	(2,318,387)

Change in Net Position of Governmental Activities \$219,158

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$7,683,092	\$8,345,839	\$8,345,839	\$0
Income Tax	15,059	13,661	13,661	0
Intergovernmental	5,497,905	5,781,884	5,781,884	0
Investment Earnings	88,615	61,598	70,581	8,983
Tuition and Fees	1,064,208	1,195,479	1,195,479	0
Extracurricular Activities	135	135	135	0
Rentals	18,703	15,865	15,865	0
Contributions and Donations	600	22,653	22,653	0
Miscellaneous	107,889	181,515	181,515	0
<i>Total Revenues</i>	<u>14,476,206</u>	<u>15,618,629</u>	<u>15,627,612</u>	<u>8,983</u>
Expenditures				
Current:				
Instruction:				
Regular	5,770,017	5,897,555	5,897,555	0
Special	1,527,382	1,780,634	1,780,634	0
Vocational	56,493	59,463	59,463	0
Support Services:				
Pupil	595,042	664,373	664,373	0
Instructional Staff	1,339,306	1,144,208	1,144,208	0
Board of Education	138,183	124,127	124,127	0
Administration	1,142,859	1,335,780	1,335,780	0
Fiscal	521,533	528,906	528,906	0
Operation and Maintenance of Plant	1,422,758	1,462,477	1,462,477	0
Pupil Transportation	1,928,652	1,995,780	1,995,780	0
Central	160,679	155,386	155,386	0
Extracurricular Activities	57,341	63,625	63,625	0
<i>Total Expenditures</i>	<u>14,660,245</u>	<u>15,212,314</u>	<u>15,212,314</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(184,039)	406,315	415,298	8,983
Other Financing Use				
Transfers Out	(419,305)	(545,641)	(545,641)	0
<i>Net Change in Fund Balance</i>	(603,344)	(139,326)	(130,343)	8,983
<i>Fund Balance Beginning of Year</i>	7,442,849	7,442,849	7,442,849	0
Prior Year Encumbrances Appropriated	445,728	445,728	445,728	0
<i>Fund Balance End of Year</i>	<u>\$7,285,233</u>	<u>\$7,749,251</u>	<u>\$7,758,234</u>	<u>\$8,983</u>

See accompanying notes to the basic financial statements

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Note 1 - Description of the School District and Reporting Entity

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

The School District was established in 1962 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 120 square miles. It is located in Licking, Knox, and Delaware Counties, and includes Burlington Township and the Villages of Alexandria and Croton. The School District is staffed by 46 classified employees, 94 certificated full-time teaching personnel, and 8 administrative employees who provide services to 1,085 students and other community members. The School District currently operates four instructional buildings and one garage.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, agencies, and offices that are not legally separate from the School District. For Northridge Local School District, this includes general operations, food service, preschool, 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 primary government. The School District has no component units.

The School District is associated with two jointly governed organizations and two insurance purchasing pools. These organizations are the Licking Area Computer Association, the META Solutions, the Ohio School Boards Association Workers' Compensation Group Rating Program, and the Ohio School Plan, which are presented in Notes 19 and 20 to the basic financial statements. The School District is associated with a related organization, the Alexandria Public Library which is discussed in Note 21.

Note 2 - Summary of Significant Accounting Policies

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

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

Basis of Presentation

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

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

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

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

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The School District uses only governmental funds.

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

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Building Capital Projects Fund The Building Capital Projects Fund is used to account for bond proceeds and income taxes that are restricted for the construction and maintenance of school buildings.

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

Measurement Focus

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

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

Basis of Accounting

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

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

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

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

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, income taxes, investment earning, grants, tuition and fees, and charges for services.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 17. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

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

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

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

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget is required under the Ohio Revised Code; however, this requirement is waived by the Licking County Budget Commission (Budget Commission). The Budget Commission accepts the School District's five year forecast in place of the tax budget. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate of estimated resources in effect at the time the final appropriations were passed by the Board.

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

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool, except for the cash and cash equivalents that were purchased with bond proceeds. Individual fund integrity is maintained through School District records. Interest in the pool is presented as equity in pooled cash and cash equivalents on the financial statements.

“Cash and Cash Equivalents with Escrow Agent” represents monies on hand at the escrow agent for the project upgrades to the high school and middle school lighting, improvements to the HVAC systems, and water heater replacement that was completed during fiscal year 2021.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an original maturity of greater than three months and not purchased from the cash management pool are presented on the financial statements as cash and cash equivalents.

During fiscal year 2021, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), federal agency securities, treasury notes, negotiable certificates of deposit, money market mutual funds, and commercial paper.

During fiscal year 2021, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAVE) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an 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 of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2021 amounted to \$25,977, which includes \$1,234 assigned from other School District funds.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund services provided and used are reported as “Interfund Receivable/Payable.” Interfund balances are eliminated on the statement of net position.

Prepaid Items

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

Inventory

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

Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	25-50 Years
Buildings and Improvements	25-100 Years
Furniture and Equipment	10-25 Years
Vehicles	5-15 Years

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

Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees with more than one year of service. The vacation balances earned can be carried over up to a maximum of three years of accrual per vacation eligible employee.

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

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

Accrued Liabilities and Long-term Obligations

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

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

Bond Premiums

On government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

On the government fund financial statements, bond premiums are recognized in the period in which bonds are issued. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

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

Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandates payment of resources (from external resources providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

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

Unassigned The 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 resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Net Position

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

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

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items in fiscal year 2021.

Estimates

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

Note 3 - Change in Accounting Principles

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

Note 4 - Accountability

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

	<u>Deficit Fund Balances</u>
<u>Special Revenue Funds:</u>	
Title I	(\$147,931)
ESSER	(114,939)
Coronavirus Relief	(75,733)
Athletics	(8,333)
Title VI-B	(8,257)
Vocational Agricultural Education	(3,094)
<u>Capital Projects Fund:</u>	
Ohio Facilities Construction Commission	(126,758)

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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

Note 5 - Fund Balances

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

Fund Balances	General Fund	Building Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$41,061	\$0	\$33,696	\$74,757
Materials and Supplies Inventory	11,782	0	348	12,130
<i>Total Nonspendable</i>	<u>52,843</u>	<u>0</u>	<u>34,044</u>	<u>86,887</u>
<u>Restricted for:</u>				
Capital Projects	0	530,841	0	530,841
Debt Service Payments	0	0	888,616	888,616
Facilities Maintenance	0	0	324,688	324,688
Food Service Operations	0	0	30,956	30,956
Technology Improvements	0	0	18,000	18,000
Local, State, and Federal Grants	0	0	115,585	115,585
Student Activities	0	0	20,299	20,299
<i>Total Restricted</i>	<u>0</u>	<u>530,841</u>	<u>1,398,144</u>	<u>1,928,985</u>
<u>Assigned to:</u>				
Public School Support	33,299	0	0	33,299
Assigned to Subsequent Year's Appropriations	946,464	0	0	946,464
Purchases on Order	495,015	0	0	495,015
<i>Total Assigned</i>	<u>1,474,778</u>	<u>0</u>	<u>0</u>	<u>1,474,778</u>
Unassigned:	5,965,753	0	(485,045)	5,480,708
<i>Total Fund Balances</i>	<u><u>\$7,493,374</u></u>	<u><u>\$530,841</u></u>	<u><u>\$947,143</u></u>	<u><u>\$8,971,358</u></u>

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Note 6 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as committed or assigned fund balance for governmental fund types (GAAP basis).
4. Changes in fair market value, prepaid items, and negative cash advances to other funds are reported on the "Statement of Revenues, Expenditures, and Changes in Fund Balance (GAAP Basis), but not on budgetary basis."
5. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

Net Change in Fund Balance	
GAAP Basis	\$234,917
Net Adjustment for Revenue Accruals	(209,231)
Net Adjustment for Expenditure Accruals	74,958
Beginning:	
Prepaid Items	12,193
Negative cash advances to other funds	(12,062)
Ending:	
Change in Market Value of Investments	(49,532)
Prepaid Items	(41,061)
Negative cash advances to other funds	439,471
To reclassify excess of revenues and other sources of financial resources over expenditures and other uses of financial resources into financial statement fund types	12,603
Adjustment for Encumbrances	<u>(592,599)</u>
Budget Basis	<u><u>(\$130,343)</u></u>

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

Note 7 - Deposits and Investments

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

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

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

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

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

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

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

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

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

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2021, \$2,165,149 of the School District's total bank balance of \$4,580,298 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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

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

Measurement/Investment	Measurement Amount	Maturity	Moody's Ratings	Percentage of Total Investment
Net Asset Value Per Share:				
STAR Ohio	\$1,768,921	Average 54.4 Days	Aaa	24.46%
Fair Value - Level One Inputs:				
Money Market Mutual Funds	24,272	Less than one year	n/a	0.33
Fair Value - Level Two Inputs:				
Federal Home Loan Mortgage Corporation Notes				
	249,973	under three years	Aaa	3.46
Federal Farm Credit Bank Notes				
	678,074	under five years	Aaa	9.38
Federal National Mortgage Association Notes				
	396,104	under five years	Aaa	5.48
Federal Home Loan Bank Notes				
	1,105,449	under five years	Aaa	15.29
Commercial Paper				
	169,946	under one year	P-1	2.35
Negotiable Certificates of Deposit				
	2,838,004	under five years	n/a	39.25
Total Fair Value - Level Two Inputs	5,437,550			
Total	\$7,230,743			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2021. The money market mutual funds are measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years except for commercial paper and bankers' acceptances which will be limited to 180 days. The Treasurer cannot make investments which he does not reasonably believe can be held until the maturity date.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Credit Risk STAR Ohio carries a rating of Aaa by Moody's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. All other investments ratings are Moody's ratings. The School District has no investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The commercial paper investments are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The School District places no limit on the amount it may invest in any one issuer.

Note 8 - Property Taxes

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

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

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

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

Northridge Local School District, Ohio

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

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

The amount available as an advance at June 30, 2021, was \$557,057, \$479,262 was available to the General Fund and \$77,795 was available to the Bond Retirement Debt Service Fund. The amount available as an advance at June 30, 2020, was \$758,940, \$646,069 was available to the General Fund and \$112,871 was available to the Bond Retirement Debt Service Fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflow of resources – unavailable revenue.

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

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$287,252,389	90.56%	\$332,416,356	91.77%
Public Utility Personal	29,940,670	9.44%	29,811,520	8.23%
	<u>\$317,193,059</u>	<u>100.00%</u>	<u>\$362,227,876</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$43.60		\$42.30	

The increase in the tax rates was due to an adjustment in the emergency levy and bond levy rates. Tax rates are adjusted according to the amount to be generated for the emergency levy. Bond levy rates are adjusted based upon amounts necessary for the retirement of debt service in order to collect the fixed amount approved.

Note 9 - Income Tax

The School District levied a voted tax of one percent for general operations on the income of residents and of estates. The tax was renewed and was effective on January 1, 2006, through December 31, 2010. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund. Since the income tax levy ended on December 31, 2010, a receivable has been recorded at June 30, 2021, for delinquent income tax revenue amounts that were provided by the Ohio Department of Taxation.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

On May 7, 2019, voters of the School District approved a combination 4.3 mills bond issue and a one-half percent earned income tax levy for the construction of a new elementary school and the purpose of permanent improvements. The tax was effective on January 1, 2020, through December 31, 2047. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the Building Fund. A receivable has been recorded at June 30, 2021, for income tax revenue amounts that were provided by the Ohio Department of Taxation.

Note 10 - Receivables

Receivables at June 30, 2021, consist of property taxes, income taxes, accrued interest, accounts (billings for user charged services, vendors commissions, and tuition and fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to \$166,063 as of June 30, 2021.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Ohio Facilities Construction Commission	\$1,000,000
Title I	177,104
Coronavirus Relief Grant	165,346
ESSER	114,939
State Foundation Adjustments	75,109
Federal Lunch Reimbursements	62,019
Title VI-B	20,798
Title IV-A	8,836
IDEA Early Childhood Special Education	4,565
Medicaid Reimbursements	3,172
Vocational Agricultural Grant	3,094
	<hr/>
Total	<u>\$1,634,982</u>

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

Note 11 - Capital Assets

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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Nondepreciable Capital Assets				
Land	\$338,545	\$0	\$0	\$338,545
Construction in Progress	4,397,454	19,262,902	0	23,660,356
Total Capital Assets not being depreciated	<u>4,735,999</u>	<u>19,262,902</u>	<u>0</u>	<u>23,998,901</u>
Depreciable Capital Assets				
Land Improvements	987,644	0	0	987,644
Buildings and Improvements	15,662,835	222,814	0	15,885,649
Furniture and Equipment	2,801,405	896,513	(965,121)	2,732,797
Vehicles	102,310	0	0	102,310
Total at Historical Cost	<u>19,554,194</u>	<u>1,119,327</u>	<u>(965,121)</u>	<u>19,708,400</u>
Less Accumulated Depreciation				
Land Improvements	(705,441)	(22,196)	0	(727,637)
Buildings and Improvements	(4,679,184)	(319,403)	0	(4,998,587)
Furniture and Equipment	(2,008,649)	(126,659)	610,306	(1,525,002)
Vehicles	(44,747)	(13,815)	0	(58,562)
Total Accumulated Depreciation	<u>(7,438,021)</u>	<u>(482,073) *</u>	<u>610,306</u>	<u>(7,309,788)</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>12,116,173</u>	<u>637,254</u>	<u>(354,815)</u>	<u>12,398,612</u>
Governmental Activities Capital Assets, Net	<u>\$16,852,172</u>	<u>\$19,900,156</u>	<u>(\$354,815)</u>	<u>\$36,397,513</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$173,780
Special	69,513
Vocational	2,483
Support Services:	
Pupil	19,861
Instructional Staff	14,896
Administration	27,309
Fiscal	9,930
Operation and Maintenance of Plant	29,842
Pupil Transportation	59,784
Extracurricular Activities	28,778
Food Service Operations	45,897
Total Depreciation Expense	<u>\$482,073</u>

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Note 12 - Risk Management

During fiscal year 2021, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool, for insurance coverage (See Note 20). Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP. Coverage provided by Ohio School Plan is as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$45,143,345
Educational General Liability:	
Bodily Injury and Property Damage – Each Occurrence and Each Wrongful Act and Sexual Abuse Injury Limit – Each Sexual Abuse Offense	3,000,000
Personal and Advertising Injury – Each Offense Limit	3,000,000
Fire Damage – Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Each Accident Limit	10,000
General Aggregate Limit	5,000,000
Products-Completed Operations Aggregate Limit	3,000,000
Employers Liability – Stop Gap – Occurrence:	
Bodily Injury by Accident - Each Accident Limit	3,000,000
Bodily Injury by Disease - Endorsement Limit	3,000,000
Bodily Injury by Disease - Each Employee Limit	3,000,000
Fiduciary Liability – Claims Made:	
Each Offense Limit	3,000,000
Aggregate Limit	5,000,000
Educational Legal Liability:	
Errors and Omissions Injury Limit (\$2,500 Deductible)	3,000,000
Errors and Omissions Injury Aggregate Limit	5,000,000
Employment Practices Injury Limit (\$2,500 Deductible)	3,000,000
Employment Practices Injury Aggregate Limit	5,000,000
Automobile Liability (\$1,000 Comprehensive/\$1,000 collision):	
Auto Liability-Combined Single Limit	3,000,000
Uninsured Motorists	1,000,000
Medical Payments	5,000

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

For fiscal year 2021, the School District participated in the Ohio School Boards Associations Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 20). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick provides administrative, cost control, and actuarial services to the GRP.

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

Note 13 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. The School District contracts with a private company for transportation services. Since these services are common to the normal daily operation of a school district, these workers are member of SERS and the School District is legally responsible for making employer contributions to SERS. This relationship is presented as a Special Funding Situation within the accompanying financial statements. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

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

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 contribution to the Health Care Fund.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

The School District's contractually required contribution to SERS was \$363,861 for fiscal year 2021. Of this amount, \$54,049 is reported as an intergovernmental payable. The Special Fund Situation contractually required contributions to SERS was \$120,074 (which is included as a part of the \$363,861) for fiscal year 2021.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

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

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

The School District’s contractually required contribution to STRS was \$866,725 for fiscal year 2021. Of this amount, \$145,340 is reported as an intergovernmental payable.

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

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

	SERS		STRS	Total
	Contributions made by School District	Special Funding Situation		
Proportion of the Net Pension Liability Prior Measurement Date	0.06464910%	0.06464910%	0.04568644%	
Proportion of the Net Pension Liability Current Measurement Date	0.06887220%	0.06887220%	0.04764459%	
Change in Proportionate Share	0.00422310%	0.00422310%	0.00195815%	
Proportionate Share of the Net Pension Liability	\$3,052,086	\$1,503,266	\$11,528,295	\$16,083,647
Pension Expense	\$421,143	\$206,464	\$1,703,068	\$2,330,675

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

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

	SERS		STRS	Total
	Contributions made by School District	Special Funding Situation		
Deferred Outflows of Resources				
Differences between expected and actual experience	\$8,783	\$66	\$25,866	\$34,715
Changes of assumptions	0	0	618,847	618,847
Net difference between projected and actual earnings on pension plan investments	193,745	95,427	560,622	849,794
Changes in proportionate Share and difference between School District contribution and proportionate share of contributions	103,239	50,849	401,435	555,523
School District contributions subsequent to the measurement date	243,787	120,074	866,725	1,230,586
Total Deferred Outflows of Resources	\$549,554	\$266,416	\$2,473,495	\$3,289,465
Deferred Inflows of Resources				
Differences between expected and actual experience	\$0	\$0	\$73,716	\$73,716
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	636	342	0	978
Total Deferred Inflows of Resources	\$636	\$342	\$73,716	\$74,694

\$1,230,586 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS		STRS	Total
	Contributions made by School District	Special Funding Situation		
Fiscal Year Ending June 30:				
2022	\$66,940	\$28,683	\$505,414	\$601,037
2023	96,775	47,665	291,821	436,261
2024	80,757	39,776	404,477	525,010
2025	60,659	29,876	331,342	421,877
Total	\$305,131	\$146,000	\$1,533,054	\$1,984,185

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

Northridge Local School District, Ohio

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

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

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

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

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

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
School District's proportionate share of the net pension liability	\$4,180,986	\$3,052,086	\$2,104,918
Special Funding Situations proportionate share of the net pension liability	\$2,059,291	\$1,503,266	\$1,036,751

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

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$16,414,286	\$11,528,295	\$7,387,826

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2021, one member of the Board of Education elected Social Security. The contribution rate is 6.2 percent of wages.

Note 14 - Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$48,734.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$48,734 for fiscal year 2021, which is reported as an intergovernmental payable. The Special Funding Situation contractually required contributions to SERS was \$13,784 (which is included as a part of the \$48,734) for fiscal year 2021.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

	SERS			Total
	Contributions made by School District	Special Funding Situation	STRS	
Proportion of the Net OPEB Liability Prior Measurement Date	0.06608770%	0.06608770%	0.04568644%	
Proportion of the Net OPEB Liability Current Measurement Date	<u>0.07138680%</u>	<u>0.07138680%</u>	<u>0.04764459%</u>	
Change in Proportionate Share	<u>0.00529910%</u>	<u>0.00529910%</u>	<u>0.00195815%</u>	
Proportionate Share of the Net				
Net OPEB Liability	\$1,039,484	\$511,984	\$0	\$1,551,468
Net OPEB Asset	\$0	\$0	(\$837,352)	(\$837,352)
OPEB Expense	\$20,336	\$9,525	(\$42,149)	(\$12,288)

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

	SERS			Total
	Contributions made by School District	Special Funding Situation	STRS	
Deferred Outflows of Resources				
Differences between expected and actual experience	\$12,868	\$7,508	\$53,653	\$74,029
Changes of assumptions	174,768	89,704	13,823	278,295
Net difference between projected and actual earnings on OPEB plan investments	11,633	5,848	29,346	46,827
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	89,632	44,463	28,936	163,031
School District contributions subsequent to the measurement date	<u>34,950</u>	<u>13,784</u>	<u>0</u>	<u>48,734</u>
Total Deferred Outflows of Resources	<u>\$323,851</u>	<u>\$161,307</u>	<u>\$125,758</u>	<u>\$610,916</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$521,348	\$267,682	\$166,789	\$955,819
Changes of assumptions	29,500	9,578	795,344	834,422
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>21,196</u>	<u>11,924</u>	<u>0</u>	<u>33,120</u>
Total Deferred Inflows of Resources	<u>\$572,044</u>	<u>\$289,184</u>	<u>\$962,133</u>	<u>\$1,823,361</u>

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

\$48,734 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS		STRS	Total
	Contributions made by School District	Special Funding Situation		
	Fiscal Year Ending June 30:			
2022	(\$59,326)	(\$31,423)	(\$208,590)	(\$299,339)
2023	(59,954)	(29,530)	(188,727)	(278,211)
2024	(60,092)	(29,598)	(181,757)	(271,447)
2025	(55,129)	(27,153)	(179,946)	(262,228)
2026	(37,324)	(18,384)	(37,348)	(93,056)
2027	(11,318)	(5,573)	(40,007)	(56,898)
Total	<u>(\$283,143)</u>	<u>(\$141,661)</u>	<u>(\$836,375)</u>	<u>(\$1,261,179)</u>

Actuarial Assumptions - SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the 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.

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

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

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

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

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

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

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

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

	1% Decrease <u>(1.63%)</u>	Current Discount Rate <u>(2.63%)</u>	1% Increase <u>(3.63%)</u>
School District's proportionate share of the net OPEB liability	\$1,272,303	\$1,039,484	\$854,393
Special Funding Situation proportionate share of the net OPEB liability	\$626,656	\$511,984	\$420,821

	1% Decrease <u>(6.00 % decreasing to 3.75 %)</u>	Current Trend Rate <u>(7.00 % decreasing to 4.75 %)</u>	1% Increase <u>(8.00 % decreasing to 5.75 %)</u>
School District's proportionate share of the net OPEB liability	\$818,515	\$1,039,484	\$1,334,977
Special Funding Situation proportionate share of the net OPEB liability	\$403,149	\$511,984	\$657,526

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

Actuarial Assumptions – STRS

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

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return - Current Year	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.5 percent initial, 4 percent ultimate
Medicare	11.87 initial, 4 percent ultimate

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

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

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

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

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

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

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

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

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net OPEB asset	(\$728,552)	(\$837,352)	(\$929,667)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	(\$923,937)	(\$837,352)	(\$731,881)

Note 15 - Employee Benefits

Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated by employees with no maximum carrying amount. Upon retirement, payment is made for one-fourth of accrued unused sick leave up to a maximum of two hundred and seventy days.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

Health Care Benefits

The School District provides health and drug insurance for all eligible employees through United Healthcare. For fiscal year 2021, employees had two health insurance options to choose from. The two options include a health plan with a \$250 deductible and the option of establishing a Health Savings Account (HSA). For the health plan with a \$250 deductible, the School District pays medical and drug monthly premiums for staff of \$1,557.35 for family coverage and \$638.23 for single coverage. For the health plan that uses the HSA, the School District pays medical and drug monthly premiums for staff of \$1,216.36 for family coverage and \$498.48 for single coverage. The School District also provides dental insurance for all eligible employees through Delta Dental. The School District's share of the monthly premium for dental insurance coverage is \$68.52 for family and \$24.61 for single employees. The School District provides vision insurance through Vision Insurance Plan. The School District pays \$20.17 per month for family and \$8.91 for single employees. The School District provides life insurance and accidental death and dismemberment insurance to most employees through Standard Insurance Company. Premiums are paid from the same funds that pay the employees' salaries.

Note 16 - Capitalized Leases

In fiscal year 2021, the School District entered into a capital lease through Huntington bank for energy project upgrades to the high school and middle school lighting, improvements to the HVAC systems, and water heater replacement. The lease meets the criteria of a capital lease, which is defined as a lease which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds.

The assets acquired by the capital leases are as follows:

Buildings and Improvements	\$206,862
Furniture and Equipment	864,445
Less: Accumulated Depreciation	<u>(10,858)</u>
Total	<u>\$1,060,449</u>

The agreements provide for minimum annual lease payments as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$56,138	\$31,250	\$87,388
2023	57,908	29,478	87,386
2024	59,734	27,652	87,386
2025	61,619	25,767	87,386
2026	63,563	23,824	87,387
2027-2031	349,185	87,747	436,932
2032-2036	364,154	29,083	393,237
Total	<u>\$1,012,301</u>	<u>\$254,801</u>	<u>\$1,267,102</u>

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

Note 17 - Long-Term Obligations

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

	Principal Outstanding 6/30/2020	Additions	Deductions	Principal Outstanding 6/30/2021	Due Within One Year
Bonds:					
School Improvement General					
Obligation Bonds Series 2019					
Series Bonds - 1.50% - 4.00%	\$15,610,000	\$0	\$510,000	\$15,100,000	\$530,000
Term Bonds 3.00%	5,520,000	0	0	5,520,000	0
Bond Premium	1,180,677	0	45,410	1,135,267	0
Total Bonds	22,310,677	0	555,410	21,755,267	530,000
Net Pension Liability					
SERS	10,103,282	1,425,013	0	11,528,295	0
STRS	3,868,069	687,283	0	4,555,352	0
Total Net Pension Liability	13,971,351	2,112,296	0	16,083,647	0
Net OPEB Liability - SERS	1,661,967	0	110,499	1,551,468	0
Capital Leases	0	1,071,307	59,006	1,012,301	56,138
Compensated Absences	503,334	118,831	75,592	546,573	149,392
Total General					
Long-Term Obligations	<u>\$38,447,329</u>	<u>\$3,302,434</u>	<u>\$800,507</u>	<u>\$40,949,256</u>	<u>\$735,530</u>

School Improvement General Obligation Bonds – On July 31, 2019, the School District issued \$22,000,000 in School Improvement General Obligation Bonds, Series 2019, at a variable interest rate. The bonds were issued for a twenty-seven year period with a final maturity at October 1, 2045. The bond proceeds represented the School District’s construction of new elementary instruction building for grades kindergarten through fifth. The bond issue included serial and term bonds in the amount of \$16,480,000 and \$5,520,000 respectively. The bonds were issued at a premium in the amount of \$1,226,087 which will be amortized over the life of the bonds using the straight-line method. The amortized premium for fiscal year 2021 was \$45,410. This bond will be retired from the bond retirement debt service fund through property taxes. Issuance costs associated with the bond were \$271,851.

The bonds maturing on and after October 1, 2030, are subject to optional redemption, in whole or in part on any date at the option of the School District on or after October 1, 2029, at a price of par, which is 100% of the face value of such bonds, plus accrued interest to the redemption date.

The bonds due October 1, 2042, are subject to mandatory sinking fund redemption on October 1, 2041, in the principal amount of \$1,040,000 at the redemption price of 100% of such principal amount plus accrued interest to the date of redemption. Unless otherwise redeemed, the remaining \$1,070,000 principal amount of such bond is to be paid at stated maturity.

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

The current interest term bonds due October 1, 2045, are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on October 1 in the years and in the respective principal amounts as follows:

Date	Principal Amount To Be Redeemed
2043	\$1,105,000
2044	1,135,000

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

Fiscal Year Ending June 30	Serial		Term	
	Principal	Interest	Principal	Interest
2022	\$530,000	\$664,950	\$0	\$0
2023	555,000	643,250	0	0
2024	575,000	620,650	0	0
2025	600,000	604,650	0	0
2026	605,000	588,050	0	0
2027-2031	3,400,000	2,570,850	0	0
2032-2036	4,065,000	1,893,075	0	0
2037-2041	4,770,000	1,194,000	0	0
2042-2046	0	0	5,520,000	423,750
	\$15,100,000	\$8,779,475	\$5,520,000	\$423,750

The School District's overall legal debt margin was \$12,869,125, with an unvoted debt margin of \$362,228 at June 30, 2021.

Capital leases were paid from the Building Capital Projects Fund. Compensated absences are paid from the fund from which the employees' salaries are paid, which includes the General Fund and Food Service Special Revenue Funds.

There is no repayment schedule for the net pension/OPEB liability. However, employee pension contributions are made from the following funds: the General Fund and the Food Service, the Athletics, and the Vocational Agriculture Grant Special Revenue Funds. For additional information related to the net pension/OPEB liability, see Notes 13 and 14.

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

Note 18 - Interfund Transactions

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

	Interfund Receivable	Interfund Payable
Governmental Funds:		
General Fund	\$439,471	\$2,205
Other Nonmajor Governmental Funds:		
Vocational Education	0	3,094
ESSER	0	114,939
Coronavirus Relief	0	165,346
Title I	0	147,931
Titile VI-B	2,205	8,161
Total Other Nonmajor Governmental Funds	2,205	439,471
Total All Funds	\$441,676	\$441,676

Interfund balances are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed.

During fiscal year 2021, the General Fund transferred \$54,207 to the District Managed Student Activities, \$424,577 to the Athletics, and \$66,857 to the Food Service Special Revenue Funds for the purpose of covering operational expenses.

Note 19 - Jointly Governed Organizations

Licking Area Computer Association

The School District is a participant in the Licking Area Computer Association (LACA), a regional council of governments, computer consortium. LACA is an association which services twenty-six school districts, educational service centers, and community schools within the boundaries of Licking, Muskingum, Fairfield, Perry, and Knox Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendents from all participating districts. The continued existence of LACA is not dependent on the School District's continued participation and no equity interest exists.

The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The Board exercises total control over the operations of LACA including budgeting, appropriating, contracting, and designating management. The School District's total payments to LACA for computer services for fiscal year 2021 were \$73,141. Financial statements for LACA can be obtained from the Licking Area Computer Association, 50 South Quentin Road, Newark, OH 43055.

Northridge Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

META Solutions

The School District participates in the META Solutions (META), formerly the Metropolitan Educational Council (MEC), which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During fiscal year 2021, the School District's membership for the purchasing cooperative was waived by META. Financial information can be obtained from the Metropolitan Educational Technology Association at 2100 Citygate Drive, Columbus, Ohio 43219.

Note 20 - Insurance Purchasing Pools

Ohio School Boards Association Workers' Compensation Group Rating Program

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District's enrollment fee of \$2,475 for policy year 2021 was paid to Sedgwick.

Ohio School Plan

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

Note 21 - Related Organization

Alexandria Public Library

The Alexandria Public Library is statutorily created as a separate and distinct political subdivision. Seven trustees of the District Library are appointed by the School District. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Due process is required to remove board members. No subsidies are provided by the School District.

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

Note 22 - Set-Aside Calculations

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

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

	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2020	\$0
Current Year Set-aside Requirement	206,233
Current Year Offsets	(1,372,977)
Qualifying Disbursements	(161,098)
Total	(\$1,327,842)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

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

Note 23 - Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, 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.

School Foundation

In fiscal year 2021, School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. On November 12, 2021, ODE's adjustment to the District's foundation funding resulted in the District receiving \$25,399. This is immaterial to the District and was not posted to the basic financial statements.

Litigation

As of June 30, 2021, the School District is not a party to any lawsuits.

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

Note 24 - Significant Commitments

Encumbrances

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

Governmental Funds:	
General Fund	\$592,599
Building Fund	4,766,786
Nonmajor Governmental Funds	1,258,609
Total Governmental Funds	\$6,617,994

Contractual Commitments

As of June 30, 2021, the School District’s contractual purchase commitments are as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 06/30/21
Elementary Building Project	Building/Nonmajor Capital Projects	\$25,357,408	\$23,407,324	\$1,950,084
Northridge Road Turn Lane Project	Building Capital Projects	276,898	253,032	23,866
Total Contractual Commitments		\$25,634,306	\$23,660,356	\$1,973,950

Note 25 - COVID-19

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

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

Note 26 - Subsequent Event

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$413,125 in revenues and expenditures/expenses related to these programs. Also, during fiscal year 2021, the School District reported \$160,874 in tuition and fees from the resident school districts which will be direct funded to the School District as the educating entity in fiscal year 2022. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each School District. The School District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

**Required
Supplementary
Information**

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

	2021	2020	2019
School District Contributions:			
School District's Proportion of the Net Pension Liability	0.0688722%	0.0646491%	0.0646988%
School District's Proportionate Share of the Net Pension Liability	\$3,052,086	\$2,514,245	\$2,371,469
School District's Covered Payroll	\$1,578,721	\$1,413,467	\$1,469,415
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	193.33%	177.88%	161.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%
Special Funding Situation:			
School District's Proportion of the Net Pension Liability	0.0688722%	0.0646491%	0.0646988%
School District's Proportionate Share of the Net Pension Liability	\$1,503,266	\$1,353,824	\$1,333,951

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.0660849%	0.0643551%	0.0634584%	0.0621450%	0.0621450%
\$2,681,929	\$3,250,038	\$2,360,245	\$2,036,651	\$2,393,094
\$1,479,243	\$1,359,050	\$1,305,311	\$1,124,560	\$890,094
181.30%	239.14%	180.82%	181.11%	268.86%
69.50%	62.98%	69.16%	71.70%	65.52%
0.0660849%	0.0643551%	0.0634584%	0.0621450%	0.0621450%
\$1,266,499	\$1,460,161	\$1,260,752	\$1,108,472	\$1,302,470

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

	2021	2020	2019	2018	2017
School District Contributions:					
School District's Proportion of the Net OPEB Liability	0.07138680%	0.06608770%	0.06545590%	0.06687090%	0.06512480%
School District's Proportionate Share of the Net OPEB Liability	\$1,039,484	\$1,080,279	\$1,162,191	\$1,220,355	\$1,262,283
School District's Covered Payroll	\$1,578,721	\$1,413,467	\$1,469,415	\$1,479,243	\$1,359,050
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	65.84%	76.43%	79.09%	82.50%	92.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%
Special Funding Situation:					
School District's Proportion of the Net OPEB Liability	0.07138680%	0.06608770%	0.06545590%	0.06687090%	0.06512480%
School District's Proportionate Share of the Net OPEB Liability	\$511,984	\$581,688	\$653,732	\$574,285	\$594,015

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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

	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.04764459%	0.04568644%	0.04528207%
School District's Proportionate Share of the Net Pension Liability	\$11,528,295	\$10,103,282	\$9,956,510
School District's Covered Payroll	\$5,814,836	\$5,385,757	\$5,176,843
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	198.26%	187.59%	192.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying note to the required supplementary information

2018	2017	2016	2015	2014
0.04457624%	0.04424950%	0.04214519%	0.04063942%	0.04063942%
\$10,589,181	\$14,811,642	\$11,647,698	\$9,884,914	\$11,774,844
\$4,821,171	\$4,811,336	\$4,401,643	\$4,220,186	\$4,151,992
219.64%	307.85%	264.62%	234.23%	283.60%
75.30%	66.80%	69.16%	74.70%	69.30%

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

	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB (Asset) Liability	0.04764459%	0.04568644%	0.04528207%	0.04457624%	0.04424950%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$837,352)	(\$756,678)	(\$727,637)	\$1,739,200	\$2,366,475
School District's Covered Payroll	\$5,814,836	\$5,385,757	\$5,176,843	\$4,821,171	\$4,811,336
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-14.40%	-14.05%	-14.06%	36.07%	49.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

Northridge Local School District, Ohio
Required Supplementary Information
Schedule of the School District Contributions - Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Pension Liability				
School District Contributions:				
Contractually Required Contribution	\$243,787	\$221,021	\$190,818	\$198,371
Contributions in Relation to the Contractually Required Contribution	<u>(243,787)</u>	<u>(221,021)</u>	<u>(190,818)</u>	<u>(198,371)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$1,741,336	\$1,578,721	\$1,413,467	\$1,469,415
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.50%	13.50%
Special Funding Situation:				
Contractually Required Contribution	\$120,074	\$119,012	\$107,335	\$93,351
Contributions in Relation to the Contractually Required Contribution	<u>(120,074)</u>	<u>(119,012)</u>	<u>(107,335)</u>	<u>(93,351)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$207,094	\$190,267	\$172,040	\$155,864	\$123,189	\$126,062
<u>(207,094)</u>	<u>(190,267)</u>	<u>(172,040)</u>	<u>(155,864)</u>	<u>(123,189)</u>	<u>(126,062)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,479,243	\$1,359,050	\$1,305,311	\$1,124,560	\$890,094	\$937,264
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
\$93,042	\$89,538	\$80,960	\$98,415	\$103,110	\$93,162
<u>(93,042)</u>	<u>(89,538)</u>	<u>(80,960)</u>	<u>(98,415)</u>	<u>(103,110)</u>	<u>(93,162)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Northridge Local School District, Ohio
Required Supplementary Information
Schedule of the School District Contributions - Net OPEB Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018
Net OPEB Liability				
School District Contributions:				
Contractually Required Contribution (1)	\$34,950	\$32,860	\$37,953	\$32,302
Contributions in Relation to the Contractually Required Contribution	<u>(34,950)</u>	<u>(32,860)</u>	<u>(37,953)</u>	<u>(32,302)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$1,741,336	\$1,578,721	\$1,413,467	\$1,469,415
Contributions as a Percentage of Covered Payroll (1)	2.01%	2.08%	2.69%	2.20%
Special Funding Situation:				
Contractually Required Contribution	\$13,784	\$12,614	\$12,655	\$13,061
Contributions in Relation to the Contractually Required Contribution	<u>(13,784)</u>	<u>(12,614)</u>	<u>(12,655)</u>	<u>(13,061)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(1) Includes Surcharge

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
\$24,186	\$22,141	\$32,803	\$23,475	\$19,139	\$21,120
<u>(24,186)</u>	<u>(22,141)</u>	<u>(32,803)</u>	<u>(23,475)</u>	<u>(19,139)</u>	<u>(21,120)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,479,243	\$1,359,050	\$1,305,311	\$1,124,560	\$890,094	\$937,264
1.64%	1.63%	2.51%	2.09%	2.15%	2.25%
\$11,381	\$10,419	\$15,437	\$10,301	\$10,709	\$11,323
<u>(11,381)</u>	<u>(10,419)</u>	<u>(15,437)</u>	<u>(10,301)</u>	<u>(10,709)</u>	<u>(11,323)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Northridge Local School District, Ohio
Required Supplementary Information
Schedule of the School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018
Net Pension Liability				
Contractually Required Contribution	\$866,725	\$814,077	\$754,006	\$724,758
Contributions in Relation to the Contractually Required Contribution	<u>(866,725)</u>	<u>(814,077)</u>	<u>(754,006)</u>	<u>(724,758)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$6,190,893	\$5,814,836	\$5,385,757	\$5,176,843
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to the required supplementary information

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$674,964	\$673,587	\$616,230	\$548,624	\$539,759	\$613,506
<u>(674,964)</u>	<u>(673,587)</u>	<u>(616,230)</u>	<u>(548,624)</u>	<u>(539,759)</u>	<u>(613,506)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,821,171	\$4,811,336	\$4,401,643	\$4,220,186	\$4,151,992	\$4,719,277
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%
\$0	\$0	\$0	\$42,202	\$41,520	\$47,193
<u>0</u>	<u>0</u>	<u>0</u>	<u>(42,202)</u>	<u>(41,520)</u>	<u>(47,193)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

NORTHRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY

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

Federal Grantor/ Pass thru Grantor/ Program / Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through Ohio Department of Education:</i>			
<i>Child Nutrition Cluster:</i>			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	N/A	\$ 17,229
Cash Assistance			
National School Lunch Program	10.555	N/A	126,475
COVID-19 National School Lunch Program	10.555	N/A	10,468
Total National School Lunch Program			<u>154,172</u>
Cash Assistance			
School Breakfast Program	10.553	N/A	47,519
COVID-19 School Breakfast Program	10.553	N/A	3,557
Total School Breakfast Program:			<u>51,076</u>
Total Child Nutrition Cluster:			<u>205,248</u>
Total U.S. Department of Agriculture			<u>205,248</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed through Ohio Department of Education:</i>			
COVID-19 Coronavirus Relief Fund	21.019	N/A	165,346
Total U.S. Department of Treasury			<u>165,346</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through Ohio Department of Education:</i>			
<i>Special Education Cluster:</i>			
Special Education-Grants to States	84.027	N/A	248,506
Total Special Education Cluster:			<u>248,506</u>
Title I Grants to Local Educational Agencies	84.010	N/A	159,995
English Language Acquisition State Grants	84.365	N/A	1,095
Supporting Effective Instruction State Grants	84.367	N/A	31,439
Student Support and Academic Enrichment Program	84.424	N/A	21,216
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	N/A	114,939
Total U.S. Department of Education			<u>577,190</u>
Total Expenditures of Federal Awards			<u>\$ 947,784</u>

The accompanying notes to this schedule are an integral part of this schedule.

**NORTHRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE 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 the Northridge Local School District, Licking County (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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C - INDIRECT COST RATE

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

NOTE D - 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 E - FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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

Northridge Local School District
Licking County
6097 Johnstown-Utica Road
Johnstown, Ohio 43031

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northridge Local School District, Licking 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 March 3, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our 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.

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 3, 2022

OHIO AUDITOR OF STATE KEITH FABER



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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

Northridge Local School District
Licking County
6097 Johnstown-Utica Road
Johnstown, Ohio 43031

To the Board of Education:

Report on Compliance for each Major Federal Program

We have audited Northridge 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 Northridge Local School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe our audit provides a reasonable basis for our compliance opinion on 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, Northridge Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect 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.



Keith Faber
Auditor of State
Columbus, Ohio

March 3, 2022

**NORTHRIDGE LOCAL SCHOOL DISTRICT
LICKING COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster Coronavirus Relief Fund: AL# 21.019
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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OHIO AUDITOR OF STATE KEITH FABER



NORTHRIDGE LOCAL SCHOOL DISTRICT

LICKING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 3/29/2022

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This report is a matter of public record and is available online at
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