



OHIO AUDITOR OF STATE
KEITH FABER



**RIDGEDALE LOCAL SCHOOL DISTRICT
MARION COUNTY
JUNE 30, 2021**

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MARION COUNTY
JUNE 30, 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ridgedale Local School District
Marion County
3103 Hillman-Ford Road
Morral, Ohio 43337

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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 2 to the financial statements, during 2021, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Additionally, as discussed in Note 18 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 these matters.

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 10, 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 10, 2022

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Ridgedale Local School District
Marion County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

The discussion and analysis of the Ridgedale Local School District's (the "School District") 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 performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- Net position decreased \$511,026, which represents a 17 percent decrease from restated 2020 net position.
- Capital assets decreased \$44,582 during fiscal year 2021.
- During the fiscal year, outstanding debt decreased from \$237,349 to \$132,278.

Using this Annual Report

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2021?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net 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

Ridgedale Local School District
Marion County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

base, current property tax laws in Ohio which restrict revenue growth, facility conditions, required educational programs, and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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 fund is the general fund.

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

Reporting the School District's Fiduciary Responsibilities

The School District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in a custodial fund. The School District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

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Ridgedale Local School District
Marion County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

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:

Table 1
Net Position

	Governmental Activities		
	2021	Restated 2020	Change
Assets			
Current and Other Assets	\$ 6,509,727	\$ 6,252,215	\$ 257,512
Net OPEB Asset	504,525	475,523	29,002
Capital Assets	3,033,645	3,078,227	(44,582)
<i>Total Assets</i>	<u>10,047,897</u>	<u>9,805,965</u>	<u>241,932</u>
Deferred Outflows of Resources			
Pension & OPEB	1,926,910	1,859,639	67,271
<i>Total Deferred Outflows of Resources</i>	<u>1,926,910</u>	<u>1,859,639</u>	<u>67,271</u>
Liabilities			
Current Liabilities	1,028,871	904,286	124,585
Long-Term Liabilities:			
Due Within One Year	133,948	190,208	(56,260)
Due in More Than One Year			
Pension & OPEB	9,971,353	9,339,948	631,405
Other Amounts	358,237	457,749	(99,512)
<i>Total Liabilities</i>	<u>11,492,409</u>	<u>10,892,191</u>	<u>600,218</u>
Deferred Inflows of Resources			
Property Taxes	2,813,039	2,418,410	394,629
Pension & OPEB	1,207,143	1,381,761	(174,618)
<i>Total Deferred Inflows of Resources</i>	<u>4,020,182</u>	<u>3,800,171</u>	<u>220,011</u>
Net Position			
Net Investment in Capital Assets	2,901,367	2,931,798	(30,431)
Restricted	690,998	382,731	308,267
Unrestricted	(7,130,149)	(6,341,287)	(788,862)
<i>Total Net Position</i>	<u>\$ (3,537,784)</u>	<u>\$ (3,026,758)</u>	<u>\$ (511,026)</u>

Ridgedale Local School District
Marion County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2021 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the School District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2021 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

At year end, capital assets represented 30 percent of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Net investment in capital assets was \$2,901,367 at June 30, 2021. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$690,998 or 20 percent, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position is a deficit of \$7,130,149.

Current assets increased due to an increase in property taxes receivable. This occurred because of an increase in estimated property taxes levied.

There was a significant change in net pension/OPEB liability/asset for the School District. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the School District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

Other long-term liabilities of the School District had a decrease from the prior year. This decrease is the result of the School District making scheduled debt payments on lease-purchase agreements during fiscal year 2021.

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

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Ridgedale Local School District
Marion County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Table 2
Changes in Net Position

	Governmental Activities		
	2021	Restated 2020	Change
Revenues			
<i>Program Revenues:</i>			
Charges for Services	\$ 1,428,630	\$ 1,473,003	\$ (44,373)
Operating Grants	1,379,833	1,024,486	355,347
<i>Total Program Revenues</i>	<u>2,808,463</u>	<u>2,497,489</u>	<u>310,974</u>
<i>General Revenues:</i>			
Property Taxes	3,901,905	3,735,072	166,833
Income Taxes	58,758	0	58,758
Grants and Entitlements Not Restricted	3,255,495	3,031,500	223,995
Investment Earnings	3,942	49,029	(45,087)
Other	229,608	51,876	177,732
<i>Total General Revenues</i>	<u>7,449,708</u>	<u>6,867,477</u>	<u>582,231</u>
<i>Total Revenues</i>	<u>10,258,171</u>	<u>9,364,966</u>	<u>893,205</u>
Program Expenses			
<i>Instruction:</i>			
Regular	3,945,787	3,748,703	197,084
Special	1,211,285	957,474	253,811
Vocational	354,935	364,769	(9,834)
Student Intervention Services	22,159	79,167	(57,008)
Other	1,293,486	1,241,849	51,637
<i>Support Services:</i>			
Pupils	394,207	283,554	110,653
Instructional Staff	245,711	259,639	(13,928)
Board of Education	65,819	47,636	18,183
Administration	842,105	931,472	(89,367)
Fiscal	366,262	383,663	(17,401)
Business	6,368	3,850	2,518
Operation and Maintenance of Plant	794,910	874,480	(79,570)
Pupil Transportation	533,887	616,453	(82,566)
Central	23,042	34,552	(11,510)
<i>Operation of Non-Instructional Services:</i>			
Food Service Operations	357,854	412,838	(54,984)
Extracurricular Activities	306,495	276,296	30,199
<i>Debt Service:</i>			
Interest and Fiscal Charges	4,885	10,308	(5,423)
<i>Total Expenses</i>	<u>10,769,197</u>	<u>10,526,703</u>	<u>242,494</u>
<i>Increase (Decrease) in Net Position</i>	(511,026)	(1,161,737)	650,711
<i>Net Position at Beginning of Year</i>	(3,026,758)	(1,963,299)	(1,063,459)
<i>Restatement - See Note 2</i>	0	98,278	(98,278)
<i>Net Position at End of Year</i>	<u>\$ (3,537,784)</u>	<u>\$ (3,026,758)</u>	<u>\$ (511,026)</u>

Ridgedale Local School District
Marion County, Ohio
Management's Discussion and Analysis
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Total revenues increased due to increases in operating grants and grants and entitlements not restricted. Grants and entitlements increased due to an increase in state funding to the general fund. Operating grants increased due to the COVID-19 pandemic federal funding in the fiscal year. Overall, program expenses increased 2 percent. The changes in program expenses are primarily associated with annual salary increases and changes in the School District's proportionate share of the net pension liability, net OPEB liability/asset and related accruals. As previously indicated, these items are explained in detail within their respective notes.

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

Table 3
Governmental Activities

	Total Cost of Service		Net Cost of Service	
	2021	2020	2021	2020
Instruction:				
Regular	\$ 3,945,787	\$ 3,748,703	\$ 2,693,388	\$ 2,548,502
Special	1,211,285	957,474	620,194	511,761
Vocational	354,935	364,769	317,211	323,225
Student Intervention Services	22,159	79,167	22,159	79,167
Other	1,293,486	1,241,849	1,293,486	1,241,849
Support Services:				
Pupils	394,207	283,554	(75,705)	(43,841)
Instructional Staff	245,711	259,639	216,333	237,224
Board of Education	65,819	47,636	65,819	47,636
Administration	842,105	931,472	840,381	914,857
Fiscal	366,262	383,663	366,262	383,663
Business	6,368	3,850	6,368	3,850
Operation and Maintenance of Plant	794,910	874,480	791,050	871,627
Pupil Transportation	533,887	616,453	532,821	606,467
Central	23,042	34,552	23,042	34,552
Operation of Non-Instructional Services:				
Food Service Operations	357,854	412,838	3,831	33,970
Extracurricular Activities	306,495	276,296	239,209	224,397
Debt Service:				
Interest and Fiscal Charges	4,885	10,308	4,885	10,308
<i>Total Expenses</i>	<u>\$ 10,769,197</u>	<u>\$ 10,526,703</u>	<u>\$ 7,960,734</u>	<u>\$ 8,029,214</u>

The comparative column of Table 3 was not restated for the implementation of GASB 84.

The total and net cost of services changes were primarily caused by the changes related to NPL/NOA/NOL, as previously discussed.

Ridgedale Local School District
Marion County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

The dependence upon general revenues for governmental activities is apparent. Over 74 percent of governmental activities are supported through taxes and other general revenues; such revenues are 73 percent of total governmental revenues. Grants and entitlements not restricted to specific programs and property tax revenues are by far the primary support for the School District students.

Governmental Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$10,328,939 and expenditures of \$10,500,745.

The general fund's net change in fund balance for fiscal year 2021 was a decrease of \$266,415 primarily due to expenditures continuing to out pace revenues.

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 uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was higher than the final budget basis revenue. Most of this difference is due to an underestimation of intergovernmental and miscellaneous revenues.

Final appropriations were higher than the actual expenditures, as cost savings were recognized for instruction expenditures throughout the year.

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Ridgedale Local School District
Marion County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2021 balances compared with 2020.

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

	Governmental Activities	
	2021	2020
Land	\$ 50,442	\$ 50,442
Construction in Progress	0	100,800
Land Improvements	1,010,331	1,078,682
Buildings and Improvements	1,304,999	1,191,397
Furniture and Equipment	493,233	449,754
Vehicles	174,640	207,152
<i>Totals</i>	\$ 3,033,645	\$ 3,078,227

The \$44,582 decrease in capital assets was attributable to current year depreciation offset by current year additions. See Note 8 for more information about the capital assets of the School District.

Debt

Table 5 summarizes debt outstanding. See Note 9 for additional details.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2021	2020
Lease-Purchase Agreements	\$ 132,278	\$ 237,349

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 Mr. Jason Fleming, Treasurer of Ridgedale Local School District, 3103 Hillman-Ford Road, Morral, Ohio 43337.

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Ridgedale Local School District
Marion County, Ohio
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,977,269
Receivables:	
Accounts	38,110
Intergovernmental	144,814
Property Taxes	4,343,132
Prepaid Items	6,402
Net OPEB Asset	504,525
Nondepreciable Capital Assets	50,442
Depreciable Capital Assets (Net)	2,983,203
<i>Total Assets</i>	10,047,897
Deferred Outflows of Resources	
Pension	1,641,086
OPEB	285,824
<i>Total Deferred Outflows of Resources</i>	1,926,910
Liabilities	
Accounts Payable	25,268
Accrued Wages and Benefits	765,254
Accrued Vacation Leave Payable	59,128
Intergovernmental Payable	179,221
Long Term Liabilities:	
Due Within One Year	133,948
Due In More Than One Year:	
Net Pension Liability	9,203,497
Net OPEB Liability	767,856
Other Amonts Due in More Than One Year	358,237
<i>Total Liabilities</i>	11,492,409
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	2,813,039
Pension	165,463
OPEB	1,041,680
<i>Total Deferred Inflows of Resources</i>	4,020,182
Net Position	
Net Investment in Capital Assets	2,901,367
Restricted For:	
Capital Outlay	623
Other Purposes	690,375
Unrestricted	(7,130,149)
<i>Total Net Position</i>	(\$3,537,784)

See accompanying notes to the basic financial statements.

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$3,945,787	\$1,137,301	\$115,098	(\$2,693,388)
Special	1,211,285	150,164	440,927	(620,194)
Vocational	354,935	0	37,724	(317,211)
Student Intervention Services	22,159	0	0	(22,159)
Other	1,293,486	0	0	(1,293,486)
Support Services:				
Pupils	394,207	0	469,912	75,705
Instructional Staff	245,711	0	29,378	(216,333)
Board of Education	65,819	0	0	(65,819)
Administration	842,105	0	1,724	(840,381)
Fiscal	366,262	0	0	(366,262)
Business	6,368	0	0	(6,368)
Operation and Maintenance of Plant	794,910	0	3,860	(791,050)
Pupil Transportation	533,887	0	1,066	(532,821)
Central	23,042	0	0	(23,042)
Operation of Non-Instructional Services:				
Food Service Operations	357,854	75,584	278,439	(3,831)
Extracurricular Activities	306,495	65,581	1,705	(239,209)
Debt Service:				
Interest and Fiscal Charges	4,885	0	0	(4,885)
Total	<u>\$10,769,197</u>	<u>\$1,428,630</u>	<u>\$1,379,833</u>	<u>(7,960,734)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	3,901,905
Income Taxes Levied for:	
General Purposes	58,758
Grants and Entitlements Not Restricted to Specific Programs	3,255,495
Investment Earnings	3,942
Miscellaneous	229,608
Total General Revenues	<u>7,449,708</u>
 <i>Change in Net Position</i>	 (511,026)
 <i>Net Position Beginning of Year, As Restated (See Note 2)</i>	 <u>(3,026,758)</u>
<i>Net Position End of Year</i>	<u><u>(\$3,537,784)</u></u>

See accompanying notes to the basic financial statements.

Ridgedale Local School District
Marion County, Ohio
Balance Sheet
Governmental Funds
June 30, 2021

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,338,922	\$638,347	\$1,977,269
Receivables:			
Accounts	0	38,110	38,110
Interfund	49,632	0	49,632
Intergovernmental	0	144,814	144,814
Property Taxes	4,343,132	0	4,343,132
Prepaid Items	6,259	143	6,402
<i>Total Assets</i>	<u>5,737,945</u>	<u>821,414</u>	<u>6,559,359</u>
Liabilities			
Accounts Payable	15,563	9,705	25,268
Accrued Wages and Benefits	710,442	54,812	765,254
Early Retirement Incentive Payable	25,000	15,000	40,000
Intergovernmental Payable	172,702	6,519	179,221
Interfund Payable	0	49,632	49,632
<i>Total Liabilities</i>	<u>923,707</u>	<u>135,668</u>	<u>1,059,375</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	2,813,039	0	2,813,039
Unavailable Revenue	176,908	83,597	260,505
<i>Total Deferred Inflows of Resources</i>	<u>2,989,947</u>	<u>83,597</u>	<u>3,073,544</u>
Fund Balances			
Nonspendable	6,259	143	6,402
Restricted	0	624,930	624,930
Assigned	77,309	0	77,309
Unassigned	1,740,723	(22,924)	1,717,799
<i>Total Fund Balances</i>	<u>1,824,291</u>	<u>602,149</u>	<u>2,426,440</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$5,737,945</u>	<u>\$821,414</u>	<u>\$6,559,359</u>

See accompanying notes to the basic financial statements.

Ridgedale Local School District
Marion County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2021

Total Governmental Fund Balances		\$2,426,440
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,033,645
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Intergovernmental	83,597	
Delinquent Property Taxes	176,908	260,505
The net pension and OPEB assets/liabilities are not due and payable in the current period; therefore, the assets/liabilities and related deferred inflows/outflows are not reported in the funds.		
Net OPEB Asset	504,525	
Deferred Outflows - Pension	1,641,086	
Deferred Outflows - OPEB	285,824	
Net Pension Liability	(9,203,497)	
Net OPEB Liability	(767,856)	
Deferred Inflows - Pension	(165,463)	
Deferred Inflows - OPEB	(1,041,680)	(8,747,061)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Lease Purchase Agreements	(132,278)	
Vacations Payable	(59,128)	
Compensated Absences	(319,907)	(511,313)
<i>Net Position of Governmental Activities</i>		<i>(\$3,537,784)</i>

See accompanying notes to the basic financial statements.

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

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property and Other Local Taxes	\$3,985,761	\$0	\$3,985,761
Income Taxes	58,758	0	58,758
Intergovernmental	3,456,996	1,128,485	4,585,481
Investment Income	3,942	28,971	32,913
Tuition and Fees	1,282,642	1,834	1,284,476
Extracurricular Activities	4,823	59,322	64,145
Charges for Services	0	76,084	76,084
Contributions and Donations	5,086	6,630	11,716
Miscellaneous	223,159	6,446	229,605
<i>Total Revenues</i>	<u>9,021,167</u>	<u>1,307,772</u>	<u>10,328,939</u>
Expenditures			
Current:			
Instruction:			
Regular	3,703,884	115,639	3,819,523
Special	893,035	277,647	1,170,682
Vocational	327,941	6,012	333,953
Student Intervention Services	42,009	0	42,009
Other	1,288,356	0	1,288,356
Support Services:			
Pupils	99,829	290,291	390,120
Instructional Staff	209,169	15,397	224,566
Board of Education	65,868	0	65,868
Administration	801,342	2,613	803,955
Fiscal	351,899	0	351,899
Business	6,368	0	6,368
Operation and Maintenance of Plant	665,387	3,860	669,247
Pupil Transportation	469,901	0	469,901
Central	21,455	0	21,455
Extracurricular Activities	223,676	67,855	291,531
Operation of Non-Instructional Services:			
Food Service Operations	0	342,927	342,927
Capital Outlay	10,508	87,921	98,429
Debt Service:			
Principal Retirement	102,070	3,001	105,071
Interest and Fiscal Charges	4,885	0	4,885
<i>Total Expenditures</i>	<u>9,287,582</u>	<u>1,213,163</u>	<u>10,500,745</u>
<i>Net Change in Fund Balance</i>	(266,415)	94,609	(171,806)
<i>Fund Balances Beginning of Year, As Restated (See Note 2)</i>	<u>2,090,706</u>	<u>507,540</u>	<u>2,598,246</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,824,291</u></u>	<u><u>\$602,149</u></u>	<u><u>\$2,426,440</u></u>

See accompanying notes to the basic financial statements.

Ridgedale Local School District
Marion County, 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		(\$171,806)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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.		
Capital Asset Additions	\$211,543	
Current Year Depreciation	(256,125)	(44,582)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	13,088	
Intergovernmental	(83,856)	(70,768)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		105,071
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	690,546	
OPEB	22,492	713,038
Except for amount reported as deferred inflows/outflows, changes in the net pension and OPEB assets/liabilities are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,090,492)	
OPEB	16,940	(1,073,552)
Some expenses reported in the statement of activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	90,701	
Vacations Payable	(59,128)	31,573
<i>Change in Net Position of Governmental Activities</i>		<i>(\$511,026)</i>

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$3,758,314	\$3,900,407	\$3,900,407	\$0
Income Taxes	48,000	58,758	58,758	0
Intergovernmental	3,232,938	3,332,116	3,456,996	124,880
Investment Income	48,000	5,585	5,227	(358)
Tuition and Fees	1,222,245	1,237,915	1,282,642	44,727
Extracurricular Activities	3,000	2,184	2,184	0
Contributions and Donations	1,555	4,325	4,325	0
Miscellaneous	15,559	18,366	222,859	204,493
<i>Total Revenues</i>	<u>8,329,611</u>	<u>8,559,656</u>	<u>8,933,398</u>	<u>373,742</u>
Expenditures				
Current:				
Instruction:				
Regular	3,241,025	3,639,563	3,584,929	54,634
Special	723,462	909,993	891,589	18,404
Vocational	304,268	337,380	332,954	4,426
Student Intervention Services	19,715	46,573	48,960	(2,387)
Other	1,151,200	1,324,240	1,288,356	35,884
Support Services:				
Pupils	175,194	111,459	100,135	11,324
Instructional Staff	234,860	245,998	217,414	28,584
Board of Education	65,986	55,550	69,733	(14,183)
Administration	766,322	793,226	824,604	(31,378)
Fiscal	366,820	362,639	356,791	5,848
Business	405	4,200	6,368	(2,168)
Operation and Maintenance of Plant	785,224	747,568	740,072	7,496
Pupil Transportation	528,710	538,670	480,900	57,770
Central	30,500	22,952	21,403	1,549
Extracurricular Activities	176,650	225,347	222,321	3,026
Capital Outlay	0	0	5,258	(5,258)
Debt Service:				
Principal Retirement	102,070	102,070	102,070	0
Interest and Fiscal Charges	4,885	4,885	4,885	0
<i>Total Expenditures</i>	<u>8,677,296</u>	<u>9,472,313</u>	<u>9,298,742</u>	<u>173,571</u>
<i>Net Change in Fund Balance</i>	(347,685)	(912,657)	(365,344)	547,313
<i>Fund Balance Beginning of Year</i>	1,492,681	1,492,681	1,492,681	0
Prior Year Encumbrances Appropriated	150,338	150,338	150,338	0
<i>Fund Balance End of Year</i>	<u>\$1,295,334</u>	<u>\$730,362</u>	<u>\$1,277,675</u>	<u>\$547,313</u>

See accompanying notes to the basic financial statements.

Ridgedale Local School District
Marion County, Ohio
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

	<u>Custodial</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$633</u></u>
Liabilities	<u><u>\$0</u></u>
Net Position	
Held in Trust for Scholarships	0
Endowments	0
Restricted for Individuals, Organizations and other Governments	<u>633</u>
	<u><u>\$633</u></u>

See accompanying notes to the basic financial statements.

Ridgedale Local School District
Marion County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2021

	Custodial Fund
Additions	
Miscellaneous	\$97
<i>Total Additions</i>	97
Deductions	
Custodial Fund Disbursements	97
<i>Change in Net Position</i>	0
<i>Net Position Beginning of Year, As Restated (See Note 2)</i>	633
<i>Net Position End of Year</i>	\$633

See accompanying notes to the basic financial statements.

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The School District was established in 1957. The School District serves an area of approximately one hundred twenty-five square miles. It is located in Crawford, Marion, and Wyandot Counties. The School District currently operates two buildings on one campus.

The reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise have access to the organization’s resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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. Based upon the application of these criteria, the School District has none.

JOINTLY GOVERNED ORGANIZATIONS

META Solutions

The School District is a participant in META (Metropolitan Educational Technology Association) Solutions. META Solutions is an association of public school districts throughout Ohio. 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 META Solutions consists of the superintendent from 13 member districts. During fiscal year 2021, the School District paid \$17,985 to META Solutions for various services. Financial information can be obtained from the Metropolitan Educational Technology Association, 100 Executive Drive, Marion, Ohio 43302.

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

Tri-Rivers Career Center

The Tri-Rivers Career Center (the “Center”) is a distinct political subdivision of the State of Ohio. The Center operates under the direction of a Board consisting of one representative from each of the participating school district’s Board of Education. The Center Board of Education possesses its own budgeting and taxing authority. Financial information is available from Tammi Cowell, Treasurer, at 2222 Marion-Mt. Gilead Road, Marion, Ohio 43302.

Sheakley Uniservice Workers’ Compensation Group Rating Plan

The School District participates in a group rating plan for workers’ compensation as established under Section 4123.29 of the Ohio Revised Code. The School District participates in Sheakley Uniservice group rating service, which handles not only Workers’ Compensation details but unemployment issues.

Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

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

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

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

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

Fund Accounting

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

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 of resources is reported as fund balance. The following is the School District's major governmental fund:

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

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed upon the use of the resources.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. The School District's only custodial fund is used to account for Ohio School Athletic Association revenue from athletic tournaments held at the School District.

Basis of Presentation and 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.

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

Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial 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 and statements for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, 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.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 4). 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 fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from 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, interest, tuition, grants, student 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. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

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

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, OPEB 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 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 may include delinquent property taxes, grants and entitlements and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12).

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in 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 demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require resolution of the Board of Education. The Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. 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 during the fiscal year.

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

Cash and Investments

To improve cash management, cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During the 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 (NAV) 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 the fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or by policy of the Board of Education. Interest revenue credited to the general fund during fiscal year 2021 amounted to \$3,942, which includes \$811 assigned from other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the School District's investment accounts at year-end is provided in Note 3.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000. 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. The School District does not possess infrastructure.

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

Description	Governmental Activities Estimated Lives
Land Improvements	20 Years
Buildings and Improvements	20 - 50 Years
Furniture and Equipment	5 - 20 years
Vehicles	8 Years

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.

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 the employee's wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy.

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

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the funds from which the employee will be paid.

Pensions and Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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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, compensated absences, net pension/OPEB asset/liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. 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 legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District 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. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2021, there was no net position restricted by enabling legislation.

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

Estimates

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

Interfund Activity

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

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. Neither type of transaction occurred during fiscal year 2021.

Implementation of New Accounting Policies and Restatement of Net Position

For the fiscal year ended June 30, 2021, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, GASB Statement No. 90, Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61, certain provisions of GASB Statement No. 93, Replacement of Interbank Offered Rates and GASB Statement No. 98, The Annual Comprehensive Financial Report.

Ridgedale Local School District
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GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the School District reviewed its funds for proper classification, and any fund reclassifications resulted in the restatement of the School District's financial statements (see below).

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the School District.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the School District.

GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the School District.

Restatement of Net Position/Fund Balances

The implementation of GASB 84 had the following effect on net position as reported June 30, 2020:

	Governmental Activities
Net Position, June 30, 2020	\$ (3,125,036)
GASB Statement No. 84	98,278
Restated Net Position, June 30, 2020	\$ (3,026,758)

The implementation of GASB 84 had the following effect on fund balance as reported June 30, 2020:

	Other Governmental Funds
Fund Balance (Deficit), June 30, 2020	\$ 409,262
GASB Statement No. 84	98,278
Restated Fund Balance (Deficit), June 30, 2020	\$ 507,540

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The implementation of GASB 84 had the following effect on fiduciary net position as reported June 30, 2020:

	Fiduciary Funds		
	Private Purpose		
	Trust	Agency	Custodial
Net Position, June 30, 2020	\$ 51,112	\$ -	\$ -
GASB Statement No. 84	(51,112)	-	633
Adjustments:			
Assets	-	(48,049)	-
Liabilities	-	48,049	-
Restated Net Position, June 30, 2020	\$ -	\$ -	\$ 633

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, 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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Ridgedale Local School District
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3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days or two hundred and seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,
8. Under limited circumstance, corporate debt interest rate in either of the two highest classifications by at least two nationally organized rating agencies.

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

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.

Cash on Hand At June 30, 2021, the School District had \$360 in undeposited cash on hand which is included on the financial statements of the School District as part of "equity in pooled cash and cash equivalents."

Deposits At year-end, \$1,730,093 of the School District's bank balance of \$1,980,093 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party.

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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 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 required 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.

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

Rating	Investment Type	Measurement Amount	Investment Maturity in Months 0-12
	Net Asset Value (NAV):		
AAAm	STAR Ohio	\$10,381	\$10,381

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 table identifies the School District's recurring fair value measurements as of June 30, 2021. The School District's 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 As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the School District's investment policy limits investment portfolio maturities to five years or less.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2021, is 54 days.

Concentration of Credit Risk The School District places no limit on the amount that may be invested in any one issuer. The table above includes the percentage of each investment type held by the School District at June 30, 2021.

Ridgedale Local School District
Marion County, Ohio
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NOTE 4 - PROPERTY TAXES

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

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

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

The School District receives property taxes from Wyandot, Crawford, and Marion 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 of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

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	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$133,090,960	87.83%	\$133,286,620	86.13%
Public Utility Personal Property	18,437,580	12.17%	21,455,550	13.87%
	\$151,528,540	100.00%	\$154,742,170	100.00%
Tax rate per \$1,000 assessed valuation	\$44.23		\$44.23	

NOTE 5 - INCOME TAX

The School District levies a voted tax of one percent for general operations. The tax was effective on January 1, 2021 and is a continuing tax. 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 of Ohio makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. The District's income tax receipts are credited to the General Fund.

NOTE 6 - RECEIVABLES

Receivables at June 30, 2021 consisted of accounts, property taxes, 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 year guarantee of federal funds.

NOTE 7 – INTERFUND BALANCES

Interfund balances at June 30, 2021 consisted of the following:

	Interfund Receivable	Interfund Payable
General	\$49,632	\$0
Other Governmental:		
ESSER Grant	0	21,350
CRF Rural & Small Town	0	1,131
School Improvement	0	8,040
Title I	0	16,472
Improving Teacher Quality	0	1,649
Title II-D	0	990
Total Other Governmental	0	49,632
Total	\$49,632	\$49,632

Ridgedale Local School District
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The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

NOTE 8 - CAPITAL ASSETS

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

	<u>Balance</u> 06/30/20	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 06/30/21
Governmental Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$50,442	\$0	\$0	\$50,442
Construction in Progress	100,800	0	(100,800)	0
Total Capital Assets, Not Being Depreciated	<u>151,242</u>	<u>0</u>	<u>(100,800)</u>	<u>50,442</u>
<i>Capital Assets, being depreciated</i>				
Land Improvements	1,992,542	0	0	1,992,542
Buildings and Improvements	5,117,497	187,798	0	5,305,295
Furniture and Equipment	974,915	106,717	0	1,081,632
Vehicles	1,300,540	17,828	0	1,318,368
Total Capital Assets, being depreciated	<u>9,385,494</u>	<u>312,343</u>	<u>0</u>	<u>9,697,837</u>
<i>Less: Accumulated Depreciation</i>				
Land Improvements	(913,860)	(68,351)	0	(982,211)
Buildings and Improvements	(3,926,100)	(74,196)	0	(4,000,296)
Furniture and Equipment	(525,161)	(63,238)	0	(588,399)
Vehicles	(1,093,388)	(50,340)	0	(1,143,728)
Total Accumulated Depreciation	<u>(6,458,509)</u>	<u>(256,125)</u>	<u>0</u>	<u>(6,714,634)</u>
Total Capital Assets Being Depreciated, Net	<u>2,926,985</u>	<u>56,218</u>	<u>0</u>	<u>2,983,203</u>
Governmental Activities Capital Assets, Net	<u>\$3,078,227</u>	<u>\$56,218</u>	<u>(\$100,800)</u>	<u>\$3,033,645</u>

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Ridgedale Local School District
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*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$40,033
Special	730
Support Services:	
Instructional Staff	8,553
Administration	2,512
Fiscal	730
Operations and Maintenance	89,090
Pupil Transportation	55,687
Central	546
Extracurricular Activities	52,148
Food Service Operations	6,096
	<u>6,096</u>
<i>Total Depreciation Expense</i>	<u><u>\$256,125</u></u>

NOTE 9 - LONG-TERM OBLIGATIONS

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

	Balance 06/30/20	Additions	Reductions	Balance 6/30/2021	Due in One Year
<i>Direct Borrowings</i>					
2018 Bus Lease-Purchase Agreement	\$40,779	\$0	(\$40,779)	\$0	\$0
2020 HVAC & Wheelchair Lift Lease-Purchase Agreement	196,570	0	(64,292)	132,278	65,399
<i>Total Direct Borrowings</i>	<u>237,349</u>	<u>0</u>	<u>(105,071)</u>	<u>132,278</u>	<u>65,399</u>
<i>Net Pension/OPEB Liability</i>					
Net Pension Liability	8,440,013	763,484	0	9,203,497	0
Net OPEB Liability	899,935	0	(132,079)	767,856	0
<i>Total Pension/OPEB Liability</i>	<u>9,339,948</u>	<u>763,484</u>	<u>(132,079)</u>	<u>9,971,353</u>	<u>0</u>
<i>Other Liabilities</i>					
Early Retirement Incentive	0	40,000	0	40,000	40,000
Compensated Absences	410,608	20,596	(111,297)	319,907	28,549
<i>Total Governmental Activities Long-Term Liabilities</i>	<u>\$9,987,905</u>	<u>\$824,080</u>	<u>(\$348,447)</u>	<u>\$10,463,538</u>	<u>\$133,948</u>

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During fiscal year 2018, the School District entered into a lease-purchase agreement with Santander Bank for two school buses. The school buses were capitalized in the governmental capital assets in the amount of \$160,547 representing the present value of the minimum lease payments at the inception of the lease. The lease carries an interest rate of 2.85 percent. In the event of failure to make any payment within 30 days of the agreed upon due date, the lease will be considered in Default. In such case, the Lessor's right to exercise all rights and remedies, including the rights to declare all sums due during the School District's current fiscal period and/or take possession of the buses. Principal and interest payments are made from the general fund.

During fiscal year 2020, the School District entered into a lease-purchase agreement with Huntington Public Capital Corporation for HVAC upgrades at the elementary school building and a wheelchair lift at the high school building in the amount of \$196,570. The lease carries an interest rate of 2.25 percent. In the event of any failure to make any lease payments under the agreement, the Lessor can claim all outstanding payments to be due immediately. Principal and interest payments are made from the general fund.

Principal and interest requirements to retire the lease-purchase agreements outstanding at June 30, 2021 are as follows:

Fiscal Year	Lease Purchase Agreements		
	Principal	Interest	Total
2022	\$65,399	\$2,610	\$68,009
2022	66,879	1,131	68,010
<i>Totals</i>	\$132,278	\$3,741	\$136,019

Compensated absences and early retirement incentive will be paid from the general fund and food service fund. The early retirement incentive will be paid from the general and food service funds. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund and the food service fund. For additional information related to the net pension liability and net OPEB liability see Notes 11 and 12.

The School District provided an early retirement incentive plan for employees through June 30, 2021. Employees who enrolled in the early retirement incentive plan must have declared their intention to retire before each year end. Certified employees will receive a \$25,000 incentive. Classified employees received a \$15,000 incentive. The incentive plus severance pay will be paid in full within sixty days after retirement or in two equal installments, the first within sixty days after retirement and the second in January the following year. A liability for the early retirement incentive payments has been recorded in the statement of net position.

NOTE 10 - RISK MANAGEMENT

Comprehensive

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2021, the School District contracted with Ohio School Plan for liability, property and fleet insurance. Coverages provided by Ohio School Plan are as follows:

Ridgedale Local School District
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Description	Amount
Building and Contents	
Replacement Cost	\$31,531,297
Deductible	5,000
Liability	
School Board Errors and Omissions Liability	
Each wrongful act limit	5,000,000
Annual aggregate limit	7,000,000
Deductible	2,500
Law Enforcement Professional Liability	
Each wrongful act limit	5,000,000
Annual aggregate limit	7,000,000
Sexual Misconduct and Molestation Liability	
Each wrongful act limit	5,000,000
Annual aggregate limit	7,000,000
Automotive Liability	
Liability	
Per occurrence combined single limit	5,000,000
Medical payments limit	5,000
Each uninsured/underinsured motorists coverage	1,000,000
Non-owned and hired liability	5,000,000
Auto Physical Damage (actual cash value)	
Comprehensive deductible	1,000
Collision deductible	1,000

Settled claims have not exceeded this commercial coverage in any of the past three years. Also, the School District has not reduced its coverage in the past fiscal year.

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

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NOTE 11 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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 all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/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 long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 30 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 zero percent.

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

The School District’s contractually required contribution to SERS was \$184,102 for fiscal year 2021. Of this amount, \$30,863 is reported as an intergovernmental payable.

Ridgedale Local School District
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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 retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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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 to 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 statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2021 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$506,444 for fiscal year 2021. Of this amount, \$84,602 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows/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 independent actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03413080%	0.02870676%	
Prior Measurement Date	0.03494530%	0.02871059%	
Change in Proportionate Share	-0.00081450%	-0.00000383%	
Proportionate Share of the Net			
Pension Liability	\$ 2,257,483	\$ 6,946,014	\$ 9,203,497
Pension Expense	\$ 293,061	\$ 797,431	\$ 1,090,492

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

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

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 4,384	\$ 15,585	\$ 19,969
Net Difference between Projected and Actual Earnings on Pension Plan Investments	143,305	337,786	481,091
Changes of Assumptions	-	372,866	372,866
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	14,344	62,270	76,614
School District Contributions Subsequent to the Measurement Date	184,102	506,444	690,546
Total Deferred Outflows of Resources	\$ 346,135	\$ 1,294,951	\$ 1,641,086
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 44,416	\$ 44,416
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	28,438	92,609	121,047
Total Deferred Inflows of Resources	\$ 28,438	\$ 137,025	\$ 165,463

\$690,546 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	\$ (3,693)	\$ 201,289	\$ 197,596
2023	32,690	127,333	160,023
2024	59,733	178,085	237,818
2025	44,865	144,775	189,640
	\$ 133,595	\$ 651,482	\$ 785,077

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 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.

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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. Future benefits for all current plan members were projected through 2130.

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:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

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

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

The long-term return expectation for the 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 rebalancing uncorrelated asset classes. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

Discount Rate Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings 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 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 School District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 3,092,476	\$ 2,257,483	\$ 1,556,908

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:

Inflation	2.50 percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
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	3.00 percent
Cost-of-Living Adjustments	0.00 percent

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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 Tables, 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.

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of the latest available actuarial experience study, which is 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>	

*Ten 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.

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 employer and member contributions will be made at statutory contribution rates of 14 percent each. 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 investments of 7.45 percent was applied to all periods of projected benefit payments 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 represents the School District's proportionate share of the net pension liability as of June 30, 2020, 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 assumption:

Ridgedale Local School District
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	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net Pension Liability	\$ 9,889,915	\$ 6,946,014	\$ 4,451,304

NOTE 12 - DEFINED BENEFIT OPEB PLANS

See Note 11 for a description of the net OPEB liability (asset).

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.

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 the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions 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 2.0 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 \$22,492, which is reported as an intergovernmental payable.

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Plan Description - State Teachers Retirement System (STRS)

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

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

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/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:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.03533100%	0.02870700%	
Prior Measurement Date	0.03578600%	0.02871100%	
Change in Proportionate Share	<u>-0.00045500%</u>	<u>-0.00000400%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 767,856	\$ (504,525)	
OPEB Expense	\$ 17,555	\$ (34,495)	\$ (16,940)

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

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 10,086	\$ 32,328	\$ 42,414
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	8,651	17,680	26,331
Changes of Assumptions	130,893	8,328	139,221
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	35,960	19,406	55,366
School District Contributions Subsequent to the Measurement Date	22,492	-	22,492
Total Deferred Outflows of Resources	\$ 208,082	\$ 77,742	\$ 285,824
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 390,509	\$ 100,495	\$ 491,004
Changes of Assumptions	19,340	479,214	498,554
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	16,697	35,425	52,122
Total Deferred Inflows of Resources	\$ 426,546	\$ 615,134	\$ 1,041,680

\$22,492 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 fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	\$ (47,399)	\$ (134,782)	\$ (182,181)
2023	(46,774)	(122,815)	(169,589)
2024	(46,876)	(118,620)	(165,496)
2025	(46,041)	(110,194)	(156,235)
2026	(38,432)	(26,602)	(65,034)
Thereafter	(15,434)	(24,379)	(39,813)
	\$ (240,956)	\$ (537,392)	\$ (778,348)

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.

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

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

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

Inflation	3.00 percent
Salary Increases, including inflation	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	
Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.22 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	7.00 percent - 4.75 percent
Medicare	5.25 percent - 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 (expected return, net of investment expense and inflation) 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 time frame. 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.

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

<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 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, 2020 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered 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. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e., municipal bond rate).

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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	School District's Proportionate Share of the Net OPEB Liability	\$ 939,839	\$ 767,856

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	School District's Proportionate Share of the Net OPEB Liability	\$ 604,630	\$ 767,856

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Notes to the Basic Financial Statements
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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:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	<u>Initial</u>	<u>Ultimate</u>
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-6.69 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	11.87 percent	4.00 percent

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

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

The actuarial assumptions used in the June 30, 2020 valuation were adopted by the board from the results of an actuarial experience study for 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>	

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*Ten 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.

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 assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and 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 of June 30, 2020, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (438,970)	\$ (504,525)	\$ (560,146)
		Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (556,694)	\$ (504,525)	\$ (440,976)

Benefit Term Changes since the Prior Measurement Date There were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 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 .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

NOTE 13 - 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 Balance – Budget (Non-GAAP Basis) and Actual, is presented for the general fund on the budgetary basis to provide meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

Ridgedale Local School District
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For the Fiscal Year Ended June 30, 2021

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets.

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

Net Change in Fund Balance

	General Fund
GAAP Basis	(\$266,415)
Net Adjustment for Revenue Accruals	(84,069)
Net Adjustment for Expenditure Accruals	73,778
Funds Budgeted Elsewhere **	3,333
Adjustment for Encumbrances	(91,971)
Budget Basis	(\$365,344)

As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Type Fund Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes academic wall of fame, uniform school supplies, public school support, Coca Cola scholarship and staff termination benefits funds.

NOTE 14 - 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2021, if applicable, cannot be determined at this time.

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

Litigation

The School District is not party to any claims or lawsuits that would, in the School District’s opinion, have a material effect of the basic financial statements.

School District Foundation

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. As a result of the fiscal year 2021 review, the District is due \$20,724. This amount has not been included in the financial statements.

NOTE 15 – FUND BALANCE

Fund balance can be 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:

	General	Other Governmental	Total
Nonspendable for:			
Prepaid Items	\$6,259	\$143	\$6,402
Restricted for:			
Capital Outlay	0	623	623
Food Services	0	150,545	150,545
Student Activities	0	95,719	95,719
Other Purposes	0	378,043	378,043
Total Restricted	0	624,930	624,930
Assigned for:			
Instruction	35,066	0	35,066
Support Services	42,243	0	42,243
Total Assigned	77,309	0	77,309
Unassigned	1,740,723	(22,924) *	1,717,799
<i>Total Fund Balance</i>	<i>\$1,824,291</i>	<i>\$602,149</i>	<i>\$2,426,440</i>

*The deficit is the result of adjustments for accruals in the Title I and Miscellaneous Federal Grant Funds.

The general fund is liable for any deficit in the non-major governmental funds and will provide transfers when cash is required, not when accruals occur.

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

NOTE 16 - STATUTORY RESERVES

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

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

	Capital Acquisition
Set Aside Restricted Balance June 30, 2020	\$0
Current Year Set Aside Requirement	120,231
Current Year Qualifying Disbursements	(324,995)
Total	(204,764)
Balance carried forward to fiscal year 2022	\$0
Set Aside Restricted Balance as of June 30, 2021	\$0

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. The negative balance is therefore not presented as carried forward to future years.

NOTE 17 - SIGNIFICANT COMMITMENTS

Encumbrances

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the School District's commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General	\$91,971
Nonmajor Governmental	38,841
	\$130,812

Ridgedale Local School District
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For the Fiscal Year Ended June 30, 2021

NOTE 18 – COVID-19

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

NOTE 19 – SUBSEQUENT EVENTS

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 \$1,243,935 in revenues and expenditures/expenses related to these programs. Also during fiscal year 2021, the school district reported \$1,056,049 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.

Ridgedale Local School District
Marion County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Eight Fiscal Years (1)

	2021	2020	2019	2018
<i>School Employees Retirement System (SERS)</i>				
School District's Proportion of the Net Pension Liability	0.03413080%	0.03494530%	0.03360830%	0.03392560%
School District's Proportionate Share of the Net Pension Liability	\$ 2,257,483	\$ 2,090,839	\$ 1,924,810	\$ 2,026,980
School District's Covered Payroll	\$ 1,212,079	\$ 1,204,726	\$ 1,224,726	\$ 1,120,793
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	186.25%	173.55%	157.16%	180.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%
<i>State Teachers Retirement System (STRS)</i>				
School District's Proportion of the Net Pension Liability	0.02870676%	0.02871059%	0.02882456%	0.02800776%
School District's Proportionate Share of the Net Pension Liability	\$ 6,946,014	\$ 6,349,174	\$ 6,337,874	\$ 6,653,303
School District's Covered Payroll	\$ 3,197,707	\$ 3,397,450	\$ 3,329,850	\$ 3,088,521
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	217.22%	186.88%	190.34%	215.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	77.40%	77.31%	75.30%

(1) Information prior to 2014 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.03226680%	0.03166890%	0.03206600%	0.03206600%
\$ 2,361,632	\$ 1,807,058	\$ 1,622,842	\$ 1,906,862
\$ 1,076,043	\$ 1,104,287	\$ 932,085	\$ 1,104,552
219.47%	163.64%	174.11%	172.64%
62.98%	69.16%	71.70%	65.52%
0.02877048%	0.02954796%	0.03110390%	0.03110390%
\$ 9,630,347	\$ 8,166,192	\$ 7,565,545	\$ 9,012,028
\$ 3,133,200	\$ 3,077,143	\$ 2,969,254	\$ 3,082,285
307.36%	265.38%	254.80%	292.38%
66.80%	72.10%	74.70%	69.30%

See accompanying notes to the required supplementary information.

Ridgedale Local School District
Marion County, Ohio
Required Supplementary Information
Schedule of School District Pension Contributions
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 184,102	\$ 169,691	\$ 162,638	\$ 165,338
Contributions in Relation to the Contractually Required Contribution	<u>(184,102)</u>	<u>(169,691)</u>	<u>(162,638)</u>	<u>(165,338)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 1,094,564	\$ 1,212,079	\$ 1,204,726	\$ 1,224,726
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.50%	13.50%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 506,444	\$ 447,679	\$ 475,643	\$ 466,179
Contributions in Relation to the Contractually Required Contribution	<u>(506,444)</u>	<u>(447,679)</u>	<u>(475,643)</u>	<u>(466,179)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 3,013,157	\$ 3,197,707	\$ 3,397,450	\$ 3,329,850
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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>
\$ 156,911	\$ 150,646	\$ 145,545	\$ 129,187	\$ 152,870	\$ 129,441
<u>(156,911)</u>	<u>(150,646)</u>	<u>(145,545)</u>	<u>(129,187)</u>	<u>(152,870)</u>	<u>(129,441)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 1,120,793	\$ 1,076,043	\$ 1,104,287	\$ 932,085	\$ 1,104,552	\$ 962,387
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%
\$ 432,393	\$ 438,648	\$ 430,800	\$ 386,003	\$ 400,697	\$ 374,192
<u>(432,393)</u>	<u>(438,648)</u>	<u>(430,800)</u>	<u>(386,003)</u>	<u>(400,697)</u>	<u>(374,192)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,088,521	\$ 3,133,200	\$ 3,077,143	\$ 2,969,254	\$ 3,082,285	\$ 2,878,400
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

Ridgedale Local School District
Marion County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Asset/Liability
Last Five Fiscal Years (1)

	2021	2020	2019
<i>School Employees Retirement System (SERS)</i>			
School District's Proportion of the Net OPEB Liability	0.03533100%	0.03578600%	0.03399000%
School District's Proportionate Share of the Net OPEB Liability	\$ 767,856	\$ 899,935	\$ 942,963
School District's Covered Payroll	\$ 1,212,079	\$ 1,204,726	\$ 1,224,726
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	63.35%	74.70%	76.99%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%
<i>State Teachers Retirement System (STRS)</i>			
School District's Proportion of the Net OPEB Liability/(Asset)	0.02870700%	0.02871100%	0.02882500%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (504,525)	\$ (475,523)	\$ (463,181)
School District's Covered Payroll	\$ 3,197,707	\$ 3,397,450	\$ 3,329,850
School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-15.78%	-14.00%	-13.91%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	182.10%	174.70%	176.00%

(1) Information prior to 2017 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

2018	2017
0.03407040%	0.03238760%
\$ 914,360	\$ 923,167
\$ 1,120,793	\$ 1,076,043
81.58%	85.79%
12.46%	11.49%
0.02800776%	0.02877048%
\$ 1,092,759	\$ 1,538,653
\$ 3,088,521	\$ 3,133,200
35.38%	49.11%
47.10%	37.30%

See accompanying notes to the required supplementary information.

Ridgedale Local School District
Marion County, Ohio
Required Supplementary Information
Schedule of School District OPEB Contributions
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution (1)	\$ 22,492	\$ 22,288	\$ 27,743	\$ 24,016
Contributions in Relation to the Contractually Required Contribution	<u>(22,492)</u>	<u>(22,288)</u>	<u>(27,743)</u>	<u>(24,016)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 1,094,564	\$ 1,212,079	\$ 1,204,726	\$ 1,224,726
OPEB Contributions as a Percentage of Covered Payroll (1)	2.05%	1.84%	2.30%	1.96%
<i>State Teachers Retirement System (STRS)</i>				
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>
School District's Covered Payroll	\$ 3,013,157	\$ 3,197,707	\$ 3,397,450	\$ 3,329,850
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

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>
\$ 14,990	\$ 15,053	\$ 23,823	\$ 16,727	\$ 14,374	\$ 5,513
<u>(14,990)</u>	<u>(15,053)</u>	<u>(23,823)</u>	<u>(16,727)</u>	<u>(14,374)</u>	<u>(5,513)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 1,120,793	\$ 1,076,043	\$ 1,104,287	\$ 932,085	\$ 1,104,552	\$ 962,387
1.34%	1.40%	2.16%	1.79%	1.30%	0.57%
\$ 0	\$ 0	\$ 0	\$ 29,693	\$ 30,823	\$ 28,784
<u>0</u>	<u>0</u>	<u>0</u>	<u>(29,693)</u>	<u>(30,823)</u>	<u>(28,784)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,088,521	\$ 3,133,200	\$ 3,077,143	\$ 2,969,254	\$ 3,082,285	\$ 2,878,400
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information.

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

NOTE 1 - 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 3.0 percent was used.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to 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 was updated to 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.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - SERS

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

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

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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

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

Pre-Medicare

Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare

Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Assumptions – STRS

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from 4.93 percent to 9.62 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.23 percent to 9.62 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 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

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

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.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Benefit Terms – STRS

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 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 .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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 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 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 2019. This was subsequently extended, see above paragraph.

**RIDGEDALE LOCAL SCHOOL DISTRICT
MARION COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
Child Nutrition Cluster:		
Non-Cash Assistance (Food Distribution)		
National School Lunch Program	10.555	\$ 17,861
Cash Assistance		
COVID-19 School Breakfast Program	10.553	7,607
School Breakfast Program	10.553	95,765
COVID-19 National School Lunch Program	10.555	16,326
National School Lunch Program	10.555	192,632
Total Child Nutrition Cluster		330,191
TOTAL U.S. DEPARTMENT OF AGRICULTURE		\$330,191
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through the Ohio Department of Education</i>		
Special Education Cluster:		
Special Education - Grants to States	84.027	138,602
Title I Grants to Local Educational Agencies	84.010	198,606
Supporting Effective Instruction State Grants	84.367	15,397
Student Support and Academic Enrichment Program	84.424	28,078
COVID-19 Education Stabilization Fund	84.425D	85,430
TOTAL U.S. DEPARTMENT OF EDUCATION		466,113
U.S. DEPARTMENT OF THE TREASURY		
<i>Passed Through the Ohio Department of Education</i>		
COVID-19 Coronavirus Relief Fund	21.019	72,135
TOTAL U.S. DEPARTMENT OF THE TREASURY		72,135
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed through the Ohio Child Care Resource and Referral Association</i>		
CCDF Cluster:		
COVID-19 Child Care and Development Block Grant	93.575	9,145
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		9,145
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 877,584

The accompanying notes are an integral part of this schedule.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under 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 the entitlement value. The School District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

OHIO AUDITOR OF STATE KEITH FABER



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

Ridgedale Local School District
Marion County
3103 Hillman-Ford Road
Morral, Ohio 43337

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, the major fund, and the aggregate remaining fund information of the Ridgedale Local School District, Marion 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 10, 2022, wherein we noted the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 10, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

Ridgedale Local School District
Marion County
3103 Hillman-Ford Road
Morral, Ohio 43337

To the Board of Education:

Report on Compliance for the Major Federal Programs

We have audited the Ridgedale 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 Ridgedale 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 the Major Federal Programs

In our opinion, Ridgedale 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 10, 2022

**RIDGEDALE LOCAL SCHOOL DISTRICT
MARION 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):	Child Nutrition Cluster Special Education Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



RIDGEDALE LOCAL SCHOOL DISTRICT

MARION 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 4/5/2022

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