



OHIO AUDITOR OF STATE
KEITH FABER



**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO
JUNE 30, 2021**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ridgemont Local School District
Hardin County
560 West Taylor Street
Mount Victory, Ohio 43340

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

Accounting Basis

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

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

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

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

Other Information

We applied no procedures to management's discussion and analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

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



Keith Faber
Auditor of State
Columbus, Ohio

March 3, 2022

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**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

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

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- At June 30, 2021, the District's net cash position of governmental activities increased \$970,740, which represents a 13.51% increase from fiscal year 2020.
- General cash receipts accounted for \$6,513,438 in cash receipts or 74.95% of all cash receipts. Program specific cash receipts in the form of charges for services and sales and grants and contributions accounted for \$2,177,129 or 25.05% of total cash receipts of \$8,690,567.
- The District had \$7,719,827 in cash disbursements related to governmental activities; \$2,177,129 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts supporting governmental activities (primarily taxes and grants and entitlements) of \$6,513,438 were adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$7,260,989 in cash receipts and other financing sources and \$6,362,380 in cash disbursements. During fiscal year 2021, the general fund's fund cash balance increased \$898,609 from \$6,159,332 to \$7,057,941.

Using the Cash Basis Basic Financial Statements (BFS)

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's cash basis of accounting.

The statement of net position - cash basis and statement of activities - cash basis provide information about the activities of the whole District, presenting an aggregate view of the District's cash basis 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 District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is reported as a major fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did the District do financially during fiscal year 2021?" These statements include only net position using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the District's net position and changes in that position on a cash basis. This change in net cash position is important because it tells the reader that, for the District as a whole, the cash basis financial position of the 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 District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services and not collected), liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) and deferred inflows and outflows of resources are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position - cash basis and statement of activities - cash basis, the governmental activities include the District's programs and services, including instruction, support services which include operation and maintenance of plant and pupil transportation, extracurricular activities, and food service operations. The District's statement of net position - cash basis and statement of activities - cash basis can be found on pages 15-16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

All of the 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 the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the District's operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various District programs. The relationship (or differences) between governmental activities (reported in the statement of net position - cash basis and statement of activities - cash basis) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 17 – 19 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District does not currently have any fiduciary funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 21- 49 of this report

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

The District as a Whole

The table below provides a summary of the District's net cash position at June 30, 2021 and June 30, 2020:

	Net Cash Position	
	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
	<u>Assets</u>	
Current assets	\$ 8,154,406	\$ 7,183,666
<u>Net Cash Position</u>		
Restricted	1,099,075	1,024,334
Unrestricted	<u>7,055,331</u>	<u>6,159,332</u>
Total net cash position	<u>\$ 8,154,406</u>	<u>\$ 7,183,666</u>

Total net cash position of the District increased \$970,740, which represents an 13.51% increase from the net cash position at June 30, 2020. A portion of the District's net cash position, \$1,099,075, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net cash position of \$7,055,331 may be used to meet the District's ongoing obligations to the students and creditors.

The table below shows the changes in net cash position for fiscal years 2021 and 2020:

	Change in Net Cash Position	
	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
	<u>Cash receipts:</u>	
Program cash receipts:		
Charges for services and sales	\$ 1,030,437	\$ 1,176,634
Operating grants and contributions	1,146,692	705,592
General cash receipts:		
Property taxes	2,297,370	2,365,054
Income taxes	1,147,804	1,177,820
Grants and entitlements		
Unrestricted	3,033,096	2,975,095
Earnings on investments	14,822	108,228
Miscellaneous	<u>20,346</u>	<u>18,670</u>
Total cash receipts	<u>\$ 8,690,567</u>	<u>\$ 8,527,093</u>

Continued

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Change in Net Cash Position (Continued)

	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
<u>Cash disbursements:</u>		
Current:		
Instruction:		
Regular	\$ 3,084,820	\$ 3,185,842
Special	808,982	863,113
Vocational	213,908	212,399
Other	5,445	1,190
Support services:		
Pupil	363,605	298,656
Instructional staff	147,374	143,702
Board of education	21,709	30,331
Administration	715,832	753,291
Fiscal	311,766	278,152
Operations and maintenance	755,251	744,642
Pupil transportation	369,621	483,164
Central	36,187	36,131
Operation of non-instructional services:		
Other non-instructional services	45,327	1,904
Food service operations	269,692	280,173
Extracurricular activities	220,621	320,874
Facilities acquisition and construction	4,702	6,137
Debt service:		
Principal retirement	120,000	115,000
Interest and fiscal charges	<u>224,985</u>	<u>227,335</u>
Total cash disbursements	<u>7,719,827</u>	<u>7,982,036</u>
Change in net cash position	970,740	545,057
Net cash position at beginning of year	<u>7,183,666</u>	<u>6,638,609</u>
Net cash position at end of year	<u><u>\$ 8,154,406</u></u>	<u><u>\$ 7,183,666</u></u>

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

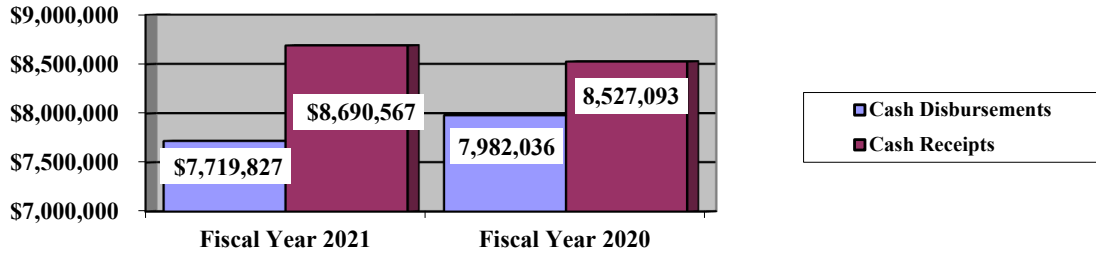
Governmental Activities

Net cash position of the District's governmental activities increased \$970,740. Total governmental cash disbursements of \$7,719,827 were offset by program cash receipts of \$2,177,129 and general cash receipts of \$6,513,438. Program cash receipts supported 28.20% of the total governmental cash disbursements.

The primary sources of cash receipts for governmental activities are derived from property taxes, income taxes and unrestricted grants and entitlements. These cash receipt sources represent 99.46% of total governmental general cash receipts.

The largest cash disbursement category of the District is for instructional programs. Instruction cash disbursements totaled \$4,113,155 or 53.28% of total governmental cash disbursements for fiscal year 2021.

Governmental Activities - Total Cash Receipts vs. Total Cash Disbursements



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**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

The statement of activities - cash basis shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2021 and 2020. That is, it identifies the cost of these services supported by tax receipts and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services <u>2021</u>	Net Cost of Services <u>2021</u>	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>
Cash disbursements:				
Instruction:				
Regular	\$ 3,084,820	\$ 2,078,380	\$ 3,185,842	\$ 2,254,596
Special	808,982	438,444	863,113	556,579
Vocational	213,908	184,443	212,399	179,554
Other	5,445	4,957	1,190	(2,244)
Support services:				
Pupil	363,605	140,481	298,656	125,917
Instructional staff	147,374	108,308	143,702	127,980
Board of education	21,709	21,709	30,331	30,331
Administration	715,832	713,482	753,291	753,291
Fiscal	311,766	311,117	278,152	278,152
Operations and maintenance	755,251	671,410	744,642	744,468
Pupil transportation	369,621	351,803	483,164	475,725
Central	36,187	36,187	36,131	36,131
Operation of non-instructional services:				
Other non-instructional services	45,327	234	1,904	1,338
Food service operations	269,692	(19,785)	280,173	21,293
Extracurricular activities	220,621	151,841	320,874	168,227
Facilities acquisition and construction	4,702	4,702	6,137	6,137
Debt service:				
Principal retirement	120,000	120,000	115,000	115,000
Interest and fiscal charges	224,985	224,985	227,335	227,335
Total	<u>\$ 7,719,827</u>	<u>\$ 5,542,698</u>	<u>\$ 7,982,036</u>	<u>\$ 6,099,810</u>

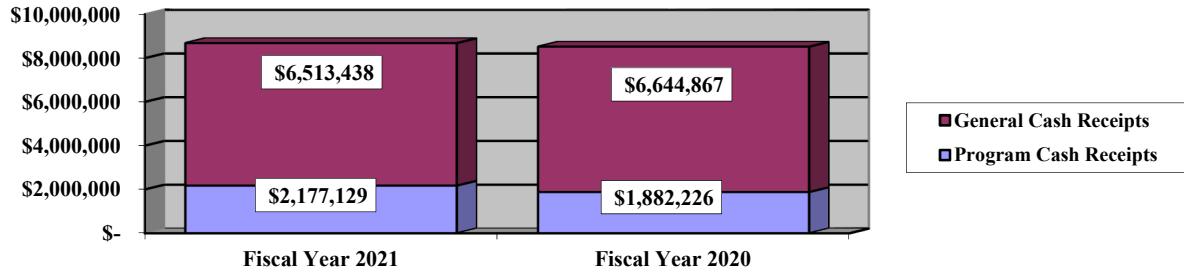
The dependence upon tax and other general cash receipts for governmental activities is apparent, 65.79% of instructional activities are supported through taxes and other general cash receipts. For all governmental activities, general cash receipt support is 71.80%. The District's taxpayers and unrestricted grants and entitlements are by far the primary support for the District's students.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

The graph below presents the District's governmental activities cash receipts for fiscal years 2021 and 2020.

Governmental Activities - General and Program Cash Receipts



The District's Funds

The District's governmental funds reported a combined fund cash balance of \$8,154,406, which is \$970,740 higher than last year's total fund cash balance of \$7,183,666. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2021 and June 30, 2020.

	Fund Cash Balance <u>June 30, 2021</u>	Fund Cash Balance <u>June 30, 2020</u>	<u>Change</u>
General	\$ 7,057,941	\$ 6,159,332	\$ 898,609
Other governmental	<u>1,096,465</u>	<u>1,024,334</u>	<u>72,131</u>
Total	<u>\$ 8,154,406</u>	<u>\$ 7,183,666</u>	<u>\$ 970,740</u>

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**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

General Fund

The District's general fund cash balance increased \$868,609 during fiscal year 2021.

The table that follows assists in illustrating the financial activities and fund cash balance of the general fund.

	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Cash receipts</u>				
Taxes	\$ 3,098,788	\$ 3,185,287	\$ (86,499)	(2.72) %
Tuition	965,356	867,355	98,001	11.30 %
Earnings on investments	14,822	108,228	(93,406)	(86.30) %
Intergovernmental	3,150,418	3,093,297	57,121	1.85 %
Other receipts	<u>23,966</u>	<u>90,427</u>	<u>(66,461)</u>	(73.50) %
Total	<u>\$ 7,253,350</u>	<u>\$ 7,344,594</u>	<u>\$ (91,244)</u>	(1.24) %
<u>Cash disbursements</u>				
Instruction	\$ 3,833,704	\$ 4,052,746	\$ (219,042)	(5.40) %
Support services	2,374,870	2,644,541	(269,671)	(10.20) %
Non-instructional services	27	1,750	(1,723)	(98.46) %
Extracurricular activities	149,077	168,487	(19,410)	(11.52) %
Facilities acquisition and construction	<u>4,702</u>	<u>6,137</u>	<u>(1,435)</u>	(23.38) %
Total	<u>\$ 6,362,380</u>	<u>\$ 6,873,661</u>	<u>\$ (511,281)</u>	(7.44) %

Overall cash receipts decreased \$91,244 or 1.24% during fiscal year 2021. Earnings on investments decreased \$93,406 from fiscal year 2020 due to weaker investment performance. Tuition increased \$98,001 from fiscal year 2020 due to increased enrollment.

Overall cash disbursements decreased \$511,281 or 7.44% during fiscal year 2021. The decrease in instruction and support services is due to decreased costs related to wages for instructional services.

General Fund Budgeting Highlights

The 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.

For the general fund, final budgetary basis receipts and other financing sources of \$7,302,115 were \$57,404 higher than original budget estimates of \$7,244,711. The actual budgetary basis receipts and other financing sources of \$7,282,241 were \$19,874 lower than the final budgetary basis receipts of \$7,302,115. The final budgetary basis disbursements and other financing uses of \$6,659,948 were \$792,608 lower than original budget estimates of \$7,452,556. The actual budgetary basis disbursements and other financing uses of \$6,414,914 were \$245,034 less than the final budget estimates.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

The District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as cash disbursements. The District had facilities acquisition and construction cash disbursements of \$4,702 during fiscal year 2021.

Debt Administration

At June 30, 2021, the District had \$6,370,000 in current interest bonds. Of this total, \$120,000 is due within one year and \$6,250,000 is due in more than one year. The following table summarizes the debt outstanding.

Outstanding Debt, Year End

	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
Current interest bonds	\$ 6,370,000	\$ 6,490,000
Total	<u>\$ 6,370,000</u>	<u>\$ 6,490,000</u>

See Note 7 to the basic financial statements for detail on the District's debt administration.

Current Financial Related Activities

The District faces many challenges in the future. As the preceding information shows, the District relies heavily upon grants and entitlements and property taxes. Another challenge facing the District is the future of state funding. The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward schools' districts with little property tax wealth. On December 11, 2004, the Ohio Supreme Court issued an opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. Since then, the Ohio Supreme Court has relinquished jurisdiction over the case and directed the Ohio General Assembly to enact school funding plan that is thorough and efficient. The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

The electors of the District approved the issuance of bonds in the amount of \$6,975,000 at the election held on March 6, 2012. The bonds are unlimited tax general obligation bonds issued for the purpose of constructing a new PK-12 school building under the Classroom Facilities Assistance Program of the OFCC and locally funded initiatives.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Melissa Pollom, Treasurer, Ridgemont Local Schools, 560 W. Taylor Street, Mount Victory, OH 43340.

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**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2021

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 8,154,406
Total assets	\$ 8,154,406
 Net position:	
Restricted for:	
Capital projects	429,653
Classroom facilities maintenance	312,933
Debt service	173,730
State funded programs	92,307
Federally funded programs	3,259
Food service operations	22,956
Student activities	52,346
Other purposes	11,891
Unrestricted	7,055,331
Total net position	\$ 8,154,406

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Program Receipts			Net (Disbursements)
	Disbursements	Charges for	Operating Grants	Receipts and
		Services and Sales	and Contributions	
				Net Cash Position
				Total
Governmental activities:				
Instruction:				
Regular	\$ 3,084,820	\$ 849,279	\$ 157,161	\$ (2,078,380)
Special	808,982	116,353	254,185	(438,444)
Vocational	213,908	-	29,465	(184,443)
Other	5,445	-	488	(4,957)
Support services:				
Pupil	363,605	-	223,124	(140,481)
Instructional staff	147,374	-	39,066	(108,308)
Board of education	21,709	-	-	(21,709)
Administration	715,832	-	2,350	(713,482)
Fiscal	311,766	-	649	(311,117)
Operations and maintenance	755,251	-	83,841	(671,410)
Pupil transportation	369,621	-	17,818	(351,803)
Central	36,187	-	-	(36,187)
Operation of non-instructional services:				
Food service operations	269,692	7,986	281,491	19,785
Other non-instructional services	45,327	-	45,093	(234)
Extracurricular activities	220,621	56,819	11,961	(151,841)
Facilities acquisition and construction	4,702	-	-	(4,702)
Debt service:				
Principal retirement	120,000	-	-	(120,000)
Interest and fiscal charges	224,985	-	-	(224,985)
Total governmental activities	\$ 7,719,827	\$ 1,030,437	\$ 1,146,692	(5,542,698)
		General receipts:		
		Property taxes levied for:		
		General purposes	1,950,984	
		Debt service	312,938	
		Special revenue	33,448	
		Income taxes levied for general purposes	1,147,804	
		Grants and entitlements:		
		Unrestricted	3,033,096	
		Earnings on investments	14,822	
		Miscellaneous	20,346	
		Total general receipts	6,513,438	
		Change in net position	970,740	
		Net position at beginning of year	7,183,666	
		Net position at end of year	\$ 8,154,406	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 7,057,941	\$ 1,096,465	\$ 8,154,406
Total assets	\$ 7,057,941	\$ 1,096,465	\$ 8,154,406
Fund Balances:			
Nonspendable:			
Unclaimed monies	\$ 1,324	-	\$ 1,324
Restricted:			
Debt service	-	\$ 173,730	173,730
Capital improvements	-	429,653	429,653
Classroom facilities maintenance	-	312,933	312,933
Food service operations	-	22,956	22,956
State funded programs	-	92,307	92,307
Federally funded programs	-	3,259	3,259
Extracurricular	-	52,346	52,346
Other purposes	-	10,567	10,567
Assigned:			
Student instruction	16,056	-	16,056
Student and staff support	59,459	-	59,459
Unassigned (deficit)	6,981,102	(1,286)	6,979,816
Total fund balances	\$ 7,057,941	\$ 1,096,465	\$ 8,154,406

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Nonmajor Governmental Funds	Total Governmental Funds
Receipts:			
Property taxes	\$ 1,950,984	\$ 346,386	\$ 2,297,370
Income taxes	1,147,804	-	1,147,804
Intergovernmental	3,150,418	1,027,620	4,178,038
Investment earnings	14,822	-	14,822
Tuition and fees	965,356	-	965,356
Extracurricular	3,344	53,475	56,819
Charges for services	-	7,986	7,986
Contributions and donations	492	1,750	2,242
Miscellaneous	20,130	-	20,130
Total receipts	7,253,350	1,437,217	8,690,567
Disbursements:			
Current:			
Instruction:			
Regular	2,924,857	159,963	3,084,820
Special	690,476	118,506	808,982
Vocational	213,473	435	213,908
Other	4,898	547	5,445
Support services:			
Pupil	155,812	207,793	363,605
Instructional staff	108,717	38,657	147,374
Board of education	21,709	-	21,709
Administration	713,452	2,380	715,832
Fiscal	304,500	7,266	311,766
Operations and maintenance	677,167	78,084	755,251
Pupil transportation	357,326	12,295	369,621
Central	36,187	-	36,187
Operation of non-instructional services:			
Food service operations	-	269,692	269,692
Other non-instructional services	27	45,300	45,327
Extracurricular activities	149,077	71,544	220,621
Facilities acquisition and construction	4,702	-	4,702
Debt service:			
Principal retirement	-	120,000	120,000
Interest and fiscal charges	-	224,985	224,985
Total disbursements	6,362,380	1,357,447	7,719,827
Excess of receipts over disbursements	890,970	79,770	970,740
Other financing sources (uses):			
Transfers in	412	-	412
Transfers (out)	-	(412)	(412)
Advances in	7,227	-	7,227
Advances (out)	-	(7,227)	(7,227)
Total other financing sources (uses)	7,639	(7,639)	-
Net change in fund balances	898,609	72,131	970,740
Fund balances at beginning of year	6,159,332	1,024,334	7,183,666
Fund balances at end of year	\$ 7,057,941	\$ 1,096,465	\$ 8,154,406

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property taxes	\$ 1,950,539	\$ 1,951,017	\$ 1,950,984	\$ (33)
Income taxes	1,177,630	1,148,000	1,147,804	(196)
Intergovernmental	3,086,584	3,150,817	3,150,418	(399)
Investment earnings	102,090	22,295	14,822	(7,473)
Tuition and fees	865,888	934,756	930,664	(4,092)
Rental income	2,290	-	-	-
Contributions and donations	-	300	216	(84)
Miscellaneous	19,960	15,000	8,376	(6,624)
Total receipts	<u>7,204,981</u>	<u>7,222,185</u>	<u>7,203,284</u>	<u>(18,901)</u>
Disbursements:				
Current:				
Instruction:				
Regular	3,310,606	2,984,601	2,955,319	29,282
Special	726,210	700,884	690,476	10,408
Vocational	221,741	219,624	213,789	5,835
Other	20,001	5,000	4,898	102
Support services:				
Pupil	272,607	168,895	155,932	12,963
Instructional staff	136,384	123,765	108,717	15,048
Board of education	27,967	24,867	21,709	3,158
Administration	759,505	736,536	718,134	18,402
Fiscal	352,698	316,322	306,576	9,746
Operations and maintenance	829,344	719,534	687,423	32,111
Pupil transportation	484,195	399,277	367,682	31,595
Central	50,403	41,403	36,187	5,216
Operation of non-instructional services:				
Other non-instructional services	1,950	1,950	27	1,923
Extracurricular activities	162,805	152,108	143,343	8,765
Facilities acquisition and construction	6,140	6,182	4,702	1,480
Total disbursements	<u>7,362,556</u>	<u>6,600,948</u>	<u>6,414,914</u>	<u>186,034</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(157,575)</u>	<u>621,237</u>	<u>788,370</u>	<u>167,133</u>
Other financing sources (uses):				
Refund of prior year's disbursements	27,500	61,500	60,435	(1,065)
Refund of prior year's receipts	-	-	95	95
Transfers in	5,000	-	-	-
Transfers (out)	(75,000)	(49,000)	-	49,000
Advances in	7,230	7,230	7,227	(3)
Advances (out)	(15,000)	(10,000)	-	10,000
Sale of capital assets	-	11,200	11,200	-
Total other financing sources (uses)	<u>(50,270)</u>	<u>20,930</u>	<u>78,957</u>	<u>58,027</u>
Net change in fund balance	(207,845)	642,167	867,327	225,160
Fund balance at beginning of year	6,073,627	6,073,627	6,073,627	-
Prior year encumbrances appropriated	40,148	40,148	40,148	-
Fund balance at end of year	<u>\$ 5,905,930</u>	<u>\$ 6,755,942</u>	<u>\$ 6,981,102</u>	<u>\$ 225,160</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Ridgemont Local School District (the “District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under an elected Board of Education (5 members) elected at-large for staggered four year terms. The District provides educational services as authorized by state statute and/or federal guidelines. Average daily membership (ADM) as of June 30, 2021 was 509. The District employed 4 administrators, 37 certificated employees and 27 non-certified employees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed in Note 2.D, these financial statements are presented on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In cases where these cash basis statements contain items that are the same as, or similar to, those items in financial statements prepared in conformity with GAAP, similar informative disclosures are provided. Following are the more significant of the District’s accounting policies.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financials are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District.

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

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

The School District participates in two jointly governed organizations and one public entity risk pool, and is associated with a related organization. These organizations are the Western Ohio Computer Organization, Ohio Hi-Point Career Center, Hardin County School Employees Health and Welfare Benefit and Trust Plan, and the Ridgemont Public Library.

Western Ohio Computer Organization

WOCO is a jointly governed organization composed of 28 school districts, 3 educational service centers, 3 parochial schools and 4 community schools. It was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports WOCO based upon a per pupil charge dependent upon the software package utilized. In the event of dissolution of the organization, all current members will share in net obligations or asset liquidations in a ratio proportionate to their last twelve months financial contributions. WOCO is governed by a Board of Directors consisting of superintendents of the members school districts. The degree of control exercised by any participating school district is limited to its representation on the board. In accordance with GASB Statements Nos. 14 and 61, the Center does not have an equity interest in WOCO as the residual interest in the net resources of an organization upon dissolution is not equivalent to an equity interest. Financial information can be obtained from WOCO, at 129 East Court Street, Sidney, Ohio 45365.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Ohio Hi-Point Career Center

The Ohio Hi-Point Career Center is a distinct political subdivision of the State of Ohio. The Career Center is operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards. The Board possesses its own budgeting and taxing authority. Financial information is available from the Ohio Hi-Point Career Center, 2280 State Route 540, Suite A, Bellefontaine, Ohio 43311.

INSURANCE POOL

Hardin County School Employees Health Welfare Benefit Plan and Trust

The Hardin County School Employees' Health and Welfare Benefit Plan (the "Trust") is a public entity shared risk pool consisting of seven school districts and the Ada Public Library. The Trust is organized as a Voluntary Employee Benefit association under Section 501(C)(9) of the Internal Revenue Code and provides sick, accident and other benefits to the employees of the participating school districts. Each participating school district's superintendent is appointed to an Administrative Committee, which advises of the Trustee, Ohio Bank, concerning aspects of the administration of the Trust.

Each member decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information may be obtained from Assured Partners, Tim Bresnahan, Vice President Employee Benefits Division, 3900 Kinross Lakes Parkway, Suite 300, Richfield, Ohio 44286.

RELATED ORGANIZATION

Ridgemont Public Library

The Ridgemont Public Library (the "Library") is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possessed its own contracting and budgeting authority, hires and fires personnel, and does not depend on the District for operational subsidies. Although the District serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information may be obtained from the Ridgemont Public Library, Cristi Parthemore, Clerk/Treasurer, at 124 East Taylor Street, Mt. Victory, Ohio, 43340.

B. Basis of Presentation

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

The government-wide statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. These disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program and grants and contributions and interest that are restricted to meeting the operational or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the general receipts of the District.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All assets and net cash assets associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

C. Fund Accounting

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions 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. The following is the District's major governmental fund:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is disbursed or transferred according to the general laws of Ohio.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

PROPRIETARY FUNDS

Proprietary funds are used to account for the ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

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 District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Custodial funds account for monies held on behalf of others that do not meet the definition of a trust fund. The District did not have any fiduciary funds.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Basis of Accounting

Although Ohio Administrative Code § 117-2-03(B) requires the District's financial report to follow generally accepted accounting principles, the District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

Budgetary presentations report budgetary cash disbursements when a commitment is made (i.e. when an encumbrance is approved). The difference between disbursements reported in the fund and entity wide statements and disbursements reported in the budgetary statements are due to current year encumbrances being added to disbursements reported on the budgetary statements.

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

E. 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.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the 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 revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire 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 year.

F. Cash and Investments

To improve cash management, all cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2021, investments were limited to commercial paper, Farm Federal Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, U.S. Treasury bills, Bryan City School District Ohio municipal bond, investments in the State Treasury Asset Reserve of Ohio (STAR Ohio) and a U.S. Government money market account.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

During fiscal year 2021, the 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 District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during year 2021 amounted to \$14,822, which includes \$1,421 assigned from other funds.

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

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

An analysis of the District's investment account at fiscal year-end is provided in Note 4.

G. Inventory and Prepaid Items

The District reports cash disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant, and equipment purchased are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

I. Interfund Balances

On fund financial statements, the District reports advances in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying fund financial statements under the cash basis of accounting. Advances are eliminated in the governmental activities' column on the statement of net position.

J. Compensated Absences

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

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Long-Term Obligations

Bonds and other long-term obligations are not recognized as a liability in the financial statements under the cash basis of accounting. These statements report proceeds of debt when cash is received, and debt service disbursements for debt principal and interest payments.

L. Fund Cash Balance

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

Nonspendable - The nonspendable fund cash balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact.

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

Committed - The committed fund cash balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the 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 cash 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 cash balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund cash 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 District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund cash 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 only used to report a deficit fund cash balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund cash balance is available. Similarly, within unrestricted fund cash 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 cash balance classifications could be used.

M. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District did not have any restricted assets at June 30, 2021.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Net Cash Position

Net cash position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District did not have any net cash position restricted by enabling legislation at June 30, 2021.

O. Interfund Activity

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

P. 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.

Q. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2021, the District has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended June 30, 2021. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed until the fiscal year ended June 30, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Compliance

Ohio Administrative Code Section 117-2-03(B) requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the District prepared its basic financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying basic financial statements omit assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The District can be fined and various other administrative remedies may be taken against the District.

C. Deficit Fund Balances

Fund balances at June 30, 2021 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Elementary and Secondary School Emergency Fund	\$ 636
Coronavirus Relief Fund	600
Title I	50

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the 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 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the fair 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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in 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;
7. The State Treasurer's investment pool, (STAR Ohio);
8. Certain banker's acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and,

Protection of the 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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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.

A. Cash on Hand

At year end, the District had \$575 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was \$(59,749) and the bank balance of all District deposits was \$103,178. Of the bank balance, nothing was exposed to custodial risk because all deposits in the amount of \$103,178 were covered by the FDIC.

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2021, the District had the following investment and maturity:

<u>Investment type</u>	<u>Carrying Amount</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
FNMA	\$ 149,782	\$ -	\$ -	\$ -	\$ 149,782
STAR Ohio	5,214,098	5,214,098	-	-	-
Governmental Money Market	1,475	1,475	-	-	-
FHLB	554,963	-	-	-	554,963
Commercial Paper	1,198,163	-	1,198,163	-	-
US Treasury Bill	159,999	159,999	-	-	-
FHLMC	259,600	-	-	-	259,600
FFCB	574,219	-	-	-	574,219
Municipal Bond	101,281	-	-	101,281	-
Total	<u>\$ 8,213,580</u>	<u>\$ 5,375,572</u>	<u>\$ 1,198,163</u>	<u>\$ 101,281</u>	<u>\$ 1,538,564</u>

The weighted average maturity of investments is 0.64 years

Interest Rate Risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase. The District has no policy limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: The District's investments in commercial paper and treasury bills were rated P-1 by Moody's Investor Services. The District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The Bryan City School District Ohio municipal bond were rated Aa3 by Moody's Investor Services. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

<u>Investment type</u>	Carrying <u>Value</u>	<u>% of Total</u>
FNMA	\$ 149,782	1.82
STAR Ohio	5,214,098	63.48
Governmental Money Market	1,475	0.02
FHLB	554,963	6.76
Commerical Paper	1,198,163	14.59
US Treasury Bill	159,999	1.95
FHLMC	259,600	3.16
FFCB	574,219	6.99
Municipal Bond	101,281	1.23
	<u>\$ 8,213,580</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note disclosure above to cash and investments as reported on the statement of net position as of June 30, 2021:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ (59,749)
Investments	8,213,580
Cash on hand	<u>575</u>
Total	<u>\$ 8,154,406</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 8,154,406</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Advances for the fiscal year ended June 30, 2021, as reported on the fund statements, consist of the following:

<u>Advances in</u>	<u>Advances out</u>	<u>Amount</u>
General	Nonmajor governmental	<u>\$ 7,227</u>

The primary purpose of the advances is to cover costs in specific funds where expected funds were not received by June 30. New advances are expected to be repaid once the anticipated funds are received.

Interfund advances between governmental funds are eliminated on the government-wide financial statements; therefore, no advances are reported on the statements of activities.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

B. Transfers for the fiscal year ended June 30, 2021, as reported on the fund statements, consist of the following:

Transfers in	Transfers out	Amount
General	Nonmajor governmental	\$ <u>412</u>

Transfers are used to move cash receipts from the fund that statute or budget required to collect them to the fund that statute or budget requires to disburse them and to use unrestricted cash receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. The transfer of \$412 from the special trust fund (a nonmajor governmental fund) and student activities funds (a nonmajor governmental fund) to the general fund was a residual equity transfer to close out various programs.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported in the statement of activities.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the 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 property and public utility property. Real property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed values as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Public utility real and personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Hardin and Logan Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2021, are available to finance fiscal year 2022 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.

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

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	\$ 88,743,900	91.46	\$ 80,754,580	90.76
Public utility personal	8,286,610	8.54	8,223,400	9.24
Total	\$ 97,030,510	100.00	\$ 88,977,980	100.00
Tax rate per \$1,000 of assessed valuation	\$35.20		\$35.50	

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM OBLIGATIONS

A. During fiscal year 2021, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>06/30/20</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>06/30/21</u>	Amounts Due in <u>One Year</u>
Governmental activities:					
<i>General obligation bonds:</i>					
School facilities construction and improvement bonds - Series 2012					
Current interest bonds	\$ 6,490,000	\$ -	\$ (120,000)	\$ 6,370,000	\$ 120,000
Total long-term obligations	<u>\$ 6,490,000</u>	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$ 6,370,000</u>	<u>\$ 120,000</u>

School Facilities Construction and Improvement Bonds - Series 2012: During fiscal year 2013, the District issued general obligation bonds to provide funds for the construction of school facilities under the Classroom Facilities Assistance Program of the OFCC and locally funded initiatives; renovating and improving existing school facilities, furnishing and equipping the facilities; improving the sites; and acquiring land (hereinafter called “Construction Project”). These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

These bonds represent the amount of the Construction Project that the District itself was required to finance, in accordance with the terms of a facilities grant from the OFCC.

The original issue was comprised of current interest serial and term bonds, par value \$6,860,000, and capital appreciation bonds, par value \$114,538. The interest rates on the current interest bonds range from 2.00% to 4.00%. The capital appreciation bonds matured on December 1, 2015, December 1, 2016, and December 1, 2017 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date and the approximate initial offering yield to maturity is 1.40%, 1.65%, and 1.90%, respectively. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2050.

Principal and interest requirements to retire debt outstanding at year end on the series 2012 general obligations bonds are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Current Interest Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 120,000	\$ 222,435	\$ 342,435
2023	135,000	219,060	354,060
2024	135,000	215,010	350,010
2025	140,000	210,885	350,885
2026	145,000	206,610	351,610
2027 - 2031	800,000	963,675	1,763,675
2032 - 2036	925,000	831,131	1,756,131
2037 - 2041	1,095,000	660,201	1,755,201
2042 - 2046	1,300,000	443,156	1,743,156
2047 - 2051	<u>1,575,000</u>	<u>162,300</u>	<u>1,737,300</u>
Total	<u>\$ 6,370,000</u>	<u>\$ 4,134,463</u>	<u>\$ 10,504,463</u>

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM OBLIGATIONS - (Continued)

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2021, are a voted debt margin of \$1,811,748 (including available funds of \$173,730) and an unvoted debt margin of \$88,978.

NOTE 8 - RISK MANAGEMENT

A. Employee Life, Death, Medical/Surgical, Dental and Vision

The District provides life, accidental death and dismemberment, medical/surgical, dental, and vision insurance to most employees through Hardin County School Employees' Health and Welfare Benefit Plan and Trust (See Note 2.A for detail). Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies by employee depending on the terms of the union contract.

B. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2021, the District maintained comprehensive insurance coverage with a private carrier for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are fully registered. The District has entered into contracts with various insurance agencies for the following amounts of coverage and deductibles:

<u>Type of Coverage</u>		<u>Coverage</u>	<u>Deductible</u>
General Liability	\$ 5,000,000 3,000,000	General Aggregate Each Occurrence	
Vehicle Policy	3,000,000 1,000,000 1,000,000	Liability Property Damage Uninsured Motorist	\$ 250
Buildings and Contents	30,605,851	Per Occurrence	1,000
Violence	1,000,000	General Aggregate	
Crime	100,000 25,000	Per Individual Each Occurrence	 1,000

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 8 - RISK MANAGEMENT – (Continued)

Settled claims have not exceeded commercial coverage in any of the past three years. Also, the District has no significantly reduced coverage in the past year.

C. Workers' Compensation

The District pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

NOTE 9 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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%. For fiscal year 2021, the Retirement Board did not allocation any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$124,375 for fiscal year 2021.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, 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 website at www.strsoh.org.

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% 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 after termination of employment 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.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members 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. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2021, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2021 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$333,072 for fiscal year 2021.

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)

Net Pension Liability

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

Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.02774800%	0.02070713%	
Proportion of the net pension liability current measurement date	<u>0.02572140%</u>	<u>0.02061668%</u>	
Change in proportionate share	<u>-0.00202660%</u>	<u>-0.00009045%</u>	
Proportionate share of the net pension liability	\$ 1,701,268	\$ 4,988,503	\$ 6,689,771

Actuarial Assumptions - SERS

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

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

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

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

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investment expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)

For 2020, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 2,330,529	\$ 1,701,268	\$ 1,173,305

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

	July 1, 2020
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the July 1, 2020, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' 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% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)

Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 7,102,760	\$ 4,988,503	\$ 3,196,846

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The 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% of covered payroll to the Health Care Fund in accordance with the funding policy.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)

For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to post-employment 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was \$16,079.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$16,079 for fiscal year 2021.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability/Asset

The net OPEB liability/asset was measured as of June 30, 2020, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.02822570%	0.02070713%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.02672880%</u>	<u>0.02061668%</u>	
Change in proportionate share	<u>-0.00149690%</u>	<u>-0.00009045%</u>	
Proportionate share of the net OPEB liability	\$ 580,904	\$ -	\$ 580,904
Proportionate share of the net OPEB asset	\$ -	\$ (362,338)	\$ (362,338)

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Measurement date	2.45%
Prior measurement date	3.13%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	2.63%
Prior measurement date	3.22%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate (7.00% decreasing to 4.75%).

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 711,012	\$ 580,904	\$ 477,469
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 457,418	\$ 580,904	\$ 746,037

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, compared with July 1, 2019, are presented below:

	July 1, 2020		July 1, 2019	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Discount rate of return	7.45%		7.45%	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

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

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

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2019.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' 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 asset was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2020.

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

	1% Decrease	Current Discount Rate	1% Increase
	District's proportionate share of the net OPEB asset	\$ 315,257	\$ 362,338

	1% Decrease	Current Trend Rate	1% Increase
	District's proportionate share of the net OPEB asset	\$ 399,804	\$ 362,338

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. For administrators, teachers, and classified employees such days shall accumulate equal to a maximum of 240 days. Upon retirement, payment is made at the rate of one fourth of the accumulated sick leave limited to a maximum of 60 paid days.

NOTE 12 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the cash basis, 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 receipts, disbursements and changes in fund balance - budget and actual (budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the cash basis are that:

- (a) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of a cash disbursement, as opposed to assigned or committed fund cash balance for that portion of outstanding encumbrances (cash basis); and,
- (b) Some funds are included in the general fund (cash basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the cash basis for the general fund is as follows:

Net Change in Fund Cash Balance

	<u>General fund</u>
Budget basis	\$ 867,327
Funds budgeted elsewhere	3,477
Adjustment for encumbrances	<u>27,805</u>
Cash basis	<u>\$ 898,609</u>

Certain funds that are legally budgeted in separate fund classifications are considered part of the general fund on a cash basis. This includes the unclaimed monies fund, the uniform school supplies fund, the rotary fund and the public school fund.

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 13 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2021, if applicable, cannot be determined at this time.

B. Litigation

The District is not party to legal proceedings that would have a material effect, if any, on the financial condition of the District.

C. Foundation Funding

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 of the date of this report, ODE has finalized the impact of enrollment adjustments to the June 30, 2021 Foundation funding for the District. As a result of the fiscal year 2021 reviews, the District received an additional \$745.60 from ODE. This amount has not been included in the financial statements.

NOTE 14 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund cash receipt amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Disbursements and offsets exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2020	\$ -
Current year set-aside requirement	94,858
Current year offsets	(38,452)
Prior year offset from bond proceeds	<u>(56,406)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2022	<u>\$ -</u>
Set-aside balance June 30, 2021	<u>\$ -</u>

**RIDGEMONT LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 15 - OTHER COMMITMENTS

The 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 District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 27,805
Other governmental	<u>16,595</u>
Total	<u>\$ 44,400</u>

NOTE 16 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the school district received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. 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 17 - SUBSEQUENT EVENTS

For fiscal year 2022, 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 District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported \$68,474 in revenue and expenditures/expense related to these programs. Also during fiscal year 2021, the District reported \$9,605.74 in tuition and fees from the resident school districts which will be direct funded to the 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.

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**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
Child Nutrition Cluster:		
School Breakfast Program:		
School Breakfast Program Non-Cash Assistance (Food Distribution)	10.553	\$ 4,420
School Breakfast Program	10.553	87,973
COVID-19 School Breakfast Program	10.553	9,528
Total School Breakfast Program		<u>101,921</u>
National School Lunch Program:		
National School Lunch Program Non-Cash Assistance (Food Distribution)	10.555	13,255
National School Lunch Program	10.555	152,418
COVID-19 National School Lunch Program	10.555	19,772
Total National School Lunch Program		<u>185,445</u>
Total Child Nutrition Cluster		<u>287,366</u>
Total U.S. Department of Agriculture		<u>287,366</u>
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education</i>		
Title I Grants to Local Educational Agencies		
Title I - Improving Basic Programs	84.010	122,361
Title I - Non-competitive	84.010	24,942
Total Title I Grants to Local Educational Agencies		<u>147,303</u>
Special Education Cluster (IDEA):		
Special Education_Grants to States	84.027	109,924
Special Education_Preschool Grants	84.173	3,997
Total Special Education Cluster (IDEA)		<u>113,921</u>
Supporting Effective Instruction State Grants	84.367	21,097
Rural Education	84.358	39,513
Student Support and Academic Enrichment Program	84.424	9,346
COVID-19 Education Stabilization Fund	84.425D	195,063
Total U.S. Department of Education		<u>526,243</u>
U.S. DEPARTMENT OF THE TREASURY		
<i>Passed Through Ohio Department of Education</i>		
COVID-19 Coronavirus Relief Fund		
COVID-19 Coronavirus Relief Fund - Rural and Small Town	21.019	32,304
COVID-19 Coronavirus Relief Fund - BroadbandOhio Connectivity Grant	21.019	2,485
Total COVID-19 Coronavirus Relief Fund		<u>34,789</u>
Total U.S. Department of the Treasury		<u>34,789</u>
Total Expenditures of Federal Awards		<u>\$ 848,398</u>

The accompanying notes are an integral part of this schedule.

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE’s consent, schools can transfer unobligated amounts to the subsequent fiscal year’s program. The District transferred the following amounts from 2021 to 2022 programs:

Program Title	CFDA Number	Amt. Transferred
Title I Grants to Local Educational Agencies	84.010	\$11,805.88
Title I Grants to Local Educational Agencies – Non Competitive	84.010	\$21,800.13
Supporting Effective Instruction State Grants	84.367	\$4,033.57
Student Support and Academic Enrichment Program	84.424	\$877.75
Special Education – Grants to States	84.027	\$2,800.89

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

Ridgemont Local School District
Hardin County
560 West Taylor Street
Mount Victory, Ohio 43340

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 cash-basis financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ridgemont Local School District, Hardin County, (the District) as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 3, 2022, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

District's Response to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 3, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

Ridgemont Local School District
Hardin County
560 West Taylor Street
Mount Victory, Ohio 43340

To the Board of Education:

Report on Compliance for each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the 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 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 each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

March 3, 2022

**RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS
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(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)?	Yes
(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 COVID-19 Education Stabilization Fund (CFDA #84.425D)
(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**

FINDING NUMBER 2021-001

Noncompliance Citation

Ohio Rev. Code §117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

Ohio Admin. Code 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the District to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The District prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the District may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the District's ability to evaluate and monitor the overall financial condition of the District. To help provide the users with more meaningful financial statements, the School District should prepare its financial statements according to generally accepted accounting principles.

OFFICIALS' RESPONSE:

The cost of reporting in GAAP form exceeds the value of the report in the opinion of the Board of Education.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Ridgmont Local School District



Sally Henrick, Superintendent

Melissa Pollom, Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR 200.511(b)

June 30, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03 (B) - Failed to file annual financial reports using generally accepted accounting principles. This was first reported for the fiscal year ended June 30, 2013	Not Corrected Repeated as Finding 2021-001	The cost of reporting in GAAP form exceeds the value of the report in the opinion of the Board of Education.

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Ridgemont Local School District



Sally Henrick, Superintendent

Melissa Pollom, Treasurer

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) For the Fiscal Year Ended June 30, 2021

Finding Number: 2021-001
Planned Corrective Action: The cost of reporting in GAAP form exceeds the value of the report in the opinion of the Board of Education. The District acknowledges this requirement but will continue to report on the cash basis in order to save resources for the District.
Anticipated Completion Date: N/A
Responsible Contact Person: Melissa Pollom, Treasurer

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OHIO AUDITOR OF STATE KEITH FABER



RIDGEMONT LOCAL SCHOOL DISTRICT

HARDIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/29/2022

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

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