GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

Basic Financial Statements

For the Fiscal Year Ended
June 30, 2021

Julian & Grube
Serving Ohio Local Governments

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

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

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Julian & Grube

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Accountant's Compilation Report

To the Galion City School District Board of Education
Galion, Ohio

Management is responsible for the accompanying basic financial statements of the Galion City School District, which comprise the statements listed in the table of contents as of June 30, 2021 and for the fiscal year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of net pension and other post-employment benefit assets and liabilities, and pension and other post-employment contributions listed in the table of contents be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
November 12, 2021

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

The management's discussion and analysis of Galion City School District's (the "District") financial performance provides an overall review of the District's 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 2021 are as follows:

- During fiscal year 2021, net position of governmental activities decreased $1,716,224 which represents a 8.40% decrease from fiscal year 2020 restated net position.

- General revenues accounted for $19,961,066 in revenue or 72.14% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for $7,708,198 or 27.86% of total revenues of $27,669,264.

- The District had $29,385,488 in expenses related to governmental activities; $7,708,198 of these expenditures were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $19,961,066 were not adequate to provide for these programs.

- The District had two major governmental funds during fiscal year 2021, the general fund and the bond retirement fund. The general fund had $21,215,800 in revenues and other financing sources and $21,330,295 in expenditures and other financing uses. During fiscal year 2021, the general fund's fund balance decreased $114,495 from a fund balance of $5,027,041 to $4,912,546.

- The bond retirement fund had $1,373,123 in revenues and other financing sources and $1,298,888 in expenditures. During fiscal year 2021, the bond retirement fund's fund balance increased $74,235 from a fund balance of $2,015,567 to $2,089,802.

Using this Annual Financial Report

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the 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 and the bond retirement fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the District's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the *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.

In the Statement of Net Position and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, non-instructional services, and extracurricular activities.

The District's Statement of Net Position and Statement of Activities 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 10. 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' most significant funds. The District's major governmental funds are the general fund and the bond retirement fund. All other governmental funds are considered nonmajor.

Governmental Funds

Most 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 an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 17-21 of this report.

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 22-64 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 66-83 of this report.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2021 and 2020. The net position at June 30, 2020 has been restated as described in Note 3.B in the notes to the basic financial statements.

	Governmental Activities	
	2021	(Restated) 2020
Assets		
Current and other assets	$ 16,690,303	$ 14,843,564
Net OPEB asset	1,276,127	1,197,721
Capital assets, net	43,337,970	45,584,786
Total assets	61,304,400	61,626,071
Deferred outflows of resources		
Unamortized deferred charges	310,155	343,939
Pension	3,892,147	4,206,657
OPEB	584,123	487,052
Total deferred outflows	4,786,425	5,037,648
Liabilities		
Current liabilities	2,382,565	2,023,127
Long-term liabilities:		
Due within one year	1,256,415	1,231,139
Due in more than one year:		
Net pension liability	22,039,145	20,365,377
Net OPEB liability	1,526,084	1,877,285
Other amounts	13,533,426	14,646,380
Total liabilities	40,737,635	40,143,308
Deferred inflows of resources		
Property taxes and PILOTS	3,707,547	2,877,653
Pension	437,733	1,125,861
OPEB	2,499,263	2,092,026
Total deferred inflows	6,644,543	6,095,540
Net Position		
Net investment in capital assets	30,530,504	32,284,661
Restricted	3,528,874	2,441,393
Unrestricted (deficit)	(15,350,731)	(14,301,183)
Total net position	$ 18,708,647	$ 20,424,871

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District has adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability/asset to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

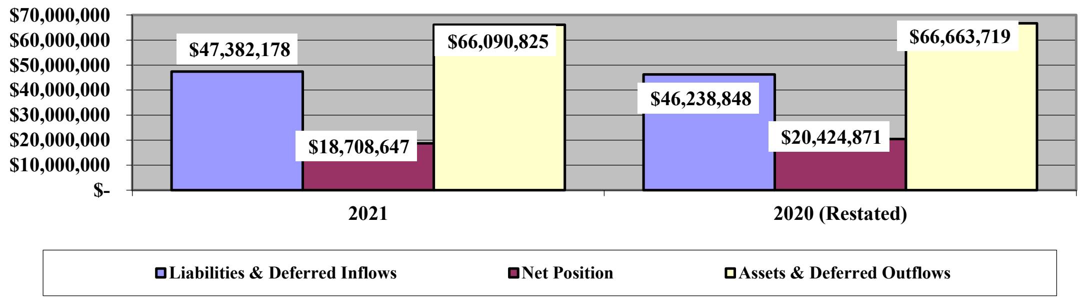
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $18,708,647.

At fiscal year-end, capital assets represented 70.69% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment and furniture and vehicles. Total net investment in capital assets at June 30, 2021 was $30,530,504. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $3,528,874, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of $15,350,731.

The graph below illustrates the District's total assets, deferred outflows, liabilities, deferred inflows and net position at June 30, 2021 and 2020 (restated).

Governmental Activities



The table below shows the change in net position for fiscal years 2021 and 2020 (restated).

Change in Net Position

	Governmental Activities 2021	(Restated) Governmental Activities 2020
Revenues		
Program revenues:		
Charges for services and sales	$ 1,013,878	$ 1,425,930
Operating grants and contributions	6,603,648	4,787,127
Capital grants and contributions	90,672	34,189
General revenues:		
Property taxes	5,611,120	6,021,179
Payment in lieu of taxes	33,548	29,667
Grants and entitlements	13,761,361	13,588,002
Investment earnings	2,309	93,761
Gain on sale of capital assets	129,512	-
Miscellaneous	423,216	121,303
Total revenues	27,669,264	26,101,158

- Continued

Change in Net Position

	Governmental Activities 2021	Restated Governmental Activities 2020
Expenses		
Program expenses:		
Instruction:		
Regular	$ 11,844,464	$ 11,843,894
Special	5,953,309	5,025,081
Vocational	55,260	57,341
Support services:		
Pupil	1,369,892	1,232,705
Instructional staff	1,049,051	925,222
Board of education	331,663	99,641
Administration	1,934,102	1,697,643
Fiscal	582,662	532,570
Operations and maintenance	2,318,039	2,098,042
Pupil transportation	1,057,386	952,140
Central	223,964	169,977
Operation of non-instructional services	1,271,227	1,256,331
Extracurricular activities	914,627	904,078
Interest and fiscal charges	479,842	548,000
Total expenses	29,385,488	27,342,665
Change in net position	(1,716,224)	(1,241,507)
Net position at beginning of year (restated)	20,424,871	21,666,378
Net position at end of year	$ 18,708,647	$ 20,424,871

Governmental Activities

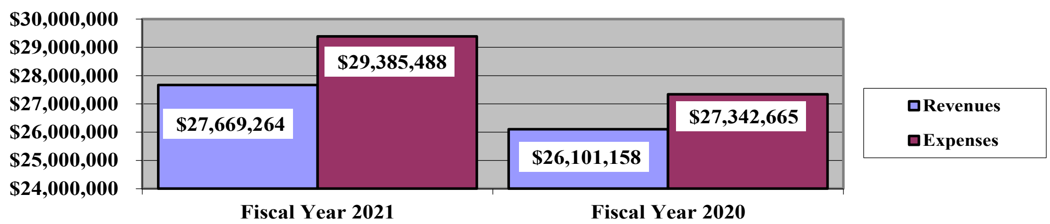
Net position of the District's governmental activities decreased $1,716,244. Total governmental expenses of $29,385,488 were offset by program revenues of $7,708,198 and general revenues of $19,961,066. Program revenues supported 26.23% of the total governmental expenses.

In the area of program revenues, operating grants and contributions increased, which is primarily attributable to $942,380 and $120,216 in Elementary and Secondary School Emergency (ESSER) funding and Coronavirus Relief funding, respectively, received during fiscal 2021 in response to the COVID-19 pandemic.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 70.01% of total governmental revenue. Real estate property is reappraised every six years. Miscellaneous general revenues increased during fiscal year as a result of refunds and dividends received by the Bureau of Workers' Compensation (BWC). Investment earnings experienced a significant decrease during the fiscal year as a result of the COVID-19 Pandemic and the Federal Reserve cutting interest rates.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2021 and 2020.

Governmental Activities - Revenues and Expenses



The statement of activities 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. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

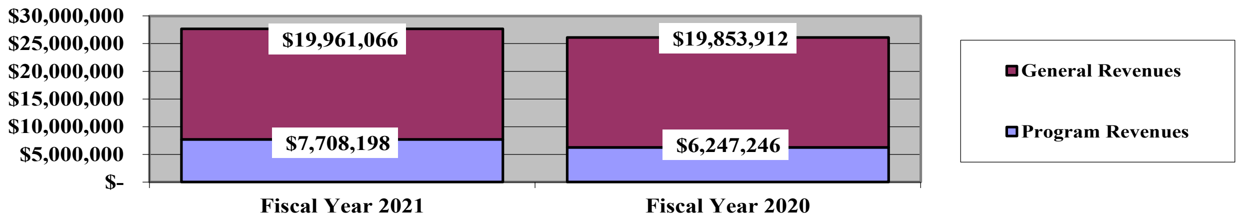
Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses:				
Instruction:				
Regular	$ 11,844,464	$ 11,149,297	$ 11,843,894	$ 10,975,895
Special	5,953,309	1,516,999	5,025,081	1,571,526
Vocational	55,260	(81,530)	57,341	(79,449)
Support services:				
Pupil	1,369,892	1,150,784	1,232,705	1,042,182
Instructional staff	1,049,051	794,543	925,222	846,688
Board of education	331,663	165,384	99,641	99,641
Administration	1,934,102	1,930,212	1,697,643	1,697,643
Fiscal	582,662	580,407	532,570	529,722
Operations and maintenance	2,318,039	2,295,610	2,098,042	2,078,791
Pupil transportation	1,057,386	955,393	952,140	831,518
Central	223,964	133,329	169,977	169,977
Operation of non-instructional services	1,271,227	(45,483)	1,256,331	184,924
Extracurricular activities	914,627	652,503	904,078	598,361
Interest and fiscal charges	479,842	479,842	548,000	548,000
Total expenses	$ 29,385,488	$ 21,677,290	$ 27,342,665	$ 21,095,419

The dependence upon tax and other general revenues for governmental activities is apparent, 70.49% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 73.77%. The District's taxpayers and State unrestricted grants are by far the primary support for District students.

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

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $9,798,066, which is higher than last year's total of $9,254,367. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Increase (Decrease)
General	$ 4,912,546	$ 5,027,041	$ (114,495)
Bond retirement	2,089,802	2,015,567	74,235
Other governmental	2,795,718	2,211,759	583,959
Total	$ 9,798,066	$ 9,254,367	$ 543,699

General Fund

The District's general fund's fund balance decreased $114,495.

The tables that follow assists in illustrating the financial activities and fund balance of the general fund.

	2021 Amount	2020 Amount	Increase (Decrease)	Percentage Change
Revenues				
Property taxes	$ 4,466,471	$ 4,769,589	$ (303,118)	(6.36) %
Intergovernmental	15,457,584	15,374,883	82,701	0.54 %
Investment earnings	988	71,016	(70,028)	(98.61) %
Tuition and fees	871,150	969,960	(98,810)	(10.19) %
Other revenues	418,357	152,259	266,098	174.77 %
Total	$ 21,214,550	$ 21,337,707	$ (123,157)	(0.58) %

	2021 Amount	2020 Amount	Increase (Decrease)	Percentage Change
Expenditures				
Instruction	$ 13,786,778	$ 13,686,093	$ 100,685	0.74 %
Support services	6,552,906	6,343,907	208,999	3.29 %
Operation of non-instructional services	-	5,392	(5,392)	100.00 %
Extracurricular activities	571,291	519,370	51,921	10.00 %
Capital outlay	-	95,758	(95,758)	(100.00) %
Debt service	68,879	133,981	(65,102)	(48.59) %
Total	$ 20,979,854	$ 20,784,501	$ 195,353	0.94 %

The District's general fund revenues decreased $123,157 or 0.58% in fiscal year 2021. Property tax revenues decreased $303,118 or 6.36%. Actual property tax cash receipts decreased $72,280 or 1.58% from fiscal year 2020. The decrease is due to fluctuations in the amount of tax advance available from the County Auditors at fiscal year-end. The tax advance available for the fiscal years ended June 30, 2021, 2020, and 2019 were $1,860,709, $1,906,682, and $1,721,817, respectively. The amount of tax advance available can vary depending upon when tax bills are sent out by County Auditors. The amount of tax advance available at fiscal year-end is reported as revenue in that fiscal year. Other revenues increased during the fiscal year as a result of refunds and dividends received by the Bureau of Workers' Compensation (BWC). Earnings on investments experienced a significant decrease during the fiscal year as a result of the COVID-19 Pandemic and the Federal Reserve cutting interest rates. All other revenues remained comparable to the prior fiscal year.

The District's general fund expenditures increased $195,353 or 0.94% in fiscal year 2021. Capital outlay decreased during the current fiscal year due to the District entering into a capital lease agreement in the prior fiscal year. All expenditures remained comparable to the prior fiscal year.

Bond Retirement Fund

The bond retirement fund had $1,373,123 in revenues and other financing sources and $1,298,888 in expenditures. During fiscal year 2021, the bond retirement fund's fund balance increased $74,235 from a fund balance of $2,015,567 to $2,089,802, as property tax and related revenues exceeded annual debt service requirements.

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 budgeted revenues and other financing sources were $21,375,783, which was $310,019 greater than the original budgeted revenues and other financing sources of $21,065,764. Actual revenues and other financing sources were $21,334,674, which were $41,109 lower than the final budgeted revenues and other financing sources.

General fund final appropriations (appropriated expenditures and other financing uses) totaled $21,107,779, which was $577,903 lower than original appropriations of $21,685,682. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled $21,306,471, which was $198,692 more than the final budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2021, the District had $43,337,970 invested in land, construction in progress, land improvements, buildings and improvements, equipment and furniture, vehicles. This entire amount is reported in governmental activities.

The following table shows the net capital asset balances at June 30, 2021 and June 30, 2020:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2021	(Restated) 2020
Land	$ 1,052,095	$ 1,052,095
Construction in progress	461,751	307,751
Land improvements	3,290,610	3,887,226
Building and improvements	36,954,899	38,446,263
Equipment and furniture	1,219,889	1,403,500
Vehicles	358,726	487,951
Total	$ 43,337,970	$ 45,584,786

The overall decrease in capital assets of $2,246,816 is due to depreciation expense of $2,504,777 and capital asset disposals (net accumulated depreciation) of $43,133 exceeding capital outlays of $301,094 in fiscal year 2021.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2021, the District had $175,000 in energy conservation bonds, $10,940,030 in refunding bonds, $1,695,000 in lease purchase agreements and $54,170 in capital lease obligations outstanding. Of this total, $1,142,168 is due within one year and $11,722,032 is due in greater than one year. The table on the following page summarizes the bonds, lease purchase agreements, and capital lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2021	Governmental Activities 2020
Energy conservation bonds	$ 175,000	$ 210,000
School improvement refunding bonds	10,940,030	11,714,945
Lease purchase agreement	1,695,000	1,875,000
Capital leases	54,170	120,036
Total	$ 12,864,200	$ 13,919,981

See Note 11 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The Administration and Board of Education continue to closely monitor the financial condition of the District.

During fiscal year 2019, the Galion Board of Education, the Galion Education Association (GEA), and the Ohio Association of Public School Employees Local #370 (OAPSE) entered into an Interest Based Bargaining process for the purpose of negotiating new union contracts. After significant training by the Board of Education, the GEA, and the OAPSE, the District successfully negotiated a three-year contract with each union. The GEA contract is in effect for the three years ending August 2022 and the OPASE contract is in effect for the three years ending June 2022.

The District has a .5 mill levy to help offset maintenance expenses associated with the construction of the new campus, however, this levy will not fully fund these costs. In fiscal year 2020 and 2021 the District set aside additional General Fund resources through a transfer to the permanent improvement fund. The set aside is intended to assist with building expenses and with vehicle expenses, including school buses; however, overflow permanent improvement costs will need to be absorbed by the General Fund. In fiscal year 2017, the District purchased 17.677 acres of land, adjacent to the Middle School building, from the Hesby Estate. Plans for the land include a new bus garage and athletic fields for varsity soccer. Construction of the Bus garage was completed on January 21, 2020. The soccer field dedication was held in October 2021.

On October 26, 2018, the District entered into a Lease Purchase Agreement with U.S. Bank, NA for $2,045,000 for a ten (10) year term ending December 1, 2028. The proceeds were used to construct a Bus Garage/Maintenance Facility that is located on the campus of the District. The old facility, located 3.5 miles away from the District Campus, was sold on July 25, 2020. The District has experienced a cost savings as a result of this relocation, as school buses and maintenance vehicles traveled an estimated 45,000 miles, on an annual basis, between the old facility and the campus.

During fiscal year 2016, and continuing through fiscal year 2021, the District implemented new initiatives and programs including Leader in Me, Project Lead the Way, Step by Step Learning Inc., High Schools that Work, and Making Middle Grades Work. The Leader in Me program for grades K-5 focus on self-direction, goal setting, positive interactions, and leadership. The Project Lead the Way program is a STEM focused program that focuses on the areas of biomedical, engineering, and computer science. Step by Step Learning Inc., is a professional development consultant group who is working with teachers on improving reading instruction, implementing improved assessments, and modeling teaching strategies. High Schools that Work and Making Middle Grades Work is a collaborative group of schools that focus on professional development with high school and middle school teachers on areas of instruction, college and career readiness, and improvement in teaching all subjects with a focus on math and English language arts. The District continues to see improvement in the K-3 literacy area and will introduce new curriculum in the area of literacy and math in fiscal year 2021. In addition, new curriculum was purchased during the last weeks of fiscal year 2021 and will be in full use during the 2021-2022 school across all grade levels in reading, math language arts, science and social studies.

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 Charlene Parkinson, Treasurer of Galion City School District, 470 Portland Way North, Galion, OH 44833-1796.

BASIC
FINANCIAL STATEMENTS

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

		Governmental Activities
Assets:		
Equity in pooled cash and investments	$	8,703,183
Cash in segregated accounts		6,679
Receivables:		
Property taxes		6,695,916
Payment in lieu of taxes		10,634
Accounts		35,178
Accrued interest		355
Intergovernmental		724,545
Prepayments		485,430
Materials and supplies inventory		5,810
Inventory held for resale		22,573
Net OPEB asset		1,276,127
Capital assets:		
Nondepreciable capital assets		1,513,846
Depreciable capital assets, net		41,824,124
Capital assets, net		43,337,970
Total assets		61,304,400
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding		310,155
Pension		3,892,147
OPEB		584,123
Total deferred outflows of resources		4,786,425
Liabilities:		
Accounts payable		368,394
Contracts payable		26,500
Accrued wages and benefits payable		1,518,527
Intergovernmental payable		437,666
Accrued interest payable		31,478
Long-term liabilities:		
Due within one year		1,256,415
Due in more than one year:		
Net pension liability		22,039,145
Net OPEB liability		1,526,084
Other amounts due in more than one year		13,533,426
Total liabilities		40,737,635
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		3,700,458
Payment in lieu of taxes levied for the next fiscal year		7,089
Pension		437,733
OPEB		2,499,263
Total deferred inflows of resources		6,644,543
Net position:		
Net investment in capital assets		30,530,504
Restricted for:		
Capital projects		51,499
Classroom facilities maintenance		381,085
Debt service		2,003,005
Locally funded programs		27,591
State funded programs		189,764
Federally funded programs		289,562
Food service operations		270,933
Student activities		75,570
Other purposes		239,865
Unrestricted (deficit)		(15,350,731)
Total net position	$	18,708,647

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction:					
Regular	$ 11,844,464	$ 686,419	$ 8,748	$ -	$ (11,149,297)
Special	5,953,309	184,731	4,251,579	-	(1,516,999)
Vocational	55,260	-	136,790	-	81,530
Support services:					
Pupil	1,369,892	-	219,108	-	(1,150,784)
Instructional staff	1,049,051	-	254,508	-	(794,543)
Board of education	331,663	-	166,279	-	(165,384)
Administration	1,934,102	-	3,890	-	(1,930,212)
Fiscal	582,662	939	1,316	-	(580,407)
Operations and maintenance	2,318,039	939	21,490	-	(2,295,610)
Pupil transportation	1,057,386	-	101,993	-	(955,393)
Central	223,964	-	90,635	-	(133,329)
Operation of non-instructional services:					
Food service operations	1,180,901	51,985	1,189,866	-	60,950
Other non-instructional services	90,326	-	74,859	-	(15,467)
Extracurricular activities	914,627	88,865	82,587	90,672	(652,503)
Interest and fiscal charges	479,842	-	-	-	(479,842)
Totals	$ 29,385,488	$ 1,013,878	$ 6,603,648	$ 90,672	(21,677,290)

General revenues:	
Property taxes levied for:	
General purposes	4,487,153
Debt service	1,055,971
Classroom facilities maintenance	67,996
Payments in lieu of taxes	33,548
Grants and entitlements not restricted to specific programs	13,761,361
Investment earnings	2,309
Miscellaneous	423,216
Gain on sale of capital assets	129,512
Total general revenues	19,961,066
Change in net position	(1,716,224)
Net position at beginning of year (restated)	20,424,871
Net position at end of year	$ 18,708,647

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 4,457,724	$ 1,660,215	$ 2,583,191	$ 8,701,130
Cash in segregated accounts	6,679	-	-	6,679
Receivables:				
Property taxes	5,325,563	1,291,746	78,607	6,695,916
Payment in lieu of taxes	-	-	10,634	10,634
Accounts	33,772	-	1,406	35,178
Accrued interest	325	-	30	355
Intergovernmental	101,553	-	622,992	724,545
Prepayments	214,697	-	270,733	485,430
Materials and supplies inventory	-	-	5,810	5,810
Inventory held for resale	-	-	22,573	22,573
Due from other funds	349,551	-	-	349,551
Restricted assets:				
Equity in pooled cash and cash equivalents	2,053	-	-	2,053
Total assets	$ 10,491,917	$ 2,951,961	$ 3,595,976	$ 17,039,854
Liabilities:				
Accounts payable	$ 200,380	$ -	$ 168,014	$ 368,394
Contracts payable	-	-	26,500	26,500
Accrued wages and benefits payable	1,361,453	-	157,074	1,518,527
Intergovernmental payable	418,090	-	19,576	437,666
Due to other funds	-	-	349,551	349,551
Total liabilities	1,979,923	-	720,715	2,700,638
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	2,920,701	736,907	42,850	3,700,458
Payment in lieu of taxes levied for the next fiscal yea	-	-	7,089	7,089
Delinquent property tax revenue not available	544,153	125,252	8,047	677,452
Intergovernmental revenue not available	101,553	-	21,557	123,110
Accrued interest not available	132	-	-	132
Miscellaneous revenue not available	32,909	-	-	32,909
Total deferred inflows of resources	3,599,448	862,159	79,543	4,541,150
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	5,810	5,810
Prepaids	214,697	-	270,733	485,430
Unclaimed monies	2,053	-	-	2,053
Scholarships	-	-	207,464	207,464
Restricted:				
Debt service	-	2,089,802	-	2,089,802
Capital improvements	-	-	124,183	124,183
Classroom facilities maintenance	-	-	373,038	373,038
Food service operations	-	-	282,159	282,159
State funded programs	-	-	5,535	5,535
Federally funded programs	-	-	5,768	5,768
Extracurricular activities	-	-	75,570	75,570
Scholarships	-	-	30,348	30,348
Student wellness and success	-	-	184,229	184,229
Other purposes	-	-	27,591	27,591
Committed:				
Capital improvements	-	-	1,264,901	1,264,901
Termination benefits	362,469	-	-	362,469
Assigned:				
Student and staff support	26,319	-	-	26,319
Extracurricular activities	1,698	-	-	1,698
Public school support	26,362	-	-	26,362
Technology	207,183	-	-	207,183
Unassigned (deficit)	4,071,765	-	(61,611)	4,010,154
Total fund balances	4,912,546	2,089,802	2,795,718	9,798,066
Total liabilities, deferred inflows and fund balances	$ 10,491,917	$ 2,951,961	$ 3,595,976	$ 17,039,854

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Total governmental fund balances		$ 9,798,066
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		43,337,970
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 677,452	
Accounts receivable	32,909	
Accrued interest receivable	132	
Intergovernmental receivable	123,110	
Total		833,603
Unamortized premiums on bonds issued are not recognized in the funds.		(543,050)
Unamortized amounts on refundings are not recognized in the funds.		310,155
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(31,478)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	3,892,147	
Deferred inflows - pension	(437,733)	
Net pension liability	(22,039,145)	
Deferred outflows - OPEB	584,123	
Deferred inflows - OPEB	(2,499,263)	
Net OPEB asset	1,276,127	
Net OPEB liability	(1,526,084)	
Total		(20,749,828)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(11,115,030)	
Lease purchase transactions	(1,695,000)	
Capital lease obligations	(54,170)	
Compensated absences	(1,382,591)	
Total		(14,246,791)
Net position of governmental activities		$ 18,708,647

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 4,466,471	$ 1,053,261	$ 67,857	$ 5,587,589
Intergovernmental	15,457,584	279,232	4,506,566	20,243,382
Investment earnings	988	1,189	883	3,060
Tuition and fees	871,150	-	-	871,150
Extracurricular	15,152	-	74,610	89,762
Charges for services	-	-	52,966	52,966
Contributions and donations	23,242	-	79,164	102,406
Payment in lieu of taxes	-	-	33,548	33,548
Miscellaneous	379,963	-	98,742	478,705
Total revenues	21,214,550	1,333,682	4,914,336	27,462,568
Expenditures:				
Current:				
Instruction:				
Regular	10,556,114	-	24,975	10,581,089
Special	3,175,404	-	2,149,791	5,325,195
Vocational	55,260	-	-	55,260
Support services:				
Pupil	1,065,899	-	168,827	1,234,726
Instructional staff	715,110	-	233,277	948,387
Board of education	167,146	14,750	127,049	308,945
Administration	1,692,485	-	2,396	1,694,881
Fiscal	489,033	31,380	16,175	536,588
Operations and maintenance	1,495,302	-	129,723	1,625,025
Pupil transportation	814,565	-	17,000	831,565
Central	113,366	-	95,490	208,856
Operation of non-instructional services:				
Food service operations	-	-	1,070,822	1,070,822
Other non-instructional services	-	-	84,360	84,360
Extracurricular activities	571,291	-	168,047	739,338
Facilities acquisition and construction	-	-	284,830	284,830
Debt service:				
Principal retirement	65,866	390,000	180,000	635,866
Interest and fiscal charges	3,013	342,758	60,010	405,781
Accretion on capital appreciation bonds	-	520,000	-	520,000
Total expenditures	20,979,854	1,298,888	4,812,772	27,091,514
Excess of revenues over expenditures	234,696	34,794	101,564	371,054
Other financing sources (uses):				
Sale of capital assets	1,250	-	171,395	172,645
Transfers in	-	39,441	311,000	350,441
Transfers (out)	(350,441)	-	-	(350,441)
Total other financing sources (uses)	(349,191)	39,441	482,395	172,645
Net change in fund balances	(114,495)	74,235	583,959	543,699
Fund balances at beginning of year	5,027,041	2,015,567	2,211,759	9,254,367
Fund balances at end of year	$ 4,912,546	$ 2,089,802	$ 2,795,718	$ 9,798,066

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Net change in fund balances - total governmental funds		$ 543,699
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 301,094	
Current year depreciation	(2,504,777)	
Total		(2,203,683)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(43,133)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	23,531	
Earnings on investments	132	
Miscellaneous	32,909	
Intergovernmental	86,688	
Total		143,260
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,155,866
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
(Increase) decrease in accrued interest payable	752	
Accreted interest on capital appreciation bonds	(100,085)	
Amortization of bond premiums	59,056	
Amortization of deferred charges	(33,784)	
Total		(74,061)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,585,855	
OPEB	47,932	
Total		1,633,787
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,886,005)	
OPEB	71,509	
Total		(2,814,496)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(57,463)
Change in net position of governmental activities		$ (1,716,224)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 4,455,568	$ 4,521,262	$ 4,512,444	$ (8,818)
Intergovernmental	14,887,397	15,106,903	15,077,440	(29,463)
Investment earnings	3,614	3,667	3,660	(7)
Tuition and fees	911,736	925,179	923,374	(1,805)
Extracurricular	1,814	1,841	1,837	(4)
Miscellaneous	511,250	518,788	517,776	(1,012)
Total revenues	20,771,379	21,077,640	21,036,531	(41,109)
Expenditures:				
Current:				
Instruction:				
Regular	11,016,644	10,246,728	10,476,491	(229,763)
Special	3,262,523	3,225,000	3,102,560	122,440
Vocational	58,109	100,000	55,260	44,740
Support services:				
Pupil	1,100,713	1,025,000	1,046,744	(21,744)
Instructional staff	747,620	715,000	710,964	4,036
Board of education	171,540	255,000	163,129	91,871
Administration	1,687,272	1,630,000	1,604,544	25,456
Fiscal	510,565	480,000	485,532	(5,532)
Operations and maintenance	1,527,374	1,512,651	1,439,329	73,322
Pupil transportation	910,127	870,200	865,313	4,887
Central	119,211	130,000	113,366	16,634
Operation of non-instructional services:				
Extracurricular activities	573,984	568,200	542,798	25,402
Total expenditures	21,685,682	20,757,779	20,606,030	151,749
Excess of revenues over (under) expenditures	(914,303)	319,861	430,501	110,640
Other financing sources (uses):				
Refund of prior year's expenditures	294,365	298,123	298,123	-
Transfers (out)	-	(350,000)	(700,441)	(350,441)
Sale of capital assets	20	20	20	-
Total other financing sources (uses)	294,385	(51,857)	(402,298)	(350,441)
Net change in fund balance	(619,918)	268,004	28,203	(239,801)
Fund balance at beginning of year	4,347,278	4,347,278	4,347,278	-
Prior year encumbrances appropriated	17,235	17,235	17,235	-
Fund balance at end of year	$ 3,744,595	$ 4,632,517	$ 4,392,716	$ (239,801)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Galion City 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 a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by state and federal guidelines.

The District was established in 1847. The District serves an area of approximately thirty-two square miles and is located in Crawford, Morrow, and Richland Counties. It is staffed by 58 classified employees, 116 certified teaching personnel, and 19 administrative employees who provide services to 1,749 students and other community members. The District currently operates two elementary schools, a middle school, and a high school.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which 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; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The following activity is included within the District's reporting entity:

Within the District boundaries, St. Joseph Elementary is operated as a private school. Current state legislation provides funding to this parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected in a special revenue fund for financial reporting purposes by the District.

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

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

JOINTLY GOVERNED ORGANIZATIONS

North Central Ohio Computer Cooperative/Heartland Council of Governments
The District is a participant in the North Central Ohio Computer Cooperative/Heartland Council of Governments (NCOCC), which is a computer consortium. NCOCC is an association of public school districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructions functions among member school districts. The governing board of NCOCC consists of the superintendent from each member school district. During fiscal year 2021, the District paid $216,011 to NCOCC for various services. Financial information can be obtained from North Central Ohio Computer Cooperative/Heartland Council of Governments, 1495 West Longview Avenue, Suite 100, Mansfield, Ohio 44906.

Pioneer Career and Technology Center
The Pioneer and Technology Center (Center) is a distinct political subdivision of the State of Ohio which provides vocational education. The Center operates under the direction of a Board consisting of eleven appointed members from the fourteen participating school districts. The Board possesses its own budgeting and taxing authority. The degree of control exercised by the District is limited to its representation on the Board. Financial information can be obtained from Pioneer Career and Technology Center, 27 Ryan Road, Shelby, Ohio 44875.

Metropolitan Educational Council
The Metropolitan Education Council (MEC) is a purchasing cooperative made up of school districts, libraries, and related agencies. The purpose of the MEC is to obtain prices for quality merchandise and services commonly used by the participants. The governing board of the MEC consists of one representative from each participant. All participants must pay all fees, charges, or other assessments as established by the MEC. Financial information can be obtained from the Metropolitan Educational Council, 2100 Citygate Drive, Columbus, Ohio 43219.

INSURANCE POOLS

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

Crawford-Wyandot Health Benefit Plan
The Crawford-Wyandot Health Benefit Plan (Plan) is a public entity shared risk pool consisting of six school districts. The Plan is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and life insurance benefits to employees of the participating school districts. Each participating school district's superintendent is appointed to the Board of Directors which advises the Trustee, Huntington Trust Company, N.A., concerning aspects of the administration of the Plan.

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

Each school district decides which benefit program offered by the Plan will be extended to its employees. Participation in the Plan is by written application subject to acceptance by the Board of Directors and payment of the monthly premiums. Financial information can be obtained from the account manager, 229 Huber Village Boulevard, Westerville, Ohio 43081-5325.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District does not have proprietary funds.

GOVERNMENTAL FUNDS

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

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 expended or transferred according to the general laws of Ohio.

Bond Retirement Fund - The bond retirement fund is used to account for property taxes and related revenues restricted for the payment of principal and interest on general obligation bonds.

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.

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. The District does not have any trust funds. Custodial funds are used to report fiduciary activity that is not required to be reported in a trust fund. The District's custodial fund accounts for funds collected and distributed on behalf of Ohio High School Athletic Association and Mid Ohio Athletic Conference. The District did not collect or distribute any funds on behalf of OHSAA in fiscal year 2021.

C. Basis of Presentation

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

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

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

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

The fiduciary funds are reported using the economic resources measurement focus. All assets and liabilities associated with the operation of fiduciary funds are included on the statement of net fiduciary position. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, payment in lieu of taxes and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

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

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 13 and 14 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

For the District, see Notes 13 and 14 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported as an expenditure with a like amount reported as intergovernmental revenue.

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

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

E. Budgetary Process

All 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 sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at the legal level of budgetary control may only be made by resolution of the Board of Education.

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 budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect when the final appropriations were passed by the Board of Education.

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

F. Cash and Investments

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

During fiscal year 2021, investments were limited to negotiable certificates of deposits (negotiable CDs), commercial paper, U.S. government money market mutual fund, U.S Treasury notes, Federal Home Loan Bank (FHLB) Securities, Federal Home Loan Mortgage Corporation (FHLMC) Securities, Federal National Mortgage Association (FNMA) Securities, and Federal Farm Credit Bank (FFCB) Securities All the District's investments are reported at fair value, which is based on quoted market prices.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to $988, which includes zero assigned from other District funds.

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

An analysis of the District's deposits and investments at fiscal year end is provided in Note 4.

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

G. Inventory

On government-wide financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method on the government wide financial statements and on the fund financial statements. On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis and is expended when purchased.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintained a capitalization threshold of $2,500 during fiscal year 2021. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The District does not possess infrastructure.

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

Description	Governmental Activities Estimated Lives
Land improvements	5 - 60 years
Buildings and improvements	10 - 50 years
Furniture and equipment	3 - 40 years
Vehicles	10 - 15 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds". These amounts are eliminated in the governmental activities column on the statement of net position.

J. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding

On the governmental fund, financial statements, issuance costs, bond premiums, bond discounts, and charges from debt refunding are recognized in the current period.

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

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow or inflows of resources.

K. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least 10 years of service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. The expenditures and liabilities related to these obligations are recognized in the governmental funds when they mature, for example, as a result of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

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

M. Fund Balance

Fund 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 balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the general fund.

Restricted - Fund 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 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 balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the 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 amounts include all remaining amounts that are not classified as nonspendable and are neither restricted nor 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 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 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 balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for scholarships and nonspendable unclaimed monies.

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

O. Prepaid Items

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

On the fund financial statements, reported prepayments is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

P. Estimates

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

Q. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Unclaimed monies that have a legal restriction on their use are reported as restricted.

R. Interfund Activity

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

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

S. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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.

T. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

U. 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. The District had no extraordinary or special items during the fiscal year.

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*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Restatement of Net Position

The net position of governmental activities at July 1, 2020 has been restated to account for prior period adjustments to capital assets as a result of an appraisal. The restatement had the following effect on net position:

	Governmental Activities
Net position as previously reported	$ 22,652,985
GASB Statement No. 84	(2,228,114)
Restated net position at July 1, 2020	$ 20,424,871

This restatement had no effect on governmental fund balances.

C. Deficit Fund Balances

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

Nonmajor funds	Deficit
IDEA, Part B	$ 14,435
Title I	47,176

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

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;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided 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 deposits 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, the State Treasury Asset Reserve of Ohio (STAR Ohio);

8. Certain banker's acceptance (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 forty percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the 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 in Segregated Accounts

At June 30, 2021, $6,679 was maintained in a depository account that the District established for funds related to employee flexible spending. This depository account is included in total amount of "Deposits with Financial Institutions" below.

B. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was $5,713,307 and the bank balance of all District deposits was $5,804,194. Of the bank balance, $69,034 was exposed to custodial risk as discussed below because those deposits were uninsured and collateralized and $5,735,160 was covered by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2021, the District's financial institutions had a collateral rate through the OPCS of 102 percent. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

As of June 30, 2021, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities: 6 months or less	7 to 12 months	19 to 24 months	Greater than 24 months
Fair Value:					
FHLMC	$ 19,687	$ -	$ -	$ -	$ 19,687
FNMA	199,195	-	-	-	199,195
FFCB	339,114	-	-	-	339,114
FHLB	498,592	-	-	-	498,592
U.S. Government money market mutual fund	706,738	706,738	-	-	-
Negotiable CDs	100,050	-	-	100,050	-
U.S. Treasury note	933,388	-	-	199,793	733,595
Commerical paper	199,791	-	199,791	-	-
Total	$ 2,996,555	$ 706,738	$ 199,791	$ 299,843	$ 1,790,183

The weighted average maturity of investments is 2.48 years.

The District's investments in U.S Government money market mutual funds are valued using quoted market prices (Level 1 inputs). The District's investments in federal agency securities (FHLMC, FNMA, FFCB, FHLB), negotiable CDs, U.S. Treasury notes and commercial paper are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significate inputs are observable, either direct or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The District's investments in federal securities (FHLMC, FNMA, FFCB, FHLB) and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. U.S. Treasury notes were rated Aaa by Moody's Investor Services. Commercial paper investments were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The negotiable CDs are not rated but are fully insured by the FDIC. Standard & Poor's has assigned STAR Ohio and the U.S. government money market mutual fund 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 has no investment policy dealing with credit risk.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 FHLB, FHLMC, FFCB and FNMA securities, and commercial paper, and the negotiable CDs 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. The negotiable CD's are fully insured by the FDIC.

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:

Measurement/ Investment type	Measurement Amount	% of Total
Fair Value:		
FHLMC	$ 19,687	0.66
FNMA	199,195	6.65
FFCB	339,114	11.32
FHLB	498,592	16.64
U.S. government money market mutual fund	706,738	23.58
Negotiable CDs	100,050	3.34
U.S. Treasury note	933,388	31.14
Commercial paper	199,791	6.67
Total	$ 2,996,555	100.00

D. Reconciliation of Cash and Investments to the Financial Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the financial statements as of June 30, 2021:

Cash and investments per note	
Carrying amount of deposits	$ 5,713,307
Investments	2,996,555
Total	$ 8,709,862
Cash and investments per financial statements	
Governmental activities	$ 8,709,862

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended June 30, 2021, consisted of the following, as reported on the fund statements:

Transfers from the general fund to:	Amount
Bond retirement fund	$ 39,441
Nonmajor governmental fund	311,000
	$ 350,441

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

All transfers made in fiscal year 2021 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

B. Due from/to other funds consisted of the following at June 30, 2021, as reported on the fund financial statements:

Receivable fund	Payable fund	Amount
General fund	Nonmajor Governmental Funds	$ 349,551

The balance resulted from a negative cash balance in the IDEA Part-B fund (a nonmajor governmental fund) and the Title I, disadvantaged children fund (a nonmajor governmental fund) at fiscal year end. The balances are eliminated on the government-wide financial statements.

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 2020 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 Crawford, Morrow, and Richland Counties. The County auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was $1,860,709 in the general fund, $429,587 in the bond retirement fund and $27,710 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2020 was $1,906,682 in the general fund, $444,746 in the bond retirement fund and $28,741 in the classroom facilities maintenance fund (a nonmajor governmental fund). 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.

NOTE 6 - PROPERTY TAXES - (Continued)

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

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

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	$ 171,459,800	97.02	$ 171,967,960	96.71
Public utility personal	5,261,900	2.98	5,853,040	3.29
Total	$ 176,721,700	100.00	$ 177,821,000	100.00
Tax rate per $1,000 of assessed valuation	$ 59.83		$ 59.83	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2021 consisted of taxes, payment in lieu of taxes, accounts, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 6,695,916
Payments in lieu of taxes	10,634
Accounts	35,178
Accrued interest	355
Intergovernmental	724,545
Total governmental activities	$ 7,466,628

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - PAYMENT IN LIEU OF TAXES

In accordance with agreements related to tax increment financing districts, Crawford County has entered into agreements with a number of property owners under which the County has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the County which reflect all or a portion of the property taxes which the property owners would have paid if their taxes had not been exempted. The agreements require a portion of these payments to be made to the District. Each property owner contractually promises to make these payments in lieu of taxes until the agreement expires.

NOTE 9 - CAPITAL ASSETS

Net position and capital assets balances have been restated for prior period adjustments required as a result of an appraisal. The adjustments had the following effect on the District's capital asset balances:

Governmental activities:	Balance June 30, 2020	Adjustments	(Restated) Balance June 30, 2020
Capital assets, not being depreciated:			
Land	$ 1,062,694	$ (10,599)	$ 1,052,095
Construction in progress	307,751	-	307,751
Total capital assets, not being depreciated	1,370,445	(10,599)	1,359,846
Capital assets, being depreciated:			
Land improvements	993,231	11,173,946	12,167,177
Buildings and improvements	59,417,886	(1,000,522)	58,417,364
Furniture and equipment	1,894,191	2,303,886	4,198,077
Vehicles	1,624,708	37,142	1,661,850
Total capital assets, being depreciated	63,930,016	12,514,452	76,444,468
Less: accumulated depreciation			
Land improvements	(572,903)	(7,707,048)	(8,279,951)
Buildings and improvements	(14,663,482)	(5,307,619)	(19,971,101)
Furniture and equipment	(1,398,979)	(1,395,598)	(2,794,577)
Vehicles	(852,197)	(321,702)	(1,173,899)
Total accumulated depreciation	(17,487,561)	(14,731,967)	(32,219,528)
Total capital assets, being depreciated, net	46,442,455	(2,217,515)	44,224,940
Governmental activities capital assets, net	$ 47,812,900	$ (2,228,114)	$ 45,584,786

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

Governmental activities:	(Restated) Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	$ 1,052,095	$ -	$ -	$ 1,052,095
Construction in progress	307,751	154,000	-	461,751
Total capital assets, not being depreciated	1,359,846	154,000	-	1,513,846
Capital assets, being depreciated:				
Land improvements	12,167,177	-	-	12,167,177
Buildings and improvements	58,417,364	67,835	(130,480)	58,354,719
Furniture and equipment	4,198,077	79,259	(31,460)	4,245,876
Vehicles	1,661,850	-	(24,927)	1,636,923
Total capital assets, being depreciated	76,444,468	147,094	(186,867)	76,404,695
Less: accumulated depreciation				
Land improvements	(8,279,951)	(596,616)	-	(8,876,567)
Buildings and improvements	(19,971,101)	(1,521,360)	92,641	(21,399,820)
Furniture and equipment	(2,794,577)	(257,576)	26,166	(3,025,987)
Vehicles	(1,173,899)	(129,225)	24,927	(1,278,197)
Total accumulated depreciation	(32,219,528)	(2,504,777)	143,734	(34,580,571)
Total capital assets, being depreciated, net	44,224,940	(2,357,683)	(43,133)	41,824,124
Governmental activities capital assets, net	$ 45,584,786	$ (2,203,683)	$ (43,133)	$ 43,337,970

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 748,211
Special	376,558
Support Services:	
Pupil	87,311
Instructional staff	67,063
Board of Education	21,846
Administration	117,556
Fiscal	37,944
Operations and maintenance	641,950
Pupil transportation	188,027
Central	14,768
Operation of non-instructional services:	
Other non-instructional services	5,966
Food service operations	75,721
Extracurricular activities	121,856
Total depreciation expense	$ 2,504,777

NOTE 10 - CAPITAL LEASES-LESSEE DISCLOSURE

In prior fiscal years, the District entered into capitalized leases for buses and computer equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. At June 30, 2021, these items acquired by the capital lease total $95,758 and have not been capitalized due to each item being under the capitalization threshold. Capital assets acquired by lease have been capitalized in the amount of $264,910. Accumulated depreciation as of June 30, 2021 was $62,696, leaving a current book value of $202,214. A corresponding liability was recorded in the statement of net position. During fiscal year 2021, the District made principal payments of $65,866, paid by the general fund.

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

Fiscal Year Ending June 30,	Amount
2022	$ 55,706
Total	55,706
Less: amount representing interest	(1,536)
Present value of minimum lease payments	$ 54,170

NOTE 11 - LONG-TERM OBLIGATIONS

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

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due in One Year
Governmental activities:					
General Obligation Bonds:					
Energy conservation bonds					
FY2011 - Serial bonds 4.25%	$ 210,000	$ -	$ (35,000)	$ 175,000	$ 35,000
School improvement refunding bonds					
FY2013 - Serial bonds 1-3%	5,500,000	-	-	5,500,000	655,000
Capital appreciation bonds - 14.52%	230,000	-	(230,000)	-	-
Accretion on capital appreciation bonds	380,665	44,335	(425,000)	-	-
School improvement refunding Bonds FY2014:					
Term bonds 2.25-4%	1,905,000	-	(90,000)	1,815,000	90,000
Serial bonds 1-4%	3,375,000	-	-	3,375,000	-
Capital appreciation bonds - 14.52%	100,000	-	(35,000)	65,000	30,000
Accretion on capital appreciation bonds	224,280	55,750	(95,000)	185,030	87,998
Total general obligation bonds	11,924,945	100,085	(910,000)	11,115,030	897,998
Other Long-Term Obligations:					
Capital lease obligation	120,036	-	(65,866)	54,170	54,170
Lease-purchase agreement - from direct borrowing	1,875,000	-	(180,000)	1,695,000	190,000
Net pension liability	20,365,377	1,673,768	-	22,039,145	-
Net OPEB liability	1,877,285	-	(351,201)	1,526,084	-
Compensated Absences	1,355,432	190,318	(163,159)	1,382,591	114,247
Total other long-term obligations	25,593,130	1,864,086	(760,226)	26,696,990	358,417
Total governmental activities	$ 37,518,075	$ 1,964,171	$ (1,670,226)	37,812,020	$ 1,256,415
Add: unamortized premiums on refundings				543,050	
Total on statement of net position				$ 38,355,070	

Capital Lease Obligations - The capital lease obligations will be paid from the general fund. See Note 10 for details.

Net Pension Liability - See Note 13 for detail on the net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund.

Net OPEB Liability/Asset - See Note 14 for detail on the net OPEB liability/asset. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund.

Compensated Absences - Compensated absences will be paid from the fund which the employees' salaries are paid which, for the District, is primarily the general fund.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. *FY2011 Energy Conservation Bonds* - On November 16, 2010 the District issued $566,044 in unvoted general obligation bonds for modifications and remodeling of the District buildings to conserve energy. The bond issue included serial bonds, in the original amount of $566,044. The bonds were issued for a fifteen fiscal year period, with final maturity in fiscal year 2026. The bonds are being retired through the bond retirement fund.

The bonds are subject to extraordinary optional redemption, by and at the sole option of the District, either in whole on any date or in part on any interest payment date, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date in the event that the Build America payments from the federal government cease or are in an amount less than 35 percent of the corresponding interest payable on the bonds.

The following is a summary of the District's future annual debt service requirements to maturity for the FY2011 energy conservation bonds:

	FY2011 Energy Conservation Bonds		
Fiscal Year	Principal	Interest	Total
2022	$ 35,000	$ 6,694	41,694
2023	35,000	5,206	40,206
2024	35,000	3,718	38,718
2025	35,000	2,232	37,232
2026	35,000	744	35,744
Total	$ 175,000	$ 18,594	$ 193,594

C. *FY2013 School Improvement Refunding Bonds* - On June 13, 2013, the District issued bonds, in the amount of $9,300,000 to partially refund bonds previously issued in fiscal year 2004 for the construction of two elementary schools, a middle school, and a high school. The refunding bond issue includes serial and capital appreciation bonds, in the original amount of $9,070,000 and $230,000, respectively. The bonds were issued for a sixteen year period, with final maturity in fiscal year 2029. The bonds are being retired through the bond retirement fund.

The serial bonds maturing on or after December 1, 2021, are subject to prior redemption on or after June 1, 2021, by and at the sole option of the District, either in whole or in part and in integral multiples of $5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds matured during fiscal year 2021. The maturity amount of the bonds was $655,000.

The refunded bonds are fully retired.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's future annual debt service requirements to maturity for the FY2013 school improvement refunding bonds:

Fiscal Year	Current Interest Bonds		
Ending June 30,	Principal	Interest	Total
2022	$ 655,000	$ 132,664	$ 787,664
2023	655,000	119,154	774,154
2024	670,000	104,239	774,239
2025	680,000	88,122	768,122
2026	685,000	70,972	755,972
2027 - 2029	2,155,000	95,335	2,250,335
Total	$ 5,500,000	$ 610,486	$ 6,110,486

D. *FY2014 School improvement Refunding Bonds* - On May 7, 2014, the District issued bonds, in the amount of $6,900,000, to currently refund bonds previously issued in fiscal year 2004 for the construction of two elementary schools, a middle school, and a high school, and to partially refund bonds previously issued in fiscal year 2007 for the construction of two elementary schools, a middle school, and a high school. The refunding bond issue includes serial, term and capital appreciation bonds, in the original amount of $4,855,000, $1,905,000 and $140,000, respectively. The bonds were issued for an eighteen year period, with final maturity in fiscal year 2032. The bonds are being retired through the bond retirement fund.

The serial bonds maturing on or after December 1, 2024, are subject to prior redemption on or after June 1, 2024, by and at the sole option of the District, either in whole or in part and an integral multiples of $5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The term bonds maturing on December 1, 2022, are subject to mandatory sinking fund redemption, at a redemption price equal to 10 percent of the principal amount redeemed, plus accrued interest to the date of redemption, on December 1 in each year and principal amount as follows:

Year	Amount
2021	$90,000

The remaining principal, in the amount of $70,000, will be paid at stated maturity on December 1, 2022.

The term bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the date of redemption, on December 1 in each year and principal amount as follows:

Year	Amount
2023	$240,000

The remaining principal, in the amount of $250,000, will be paid at stated maturity on December 1, 2024.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The term bonds maturing on December 1, 2026, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the date of redemption, on December 1 in each year and principal amount as follows:

Year	Amount
2025	$ 275,000

The remaining principal, in the amount of $280,000, will be paid at stated maturity on December 1, 2026.

The term bonds maturing on December 1, 2028, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the date of redemption, on December 1 in each year and principal amount as follows:

Year	Amount
2027	$ 290,000

The remaining principal, in the amount of $320,000, will be paid at stated maturity on December 1, 2028.

The capital appreciation bonds are not subject to prior redemption. The remaining capital appreciation bonds will mature in fiscal years 2022 through 2023. The maturity amount of the bonds is $570,000. For fiscal year 2021, $185,030 was accreted on the capital appreciation bonds for a total value of $65,000 at fiscal year end.

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

The following is a summary of the District's future annual debt service requirements to maturity for the FY2014 school improvement refunding bonds:

Fiscal Year	Current Interest Bonds			Capital Appreciation Bonds		
Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2022	$ 90,000	$ 193,337	$ 283,337	$ 30,000	$ 100,000	$ 130,000
2023	70,000	191,538	261,538	35,000	140,000	175,000
2024	240,000	187,150	427,150	-	-	-
2025	250,000	179,800	429,800	-	-	-
2026	275,000	171,925	446,925	-	-	-
2027 - 2031	3,095,000	641,100	3,736,100	-	-	-
2032	1,170,000	23,400	1,193,400	-	-	-
Total	$ 5,190,000	$ 1,588,250	$ 6,778,250	$ 65,000	$ 240,000	$ 305,000

E. *Lease-Purchase Agreement*: During a prior fiscal year, the District entered into a lease-purchase agreement with U.S. Bank ("the Lessor") to provide a new bus garage complex and athletic fields. The District borrowed $2,045,000 on October 26, 2018, at an interest rate of 3.32%. The lease-purchase agreement is being repaid in installments over a ten-year period, beginning June 1, 2019. Lease-purchase agreement payments are made from the permanent improvement fund (a nonmajor governmental fund). Lease-purchase agreement payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The lease-purchase agreement is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. In conjunction with the lease-purchase agreement, the District and the Lessor have entered into a Ground Lease agreement whereby the District has leased to the Lessor, under a Ground Lease, the Project Site and the Lessor has subleased the Project Site, and the facilities already located and/or to be constructed thereon (the "Project Facilities") back to the District under the terms of the lease-purchase agreement. The Project Site and Project Facilities are collateral for the debt as, in the event of default or "Nonappropriation of Funds", the Lessor shall have the right to occupy the Project Site and Project Facilities and/or assign the Ground Lease. The lease-purchase agreement provides that in the Board of Education should appropriate funds for the base rent, as defined in the lease, due in each succeeding fiscal year. Failure to appropriate within the allotted time frame is a default under the lease and cause the lease to terminate.

Capital assets consisting of buildings and improvements and construction in progress have been capitalized in the amount of $1,517,496 and $461,751, respectively. This amount represents the present value of the minimum lease-purchase agreement payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. At June 30, 2021 the amount of unspent lease-purchase agreement proceeds is $99,184. Principal and interest payments in fiscal year 2021 totaled $180,000 and $59,262, respectively, paid by the permanent improvement fund (a nonmajor governmental fund).

The following is a schedule of the future long-term minimum lease-purchase agreement payments required under the lease-purchase agreement and the present value of the future minimum lease-purchase agreement payments as of June 30, 2021:

Fiscal Year Ending June 30,	Amount
2022	$ 243,120
2023	241,729
2024	240,172
2025	243,366
2026	241,311
2027 - 2029	719,611
Total minimum lease-purchase agreement payments	1,929,309
Less: amount representing interest	(234,309)
Total	$ 1,695,000

F. 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 $7,338,692 (including available funds of $2,089,802), and an unvoted debt margin of $177,821.

NOTE 12 - RISK MANAGEMENT

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

Coverage provided by the Ohio School Plan is as follows:

Type of Coverage	Coverage
Property Coverage:	
Blanket buildings and contents	$ 101,462,158
Automobile Liability	5,000,000
General School District Liability:	
Per Occurrence	5,000,000
Total per Year	7,000,000

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

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

Workers' compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

The District participates in the Crawford-Wyandot Health Benefit Plan (Plan), a public entity shared risk pool consisting of six school districts. The District pays monthly premiums to the Plan for medical, dental, and life insurance coverage. The Plan is responsible for the management and operations of the program. Upon withdrawal from the Plan, the participant is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

The District also provides vision insurance through VSP, administered by Crawford-Wyandot Health Benefit Plan.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 14 for the required OPEB disclosures.

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

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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit: or 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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the start of a COLA for future retirees. For 2021, the COLA was 0.5%.

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%.

The District's contractually required contribution to SERS was $356,877 for fiscal year 2021. Of this amount, $22,799 is reported as intergovernmental payable.

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.

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. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. 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.

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 on or after July 1, 2013, 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 $1,228,978 for fiscal year 2021. Of this amount, $216,736 is reported as intergovernmental payable.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.07309160%	0.07231568%	
Proportion of the net pension liability current measurement date	0.06758190%	0.07261041%	
Change in proportionate share	-0.00550970%	0.00029473%	
Proportionate share of the net pension liability	$ 4,470,009	$ 17,569,136	$ 22,039,145
Pension expense	$ 409,237	$ 2,476,768	$ 2,886,005

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 8,682	$ 39,421	$ 48,103
Net difference between projected and actual earnings on pension plan investments	283,756	854,391	1,138,147
Changes of assumptions	-	943,124	943,124
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	8,187	168,731	176,918
Contributions subsequent to the measurement date	356,877	1,228,978	1,585,855
Total deferred outflows of resources	$ 657,502	$ 3,234,645	$ 3,892,147

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 112,341	$ 112,341
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	203,184	122,208	325,392
Total deferred inflows of resources	$ 203,184	$ 234,549	$ 437,733

$1,585,855 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (119,904)	$ 670,223	$ 550,319
2023	10,233	234,774	245,007
2024	118,275	469,473	587,748
2025	88,837	396,648	485,485
Total	$ 97,441	$ 1,771,118	$ 1,868,559

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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)

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	100.00 %	

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.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 6,123,367	$ 4,470,009	$ 3,082,811

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
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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. 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	$ 25,015,390	$ 17,569,136	$ 11,259,055

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 13 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. 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 $47,932.

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 $47,932 for fiscal year 2021. Of this amount, $47,932 is reported as intergovernmental payable.

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2020, and the total OPEB liability/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 and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.07464980%	0.07231568%	
Proportion of the net OPEB liability/asset current measurement date	0.07021880%	0.07261041%	
Change in proportionate share	-0.00443100%	0.00029473%	
Proportionate share of the net OPEB liability	$ 1,526,084	$ -	$ 1,526,084
Proportionate share of the net OPEB asset	$ -	$ (1,276,127)	$ (1,276,127)
OPEB expense	$ (9,302)	$ (62,207)	$ (71,509)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 20,043	$ 81,770	$ 101,813
Net difference between projected and actual earnings on OPEB plan investments	17,196	44,722	61,918
Changes of assumptions	260,144	21,065	281,209
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	38,822	52,429	91,251
Contributions subsequent to the measurement date	47,932	-	47,932
Total deferred outflows of resources	$ 384,137	$ 199,986	$ 584,123

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 776,121	$ 254,186	$ 1,030,307
Changes of assumptions	38,439	1,212,110	1,250,549
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	202,545	15,862	218,407
Total deferred inflows of resources	$ 1,017,105	$ 1,482,158	$ 2,499,263

$47,932 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (141,358)	$ (315,861)	$ (457,219)
2023	(140,115)	(285,590)	(425,705)
2024	(140,314)	(274,973)	(415,287)
2025	(124,575)	(285,753)	(410,328)
2026	(95,869)	(58,398)	(154,267)
Thereafter	(38,669)	(61,597)	(100,266)
Total	$ (680,900)	$ (1,282,172)	$ (1,963,072)

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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%
Prior 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.

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	100.00 %	

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. A municipal bond rate of 3.13% was used as of June 30, 2019. 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%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,867,889	$ 1,526,084	$ 1,254,350

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,201,675	$ 1,526,084	$ 1,959,902

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

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

	July 1, 2020		July 1, 2019	
Inflation	2.50%		2.50%	
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%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
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.

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected 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 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	$ 1,110,313	$ 1,276,127	$ 1,416,814

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,408,081	$ 1,276,127	$ 1,115,387

NOTE 15 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to thirty 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.

NOTE 15 - OTHER EMPLOYEE BENEFITS - (Continued)

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred eighty days for certified employees and two hundred seventy days for classified employees. Upon retirement, payment is made for up to thirty percent of accrued but unused sick leave credit to the maximum of eighty-four days for certified and classified employees.

B. Health Care Benefits

The District offers medical and dental insurance to most employees through the Crawford-Wyandot Health Benefit Plan. The District also provides vision insurance through Vision Service Plan and life insurance through Consumers Life Insurance Company. Premiums vary for each employee depending on the terms of the union contracts.

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP 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 GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) 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 an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

(e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	General fund
Budget basis	$ 28,203
Net adjustment for revenue accruals	151,806
Net adjustment for expenditure accruals	(328,489)
Net adjustment for other sources/uses	(296,893)
Funds budgeted elsewhere **	314,264
Adjustment for encumbrances	16,614
GAAP basis	$ (114,495)

** Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund, the unclaimed monies fund, the severance pay fund, the school projects fund and the special trust fund.

NOTE 17 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District was involved in litigation as the defendant as the end of the fiscal year. On August 4, 2021 a settlement agreement was reached in the amount of $62,500 that is to be paid by the District for the plaintiff's lawyer fees. The portion of the plaintiff's lawyer fees that were incurred during the fiscal year of $32,425 are reflected in the accompanying financial statements.

C. Foundation Funding

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, additional ODE adjustments for fiscal year 2021 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2021 financial statements is not determinable at this time. Management believes this will result in either a receivable to, or liability of, the District.

NOTE 18 - 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. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the pension and other employee benefits plan in which the District participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During fiscal year 2021, the District received $59,800 as an on-behalf of grant from another government. These amounts are recorded in the other grant funds (a nonmajor governmental fund).

NOTE 19 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue 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. Expenditures 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.

	Capital Improvements
Set-aside balance June 30, 2020	$ -
Current year set-aside requirement	304,595
Current year qualifying expenditures	(278,763)
Current year offsets	(391,328)
Total	$ (365,496)
Balance carried forward to fiscal year 2022	$ -
Set-aside balance June 30, 2021	$ -

NOTE 20 - TAX ABATEMENTS

The District's property taxes were reduced as follows under community reinvestment area and enterprise zone agreements entered into by overlapping governments.

During fiscal year 2021, the District's property tax revenues were reduced as follows:

	Amount of Fiscal Year 2021 Taxes Abated		
Overlapping Government	CRA	EZAs	Total
City of Galion	$ 14,751	$ 30,008	$ 44,759

NOTE 21 - DONOR RESTRICTED ENDOWMENTS

The District's nonmajor governmental funds include donor restricted endowments and contributions held in trust for scholarships. Endowments reflected as nonspendable scholarships, in the amount of $207,464, represent principal portions, which are to remain intact. The amount of net appreciation in donor restricted investments that is available for expenditures by the District is $29,349 and is included as restricted for scholarships. State law permits the District to appropriate, for purposes consistent with the endowment or contribution's intent, net appreciation, realized and unrealized, unless the endowment or contribution terms specify otherwise. The endowments and contributions indicate that the interest should be used to provide a scholarship each year.

NOTE 22 - 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:

Fund	Year-End Encumbrances
General fund	$ 16,614
Nonmajor governmental	531,264
Total	$ 547,878

NOTE 23 - SUBSEQUENT EVENT

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 District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported $2,804,287 in revenues and expenditures/expenses related to these programs. Also, during fiscal year 2021, the District reported $630,734 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 District. The District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST EIGHT FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
District's proportion of the net pension liability	0.06758190%	0.07309160%	0.07170840%	0.07611560%
District's proportionate share of the net pension liability	$ 4,470,009	$ 4,373,199	$ 4,106,873	$ 4,547,741
District's covered payroll	$ 2,333,979	$ 2,266,452	$ 2,433,081	$ 2,504,693
District's proportionate share of the net pension liability as a percentage of its covered payroll	191.52%	192.95%	168.79%	181.57%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014	
	0.07218480%		0.06615630%		0.06464600%		0.06464600%
$	5,283,263	$	3,774,942	$	3,271,698	$	3,844,290
$	2,247,621	$	2,020,236	$	1,745,786	$	1,678,214
	235.06%		186.86%		187.41%		229.07%
	62.98%		69.16%		71.70%		65.52%

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST EIGHT FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
District's proportion of the net pension liability	0.07261041%	0.07231568%	0.07258905%	0.07320149%
District's proportionate share net pension liability	$ 17,569,136	$ 15,992,178	$ 15,960,702	$ 17,389,171
District's covered payroll	$ 8,934,000	$ 8,366,286	$ 8,301,807	$ 8,144,636
District's proportionate share of net pension liability as a percentage of its covered payroll	196.65%	191.15%	192.26%	213.50%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.30%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2017	2016	2015	2014
	0.07093201%	0.06801801%	0.06749488%	0.06749488%
	$ 23,743,082	$ 18,798,188	$ 16,417,091	$ 19,555,931
	$ 7,633,921	$ 6,954,314	$ 6,967,321	$ 7,254,192
	311.02%	270.31%	235.63%	269.58%
	66.80%	72.10%	72.10%	74.70%

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Contractually required contribution	$ 356,877	$ 326,757	$ 305,971	$ 328,466
Contributions in relation to the contractually required contribution	(356,877)	(326,757)	(305,971)	(328,466)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,549,121	$ 2,333,979	$ 2,266,452	$ 2,433,081
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	350,657	$	314,667	$	266,267	$	241,966	$	232,265	$	252,091
	(350,657)		(314,667)		(266,267)		(241,966)		(232,265)		(252,091)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,504,693	$	2,247,621	$	2,020,236	$	1,745,786	$	1,678,214	$	1,874,283
	14.00%		14.00%		13.18%		13.86%		13.84%		13.45%

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Contractually required contribution	$ 1,228,978	$ 1,250,760	$ 1,171,280	$ 1,162,253
Contributions in relation to the contractually required contribution	(1,228,978)	(1,250,760)	(1,171,280)	(1,162,253)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 8,778,414	$ 8,934,000	$ 8,366,286	$ 8,301,807
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	1,140,249	$	1,068,749	$	973,604	$	905,740	$	943,045	$	1,062,302
	(1,140,249)		(1,068,749)		(973,604)		(905,740)		(943,045)		(1,062,302)
$	-	$	-	$	-	$	-	$	-	$	-
$	8,144,636	$	7,633,921	$	6,954,314	$	6,967,231	$	7,254,192	$	8,171,554
	14.00%		14.00%		14.00%		13.00%		13.00%		13.00%

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST FIVE FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.07021880%	0.07464980%	0.07258360%	0.07703440%
District's proportionate share net OPEB liability	$ 1,526,084	$ 1,877,285	$ 2,013,665	$ 2,067,400
District's covered payroll	$ 2,333,979	$ 2,266,452	$ 2,433,081	$ 2,504,693
District's proportionate share of net OPEB liability as a percentage of its covered payroll	65.39%	82.83%	82.76%	82.54%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017
0.07294360%
$ 2,079,162
$ 2,247,621
92.51%
11.49%

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FIVE FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	**2020**	**2019**	**2018**
District's proportion of the net OPEB liability/asset	0.07261041%	0.07231568%	0.07258905%	0.07320149%
District's proportionate share net OPEB liability/(asset)	$ (1,276,127)	$ (1,197,721)	$ (1,166,432)	$ 2,856,053
District's covered payroll	$ 8,934,000	$ 8,366,286	$ 8,301,807	$ 8,144,636
District's proportionate share of net OPEB liability/asset as a percentage of its covered payroll	(14.28%)	(14.32%)	(14.05%)	35.07%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.70%	176.00%	47.10%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2017
	0.07093201%
	$ 3,793,462
	$ 7,633,921
	49.69%
	37.30%

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Contractually required contribution	$ 47,932	$ 45,532	$ 55,702	$ 50,647
Contributions in relation to the contractually required contribution	(47,932)	(45,532)	(55,702)	(50,647)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,549,121	$ 2,333,979	$ 2,266,452	$ 2,433,081
Contributions as a percentage of covered payroll	1.88%	1.95%	2.46%	2.08%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	41,036	$	36,018	$	50,636	$	34,983	$	34,669	$	37,759
	(41,036)		(36,018)		(50,636)		(34,983)		(34,669)		(37,759)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,504,693	$	2,247,621	$	2,020,236	$	1,745,786	$	1,678,214	$	1,874,283
	1.64%		1.60%		2.51%		2.00%		2.07%		2.01%

GALION CITY SCHOOL DISTRICT
CRAWFORD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 8,778,414	$ 8,934,000	$ 8,366,286	$ 8,301,807
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	-	$	-	$	-	$	69,672	$	72,542	$	81,716
	-		-		-		(69,672)		(72,542)		(81,716)
$	-	$	-	$	-	$	-	$	-	$	-
$	8,144,636	$	7,633,921	$	6,954,314	$	6,967,231	$	7,254,192	$	8,171,554
	0.00%		0.00%		0.00%		1.00%		1.00%		1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to 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 and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2021.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2019-2021.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2021.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: 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, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%. For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021. For fiscal year 2021, 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.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate. For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.