

Management Letter

Galion City School District
Crawford County
470 Portland Way North
Galion, Ohio 44833

To the Members of the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining information of Galion City School District, Crawford County, Ohio (the “District”), in accordance with *Government Auditing Standards* as of and for the fiscal year ended June 30, 2025 and have issued our report thereon dated January 19, 2026.

Government Auditing Standards require us to report significant internal control deficiencies and material weaknesses, fraud, and illegal acts (including noncompliance with laws and regulations) and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial amounts. We have issued the required report dated January 19, 2026, for the fiscal year ended June 30, 2025.

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that we report all material (and certain immaterial) instances of noncompliance, significant deficiencies, and material weaknesses in internal control related to major federal financial assistance programs. We have issued the required report dated January 19, 2026, for the fiscal year ended June 30, 2025.

We are also submitting the following comments for your consideration regarding the District’s compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. These comments reflect matters that do not require inclusion in the reports *Government Auditing Standards* or *Uniform Guidance* requires. Nevertheless, these comments represent matters for which we believe improves the compliance or internal control or operational efficiency might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. However, these comments reflect our continuing desire to assist the District. If you have any questions or concerns regarding these comments, please do not hesitate to contact us.

Noncompliance Citations
Ohio Administrative Code

- (1) Criteria: Ohio Administrative Code Section 117-2-02(C)(1) provides that the District should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system.
- Condition: The District did not input its estimated resources into the financial accounting system.
- Effect: By not inputting estimated resources into the system, the District is at risk of overspending in excess of available funds, which could result in negative fund balances.
- Recommendation: We recommend the District follow Ohio Administrative Code Section 117-2-02(C)(1) and input estimated resources into the financial accounting system.

Ohio Revised Code

- (2) Criteria: Ohio Revised Code Section 5705.36(A)(1), in part, states on or about the first day of each year, the fiscal officer of each subdivision shall certify to the county budget commission the total amount from all sources available for expenditures from each fund set up in the tax budget. The amount certified shall include any unencumbered balances that existed at the end of the preceding year.
- Condition: The District certified their fiscal year 2024 audited cash balances for various funds with the Crawford County Budget Commission when they should have certified their unencumbered balances.
- Effect: By not properly certifying the unencumbered balances with the County, the District is at risk of approving and certifying appropriations in excess of estimated resources and carrying unallowable negative fund balances at fiscal year end.
- Recommendation: We recommend that the District review its unencumbered balances per the accounting software prior to sending the Certificate of Estimated Resources to the Crawford County Budget Commission.

These comments are intended for the information and use of the Board of Education and management of Galion City School District and are not intended to be and should not be used by anyone other than these specified parties. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

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January 19, 2026