



OHIO AUDITOR OF STATE  
**KEITH FABER**





**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY  
JUNE 30, 2021**

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**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY  
JUNE 30, 2020**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Bexley City School District  
Franklin County  
348 South Cassingham Road  
Bexley, Ohio 43209

To the Board of Education:

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

**Opinion**

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

**Emphasis of Matter**

As discussed in Note 17 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 8, 2021

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**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

The management's discussion and analysis of the Bexley 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 fiscal year 2021 are as follows:

- Net position of governmental activities increased \$12,803,892 from fiscal year 2020's net position.
- General revenues accounted for \$56,623,894 or 93.61% of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for \$3,867,274 or 6.39% of total revenues of \$60,491,168.
- The District had \$47,687,276 in expenses related to governmental activities; \$3,867,274 of these expenses were offset by program specific revenues. General revenues supporting governmental activities (primarily taxes) of \$56,623,894 were adequate to provide for these programs.
- The District's main operating fund is the general fund. The general fund had \$55,049,779 in revenues and other financing sources and \$40,145,536 in expenditures and other financing uses. During fiscal year 2021, the general fund's fund balance increased from \$20,270,482 to \$35,174,725.

**Using these Basic Financial Statements**

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 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 the District do financially during fiscal year 2021?" The statement of net position and the statement of activities answer this question. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 net 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.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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, operation and maintenance, pupil transportation, extracurricular activities, and food service operations.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

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

***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 that 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.

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for other organizations. These activities are reported in a custodial fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***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.

***Required Supplementary Information***

The required supplementary information provides detailed information regarding the District's proportionate share of the net pension liability and the net OPEB liability/asset of the retirement systems. It also includes a ten year schedule of the District's contributions to the retirement systems to fund pension and OPEB obligations.

**The District as a Whole**

The statement of net position provides a perspective of the District as a whole. The following table summarizes net position as of June 30, 2021 and 2020.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

	<b>Net Position</b>	
	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 65,888,882	\$ 59,078,709
Capital assets, net	<u>25,559,445</u>	<u>26,469,398</u>
Total assets	<u>91,448,327</u>	<u>85,548,107</u>
<b><u>Deferred outflows of resources</u></b>		
Other amounts	148,114	196,771
Pension	8,848,793	8,782,004
OPEB	<u>1,068,811</u>	<u>833,738</u>
Total deferred outflows of resources	<u>10,065,718</u>	<u>9,812,513</u>
<b><u>Liabilities</u></b>		
Current liabilities	4,966,025	4,447,974
Long-term liabilities:		
Due within one year	1,985,465	1,608,291
Due in more than one year:		
Net pension liability	44,019,810	39,892,980
Net OPEB liability	2,582,408	3,130,151
Other amounts	<u>11,688,251</u>	<u>12,669,974</u>
Long-term liabilities	<u>60,275,934</u>	<u>57,301,396</u>
Total liabilities	<u>65,241,959</u>	<u>61,749,370</u>
<b><u>Deferred inflows of resources</u></b>		
Other amounts	16,617,504	25,572,333
Pension	614,088	2,480,971
OPEB	<u>4,824,706</u>	<u>4,146,050</u>
Total deferred inflows of resources	<u>22,056,298</u>	<u>32,199,354</u>
<b><u>Net position</u></b>		
Net investment in capital assets	14,958,235	14,695,327
Restricted	5,282,020	4,330,783
Unrestricted (deficit)	<u>(6,024,467)</u>	<u>(17,614,214)</u>
Total net position	<u>\$ 14,215,788</u>	<u>\$ 1,411,896</u>

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." For fiscal year 2021, the School District 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 to the reported net position and subtracting deferred outflows related to pension and OPEB.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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*. 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 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, respectively, not accounted for as deferred inflows/outflows.

***Analysis of Net Position***

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 \$14,215,788.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

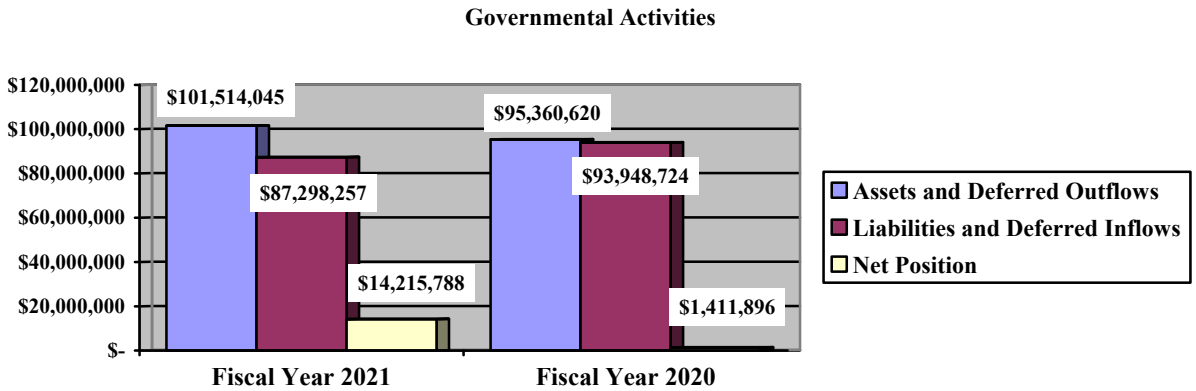
As the preceding table illustrates, some of the more significant changes in net position were related to the District's net pension liability and net OPEB liability, and the related deferred inflows/outflows of resources. These amounts will fluctuate annually based on a number of factors including investment returns, actuarial assumptions used, and the District's proportionate share of the net pension and net OPEB cost. As a result 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 to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset as follows:

	<u>Governmental Activities, 2021</u>	<u>Governmental Activities, 2020</u>
Total net position (with GASB 68 and GASB 75)	\$ 14,215,788	\$ 1,411,896
GASB 68 calculations:		
Add deferred inflows related to pension	614,088	2,480,971
Add net pension liability	44,019,810	39,892,980
Less deferred outflows related to pension	(8,848,793)	(8,782,004)
GASB 75 calculations:		
Add deferred inflows related to OPEB	4,824,706	4,146,050
Add net OPEB liability	2,582,408	3,130,151
Less net OPEB asset	(2,622,007)	(2,431,654)
Less deferred outflows related to OPEB	<u>(1,068,811)</u>	<u>(833,738)</u>
Total net position (without GASB 68 and GASB 75)	<u>\$ 53,717,189</u>	<u>\$ 39,014,652</u>

At year end, capital assets represented 27.95% of total assets. Capital assets include land, construction in progress, buildings and building improvements, furniture, fixtures, and equipment, and vehicles. These capital assets are used to provide services to the students and are not available for future spending. The District's net investment in capital assets at June 30, 2021 was \$14,958,235. 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, \$5,282,020, 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 \$6,024,467.

The graph below illustrates the District's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at June 30, 2021 and June 30, 2020.



**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

The following table shows the changes in net position for governmental activities for fiscal years 2021 and 2020.

**Change in Net Position**

	Governmental Activities	
	2021	2020
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 463,743	\$ 1,068,350
Operating grants and contributions	3,382,569	2,559,567
Capital grants and contributions	20,962	-
General revenues:		
Property taxes	39,011,376	18,092,315
Income taxes	10,213,202	6,633,814
Unrestricted grants and entitlements	7,168,112	6,793,486
Investment earnings	76,149	863,722
Miscellaneous	155,055	198,881
Total revenues	<u>60,491,168</u>	<u>36,210,135</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	20,683,575	18,526,501
Special	6,227,621	6,188,973
Vocational	434,384	417,783
Other	6,159	11,043
Support services:		
Pupil	2,837,458	2,779,903
Instructional staff	2,317,842	2,408,745
Board of Education	71,851	45,826
Administration	3,094,513	2,920,562
Fiscal	1,170,673	1,068,060
Business	306,544	342,272
Operations and maintenance	4,287,445	4,360,941
Pupil transportation	1,019,534	707,658
Central	738,898	725,566
Operation of non-instructional services:		
Food service operations	811,010	926,175
Other non-instructional services	634,958	579,968
Extracurricular activities	1,385,083	1,345,111
Interest and fiscal charges	290,770	288,437
Unallocated depreciation	1,368,958	1,346,834
Total expenses	<u>47,687,276</u>	<u>44,990,358</u>
Change in net position	12,803,892	(8,780,223)
Net position at beginning of year	<u>1,411,896</u>	<u>10,192,119</u>
Net position at end of year	<u>\$ 14,215,788</u>	<u>\$ 1,411,896</u>

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**Governmental Activities**

Net position of the District's governmental activities increased \$12,803,892. Total governmental expenses of \$47,687,276 were offset by program revenues of \$3,867,274 and general revenues of \$56,623,894. Program revenues supported 8.11% of the total governmental expenses.

There were several significant changes in the District's revenues in fiscal year 2021, all of which are related in some way to the ongoing COVID-19 pandemic. Charges for services and sales declined due to decreases in the District's food service sales and extracurricular activities fees. This loss in revenue was offset by a similar increase in operating grants and contributions due to additional Federal grant money available because of the pandemic. The District's single largest revenue source, property taxes, increased considerably in fiscal year 2021. On May 4, 2020 and in response to the COVID-19 pandemic, Franklin County, Ohio received approval from the Ohio Tax Commissioner to extend the due date of the second half 2020 real estate tax payments for 45 days making the new due date August 5, 2020. As a result of the extension, the amount of property taxes collected by Franklin County and available as advance to the District in fiscal year 2020 decreased dramatically, but the taxes were collected and distributed to the District in fiscal year 2021. In addition, fiscal year 2021 was the first full year of collections on the District's recently passed 9.0 mill tax levy. The large increase in income taxes revenue is also related to changes in the timing of collections as a result of the pandemic. Most of this is reflected in income taxes receivable (\$4.4 million at June 30, 2021 compared to \$2.8 million in the prior year) as the District had yet to collect these taxes by fiscal year-end. Finally, another significant change in revenues was investment earnings. This is largely due to a decline in interest rates during the year, as well as fluctuations in the fair value of the District's investments; any increase or decrease in fair value is reflected as an addition to or reduction of investment earnings revenue.

Expenses of the governmental activities increased \$2,696,918 or 5.99%. This increase is primarily a result of additional expenses incurred in response to COVID-19. In addition, the net effect of accounting for pension and OPEB expense, in accordance with GASB Statements 68 and 75, was to increase expenses. Total pension and OPEB expense for fiscal year 2021 amounted to approximately \$5.3 million compared to \$4.8 million in the prior year. Finally, the District entered into a capital lease agreement in fiscal year 2021 to acquire laptop computers. This resulted in a \$934,551 expense which is reported in regular instruction.

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 for fiscal years 2021 and 2020. That is, it identifies the cost of these services supported by tax revenues, unrestricted State grants and entitlements, and other general revenues of the District.

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**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

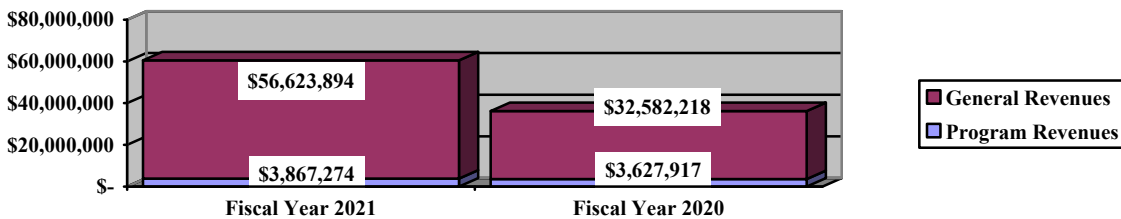
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(UNAUDITED)

	<b>Governmental Activities</b>			
	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses:				
Instruction:				
Regular	\$ 20,683,575	\$ 19,928,322	\$ 18,526,501	\$ 18,275,253
Special	6,227,621	5,089,214	6,188,973	5,001,981
Vocational	434,384	420,179	417,783	403,578
Other	6,159	6,159	11,043	11,043
Support services:				
Pupil	2,837,458	2,450,905	2,779,903	2,421,334
Instructional staff	2,317,842	2,206,388	2,408,745	2,331,107
Board of education	71,851	71,851	45,826	45,826
Administration	3,094,513	2,977,575	2,920,562	2,876,429
Fiscal	1,170,673	1,170,673	1,068,060	1,068,060
Business	306,544	304,173	342,272	335,486
Operations and maintenance	4,287,445	4,275,047	4,360,941	4,353,052
Pupil transportation	1,019,534	974,521	707,658	668,819
Central	738,898	738,898	725,566	725,566
Operation of non-instructional services:				
Food service operations	811,010	345,572	926,175	175,377
Other non-instructional services	634,958	62,708	579,968	47,876
Extracurricular activities	1,385,083	1,138,089	1,345,111	986,383
Interest and fiscal charges	290,770	290,770	288,437	288,437
Unallocated depreciation	1,368,958	1,368,958	1,346,834	1,346,834
<b>Total expenses</b>	<b>\$ 47,687,276</b>	<b>\$ 43,820,002</b>	<b>\$ 44,990,358</b>	<b>\$ 41,362,441</b>

The dependence upon taxes and other general revenues for governmental activities is apparent, as 93.02% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 91.89%. The District's taxpayers and grants and entitlements not restricted to specific programs are by far the primary support for the District's students.

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

**Governmental Activities - General and Program Revenues**





**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$40,071,902, an increase from last year's total balance of \$24,552,061. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2021 and 2020.

	<u>Fund Balance</u> <u>June 30, 2021</u>	<u>Fund Balance</u> <u>June 30, 2020</u>	<u>Change</u>
General fund	\$ 35,174,725	\$ 20,270,482	\$ 14,904,243
Bond retirement fund	1,902,081	1,461,300	440,781
Nonmajor governmental funds	<u>2,995,096</u>	<u>2,820,279</u>	<u>174,817</u>
Total	<u>\$ 40,071,902</u>	<u>\$ 24,552,061</u>	<u>\$ 15,519,841</u>

**General Fund**

The table that follows assists in illustrating the revenues of the general fund during fiscal years 2021 and 2020.

	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Property taxes	\$ 36,228,952	\$ 16,858,113	114.91 %
Income taxes	10,841,593	5,869,880	84.70 %
Intergovernmental	7,609,782	7,243,824	5.05 %
Other revenues	<u>359,917</u>	<u>1,111,364</u>	<u>(67.61) %</u>
Total	<u>\$ 55,040,244</u>	<u>\$ 31,083,181</u>	<u>77.07 %</u>

The overall increase in general fund revenues is primarily due to property and income tax revenues. See page 9 for a discussion of these revenue sources. Intergovernmental revenue from the State increased slightly after a decline in the prior year due to budget cuts stemming from the economic impact of the COVID-19 pandemic. The only significant decrease in revenue was investment earnings, which is included in "other revenues" in the table above. Interest rates on the District's investments fell dramatically during the year. Also, the net effect of accounting for the change in fair value of investments was to decrease investment earnings.

The table that follows assists in illustrating the expenditures of the general fund during fiscal years 2021 and 2020.

	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
Instruction	\$ 24,177,055	\$ 23,149,685	4.44 %
Support services	14,350,951	13,769,035	4.23 %
Operation of non-instructional services	60,758	8,886	583.75 %
Extracurricular activities	1,020,348	931,457	9.54 %
Facilities acquisition and construction	<u>336,424</u>	<u>664,622</u>	<u>(49.38) %</u>
Total	<u>\$ 39,945,536</u>	<u>\$ 38,523,685</u>	<u>3.69 %</u>

The overall increase in general fund expenditures is primarily due to agreed-upon increases in employee salaries and wages, as well as an increase in employee benefits costs (health insurance, retirement system contributions, etc.).

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

***Bond Retirement Fund***

The bond retirement fund is reported as a major fund, and it is used to account for property taxes and other revenues that are restricted for principal and interest payments on the District's long-term debt obligations. The bond retirement fund had \$2,008,843 in revenues and \$1,568,062 in expenditures. During fiscal year 2021, the bond retirement fund's fund balance increased from \$1,461,300 to \$1,902,081. This was a result of a significant increase in property taxes revenue, as discussed on page 9.

***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, the original budgeted revenues and other financing sources of \$40,562,771 were increased to \$44,399,729 in the final budget, mostly to reflect increased estimates for property taxes, income taxes, and intergovernmental revenues. Actual revenues and other financing sources were \$44,304,969, which is \$94,760 (0.2%) less than the final budgeted amounts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$44,428,674 were decreased slightly to \$44,023,478 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled \$41,583,337, which is \$2,440,141 (5.54%) less than the final budgeted amounts. This variance is a primarily due to the District's conservative "worst case scenario" approach to budgeting. The District over-appropriates in case significant, unexpected expenditures arise during the fiscal year.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2021, the District had \$25,559,445 invested in capital assets, net of accumulated depreciation. The following table shows June 30, 2021 balances compared to those at June 30, 2020.

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2021	2020
Land	\$ 154,150	\$ 154,150
Construction in progress	105,718	-
Buildings and improvements	24,252,752	25,343,982
Furniture, fixtures and equipment	742,928	696,277
Vehicles	303,897	274,989
Total	\$ 25,559,445	\$ 26,469,398

The overall decrease in capital assets is due to depreciation expense of \$1,605,445 exceeding capital asset additions of \$695,492. See Note 8 in the notes to the basic financial statements for additional information on the District's capital assets.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

***Debt Administration***

The following table shows the District's outstanding debt obligations at June 30, 2021 and June 30, 2020.

	Governmental Activities <u>2021</u>	Governmental Activities <u>2020</u>
General obligation bonds	\$ 10,410,000	\$ 11,660,000
Capital leases	<u>607,841</u>	<u>-</u>
Total	<u>\$ 11,017,841</u>	<u>\$ 11,660,000</u>

At June 30, 2021, \$1,566,567 is due within one year and \$9,451,274 is due in more than one year. In fiscal year 2021, the District entered into a capital lease agreement in the amount of \$934,551 to acquire laptop computers. See Note 9 in the notes to the basic financial statements for more detail on the District's debt obligations.

**Current Issues**

The latest five-year forecast as prepared in May 2021 shows a positive cash balance through fiscal year 2025. However, the future financial stability of the District is not without challenges. The continuing challenge is the delivery of high quality instruction to students during the continued COVID-19 pandemic. The social and emotional challenges of students has never been greater. The second challenge is based in the local/state economy and the performance of the school district income tax. The third challenge is the funding of education in Ohio.

As a subsequent event since June 30, 2021, a new superintendent, Jason Fine, started with the district on July 1, 2021.

The property tax laws in Ohio create the need periodically to seek voter approval for additional operating funds. Tax revenues generated from voted tax levies do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect of providing the District the same amount of tax dollars as originally approved. Therefore, school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs.

**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. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Treasurer of the Bexley City School District, Kyle Smith at 348 South Cassingham Road, Bexley, Ohio 43209.

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**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2021

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 29,379,569
Receivables:	
Property taxes	29,011,859
Income taxes	4,399,196
Accounts	34,181
Accrued interest	28,590
Intergovernmental	231,721
Prepayments	173,515
Materials and supplies inventory	4,065
Inventory held for resale	4,179
Net OPEB asset	2,622,007
Capital assets:	
Nondepreciable capital assets	259,868
Depreciable capital assets, net	25,299,577
Capital assets, net	25,559,445
Total assets	91,448,327
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	148,114
Pension	8,848,793
OPEB	1,068,811
Total deferred outflows of resources	10,065,718
<b>Liabilities:</b>	
Accounts payable	194,938
Contracts payable	105,718
Accrued wages and benefits payable	3,695,497
Intergovernmental payable	302,499
Pension obligation payable	621,823
Accrued interest payable	45,550
Long-term liabilities:	
Due within one year	1,985,465
Due in more than one year:	
Net pension liability	44,019,810
Net OPEB liability	2,582,408
Other amounts due in more than one year	11,688,251
Total liabilities	65,241,959
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	16,617,504
Pension	614,088
OPEB	4,824,706
Total deferred inflows of resources	22,056,298
<b>Net position:</b>	
Net investment in capital assets	14,958,235
Restricted for:	
Capital projects	2,764,157
Debt service	1,913,218
State funded programs	76,915
Federally funded programs	2,607
Food service operations	109,947
Extracurricular activities	301,875
Other purposes	113,301
Unrestricted (deficit)	(6,024,467)
Total net position	\$ 14,215,788

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 20,683,575	\$ 88,639	\$ 666,614	\$ -	\$ (19,928,322)
Special	6,227,621	64,080	1,074,327	-	(5,089,214)
Vocational	434,384	-	14,205	-	(420,179)
Other	6,159	-	-	-	(6,159)
Support services:					
Pupil	2,837,458	-	386,553	-	(2,450,905)
Instructional staff	2,317,842	16,939	94,515	-	(2,206,388)
Board of education	71,851	-	-	-	(71,851)
Administration	3,094,513	169	116,769	-	(2,977,575)
Fiscal	1,170,673	-	-	-	(1,170,673)
Business	306,544	-	2,371	-	(304,173)
Operations and maintenance	4,287,445	140	12,258	-	(4,275,047)
Pupil transportation	1,019,534	-	24,051	20,962	(974,521)
Central	738,898	-	-	-	(738,898)
Operation of non-instructional services:					
Food service operations	811,010	38,217	427,221	-	(345,572)
Other non-instructional services	634,958	54,221	518,029	-	(62,708)
Extracurricular activities	1,385,083	201,338	45,656	-	(1,138,089)
Interest and fiscal charges	290,770	-	-	-	(290,770)
Unallocated depreciation	1,368,958	-	-	-	(1,368,958)
<b>Totals</b>	<b>\$ 47,687,276</b>	<b>\$ 463,743</b>	<b>\$ 3,382,569</b>	<b>\$ 20,962</b>	<b>(43,820,002)</b>

**General revenues:**

Property taxes levied for:

General purposes	36,226,078
Debt service	1,827,601
Capital outlay	957,697

Income taxes levied for:

General purposes	10,213,202
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Grants and entitlements not restricted

to specific programs	7,168,112
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Investment earnings	76,149
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Miscellaneous	155,055
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<b>Total general revenues</b>	<b>56,623,894</b>
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Change in net position	12,803,892
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<b>Net position at beginning of year</b>	<b>1,411,896</b>
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<b>Net position at end of year</b>	<b>\$ 14,215,788</b>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 24,749,442	\$ 1,325,542	\$ 3,304,585	\$ 29,379,569
Receivables:				
Property taxes	26,852,376	1,449,201	710,282	29,011,859
Income taxes	4,399,196	-	-	4,399,196
Accounts	33,766	-	415	34,181
Accrued interest	28,590	-	-	28,590
Interfund loans	179,308	-	-	179,308
Intergovernmental	768	-	230,953	231,721
Prepayments	172,814	-	701	173,515
Materials and supplies inventory	-	-	4,065	4,065
Inventory held for resale	-	-	4,179	4,179
Due from other funds	-	-	69,104	69,104
Total assets	<u>\$ 56,416,260</u>	<u>\$ 2,774,743</u>	<u>\$ 4,324,284</u>	<u>\$ 63,515,287</u>
<b>Liabilities:</b>				
Accounts payable	\$ 181,709	\$ -	\$ 13,229	\$ 194,938
Contracts payable	-	-	105,718	105,718
Accrued wages and benefits payable	3,449,974	-	245,523	3,695,497
Compensated absences payable	158,777	-	-	158,777
Intergovernmental payable	287,241	8,360	6,898	302,499
Pension obligation payable	566,980	-	54,843	621,823
Interfund loans payable	-	-	179,308	179,308
Due to other funds	-	-	69,104	69,104
Total liabilities	<u>4,644,681</u>	<u>8,360</u>	<u>674,623</u>	<u>5,327,664</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	15,380,588	830,078	406,838	16,617,504
Delinquent property tax revenue not available	634,142	34,224	16,774	685,140
Income tax revenue not available	567,551	-	-	567,551
Intergovernmental revenue not available	-	-	230,953	230,953
Accrued interest not available	14,573	-	-	14,573
Total deferred inflows of resources	<u>16,596,854</u>	<u>864,302</u>	<u>654,565</u>	<u>18,115,721</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory	-	-	4,065	4,065
Prepayments	172,814	-	701	173,515
Unclaimed monies	9,080	-	-	9,080
Restricted:				
Debt service	-	1,902,081	-	1,902,081
Capital improvements	-	-	2,641,665	2,641,665
Food service operations	-	-	124,649	124,649
Non-public schools	-	-	39,459	39,459
State funded programs	-	-	76,893	76,893
Extracurricular activities	-	-	301,868	301,868
Community activities	-	-	110,533	110,533
Assigned:				
Student instruction	576,807	-	-	576,807
Student and staff support	661,064	-	-	661,064
Extracurricular activities	20,000	-	-	20,000
Capital improvements	67,912	-	-	67,912
Subsequent year's appropriations	1,396,678	-	-	1,396,678
Unassigned (deficit)	32,270,370	-	(304,737)	31,965,633
Total fund balances	<u>35,174,725</u>	<u>1,902,081</u>	<u>2,995,096</u>	<u>40,071,902</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 56,416,260</u>	<u>\$ 2,774,743</u>	<u>\$ 4,324,284</u>	<u>\$ 63,515,287</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2021

<b>Total governmental fund balances</b>		\$	40,071,902
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			25,559,445
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	685,140	
Income taxes receivable		567,551	
Accrued interest receivable		14,573	
Intergovernmental receivable		230,953	
Total		230,953	1,498,217
Unamortized premiums on bonds issued are not recognized in the funds.			(233,406)
Unamortized amounts on refundings are not recognized in the funds.			148,114
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(45,550)
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		8,848,793	
Deferred inflows - pension		(614,088)	
Net pension liability		(44,019,810)	
Deferred outflows - OPEB		1,068,811	
Deferred inflows - OPEB		(4,824,706)	
Net OPEB asset		2,622,007	
Net OPEB liability		(2,582,408)	
Total		(2,582,408)	(39,501,401)
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		(10,410,000)	
Capital lease obligations		(607,841)	
Compensated absences		(2,263,692)	
Total		(13,281,533)	(13,281,533)
<b>Net position of governmental activities</b>		\$	14,215,788

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property taxes	\$ 36,228,952	\$ 1,823,426	\$ 958,078	\$ 39,010,456
Income taxes	10,841,593	-	-	10,841,593
Intergovernmental	7,609,782	185,417	2,306,185	10,101,384
Investment earnings	73,954	-	7,405	81,359
Tuition and fees	84,361	-	-	84,361
Extracurricular	98,151	-	188,653	286,804
Rental income	140	-	81,214	81,354
Charges for services	-	-	38,127	38,127
Contributions and donations	10,638	-	379,374	390,012
Miscellaneous	92,673	-	90	92,763
Total revenues	<u>55,040,244</u>	<u>2,008,843</u>	<u>3,959,126</u>	<u>61,008,213</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	18,285,638	-	1,360,402	19,646,040
Special	5,458,465	-	484,030	5,942,495
Vocational	427,353	-	-	427,353
Other	5,599	-	-	5,599
Support services:				
Pupil	2,312,698	-	399,435	2,712,133
Instructional staff	2,126,321	-	91,017	2,217,338
Board of education	70,165	-	-	70,165
Administration	2,896,641	-	119,464	3,016,105
Fiscal	1,113,858	18,962	8,571	1,141,391
Business	289,667	-	1,100	290,767
Operations and maintenance	3,874,240	-	13,511	3,887,751
Pupil transportation	950,752	-	93,990	1,044,742
Central	716,609	-	-	716,609
Operation of non-instructional services:				
Food service operations	-	-	779,191	779,191
Other non-instructional services	60,758	-	547,510	608,268
Extracurricular activities	1,020,348	-	253,952	1,274,300
Facilities acquisition and construction	336,424	-	439,977	776,401
Debt service:				
Principal retirement	-	1,250,000	326,710	1,576,710
Interest and fiscal charges	-	299,100	-	299,100
Total expenditures	<u>39,945,536</u>	<u>1,568,062</u>	<u>4,918,860</u>	<u>46,432,458</u>
Excess of revenues over (under) expenditures	<u>15,094,708</u>	<u>440,781</u>	<u>(959,734)</u>	<u>14,575,755</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	9,535	-	-	9,535
Transfers in	-	-	200,000	200,000
Transfers (out)	(200,000)	-	-	(200,000)
Inception of capital lease	-	-	934,551	934,551
Total other financing sources (uses)	<u>(190,465)</u>	<u>-</u>	<u>1,134,551</u>	<u>944,086</u>
Net change in fund balances	14,904,243	440,781	174,817	15,519,841
<b>Fund balances at beginning of year</b>	<u>20,270,482</u>	<u>1,461,300</u>	<u>2,820,279</u>	<u>24,552,061</u>
<b>Fund balances at end of year</b>	<u>\$ 35,174,725</u>	<u>\$ 1,902,081</u>	<u>\$ 2,995,096</u>	<u>\$ 40,071,902</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN 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

<b>Net change in fund balances - total governmental funds</b>	\$	15,519,841
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 695,492	
Current year depreciation	(1,605,445)	
Total		(909,953)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	920	
Income taxes	(628,391)	
Earnings on investments	(1,098)	
Intergovernmental	101,989	
Total		(526,580)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		1,576,710
The inception of a capital lease is recorded as other financing sources in the funds; however, in the statement of activities, it is not reported as a financing source since it increases liabilities on the statement of net position.		
		(934,551)
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 less interest being reported in the statement of activities:		
(Increase) in accrued interest payable	(20,449)	
Amortization of bond premiums	77,436	
Amortization of deferred charges	(48,657)	
Total		8,330
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,327,786	
OPEB	72,678	
Total		3,400,464
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	(5,520,944)	
OPEB	221,835	
Total		(5,299,109)
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.		
		(31,260)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>12,803,892</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN 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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 25,255,000	\$ 27,136,253	\$ 27,131,851	\$ (4,402)
Income taxes	7,300,000	8,487,000	8,486,087	(913)
Intergovernmental	7,186,600	7,598,064	7,590,948	(7,116)
Investment earnings	350,000	350,000	328,238	(21,762)
Tuition and fees	115,000	84,913	84,736	(177)
Rental income	2,500	200	140	(60)
Contributions and donations	-	854	854	-
Miscellaneous	55,500	31,999	31,783	(216)
Total revenues	<u>40,264,600</u>	<u>43,689,283</u>	<u>43,654,637</u>	<u>(34,646)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	20,432,180	19,711,957	18,627,481	1,084,476
Special	6,148,104	5,914,778	5,776,942	137,836
Vocational	453,048	445,757	427,982	17,775
Other	29,743	11,124	7,909	3,215
Support services:				
Pupil	2,444,899	2,495,837	2,315,941	179,896
Instructional staff	2,327,278	2,432,157	2,179,951	252,206
Board of education	93,122	104,265	69,934	34,331
Administration	3,040,906	3,159,560	2,964,046	195,514
Fiscal	1,133,600	1,170,683	1,073,801	96,882
Business	369,949	311,190	284,436	26,754
Operations and maintenance	4,492,502	4,348,480	4,187,703	160,777
Pupil transportation	680,710	1,019,846	1,002,351	17,495
Central	877,447	848,258	735,190	113,068
Operation of non-instructional services:				
Other non-instructional services	3,064	3,000	-	3,000
Extracurricular activities	1,063,723	1,068,240	994,672	73,568
Facilities acquisition and construction	463,399	427,346	408,066	19,280
Total expenditures	<u>44,053,674</u>	<u>43,472,478</u>	<u>41,056,405</u>	<u>2,416,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,789,074)</u>	<u>216,805</u>	<u>2,598,232</u>	<u>2,381,427</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures	100,000	442,700	442,626	(74)
Refund of prior year's receipts	-	(1,000)	-	1,000
Transfers in	150,000	150,000	150,000	-
Transfers (out)	(275,000)	(350,000)	(350,000)	-
Advances in	48,171	48,171	48,171	-
Advances (out)	(100,000)	(200,000)	(176,932)	23,068
Proceeds from sale of assets	-	9,575	9,535	(40)
Total other financing sources (uses)	<u>(76,829)</u>	<u>99,446</u>	<u>123,400</u>	<u>23,954</u>
Net change in fund balance	(3,865,903)	316,251	2,721,632	2,405,381
<b>Fund balance at beginning of year</b>	18,778,619	18,778,619	18,778,619	-
<b>Prior year encumbrances appropriated</b>	1,495,099	1,495,099	1,495,099	-
<b>Fund balance at end of year</b>	<u>\$ 16,407,815</u>	<u>\$ 20,589,969</u>	<u>\$ 22,995,350</u>	<u>\$ 2,405,381</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Custodial</u>
<b>Additions:</b>	
Extracurricular collections for OHSAA	\$ 125
<b>Deductions:</b>	
Extracurricular distributions to OHSAA	<u>125</u>
Change in net position	-
<b>Net position at beginning of year</b>	<u>-</u>
<b>Net position at end of year</b>	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Bexley City School District (the District) was organized May 1, 1918 and is a fiscally independent political subdivision of the State of Ohio. The District is governed by a five-member board of education (the Board) elected by the citizens of Bexley. The District provides services to approximately 2,361 students and other community members.

**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 Bexley Public Library is a school district library created under Chapter 3375 of the Ohio Revised Code and is located in the District. The Board of Trustees of the Library controls and manages the Library and issues its own financial statements. Although the Bexley Board of Education is required to approve appointments to the Board of Trustees and to approve the annual budget, the Board has no authority to reject the Library's recommendations.

The District has no ability to influence the library's operations significantly, no accountability over the fiscal matters of the Library, nor any responsibility for the Library's deficits. Accordingly, the Library's financial statements are not included herein.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

Education support services are provided by the Bexley Education Foundation (the Foundation). The Foundation has a separate nineteen-member Board of Governors. The Board is not appointed by the Bexley Board of Education. The Foundation is a separate entity from the District with no financial interdependency. The Foundation makes cash donations to the District which are approved by the Board of Education. These moneys are accounted for in a nonmajor governmental fund in these financial statements. All other monies of the Bexley Education Foundation are held by the Bexley Foundation at Fifth Third Bank and the Columbus Foundation in the name of the Bexley Education Foundation. The money is invested by the Columbus Foundation. Accordingly, the District has no oversight responsibilities. The Foundation's separate financial statements are not included herein. In addition, the District has no ability to significantly influence operations and no accountability over the fiscal matters of the Foundation.

Within the District boundaries, St. Charles Preparatory School is operated by the Columbus Diocese. 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 District, as directed by the parochial school. The activity of these State monies by the District is reflected in a nonmajor governmental fund for financial reporting purposes.

**B. Basis of Presentation and Measurement Focus**

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

The government-wide statement of activities 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 and deferred outflows of resources and all 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.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

Custodial funds are reported using the economic resources measurement focus, in which all assets, liabilities, and deferred inflows/outflows of resources are reported.

**C. 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 are 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, grants, entitlements 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). 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, income taxes, 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. See Notes 10 and 11 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 and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow 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, income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

See Notes 10 and 11 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 in the fund financial statements 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.

**D. 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.

*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 less liabilities and 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 the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

*PROPRIETARY FUNDS*

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



**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for tournament monies collected on behalf of the Ohio High School Athletics Association (OHSAA).

**E. Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the Certificate of Estimated Resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established at the object level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Board follows the procedures outlined below in establishing the expenditures budget data reported in the budgetary comparison schedule:

(1) A Tax Budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the fiscal year commencing the following July 1. The Bexley Board of Education normally adopts the Tax Budget at its December regular meeting or the Organization meeting in early January.

(2) The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.

(3) An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end and encumbered appropriations are reported as expenditures in the current year. The Board adopted its fiscal year 2021 appropriation measure in September 2020. The Board of Education adopted a temporary appropriation measure in June 2020 to allow the District to operate until its annual appropriations were adopted. The appropriation measure may be amended or supplemented during the year as new information becomes available. Individual buildings and/or departments may transfer funds within their budgets. Supplemental appropriations are presented during the year and include the transfers requested by staff and any amendments to fund unanticipated expenditures. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund at the object level. At year-end appropriations did not exceed estimated resources and expenditures did not exceed appropriations in any fund at the object level. Appropriations for advances-in/advances-out by law are not required and are not budgeted.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. 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.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

During fiscal year 2021, investments were limited to Federal American Mortgage Company (FAMC) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, U.S. Treasury notes, negotiable CDs, commercial paper, U.S. Government money market funds, and State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

During fiscal year 2021, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

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 \$73,954, which includes \$6,320 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 investment account at fiscal year-end is provided in Note 4.

**G. Prepayments**

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. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is nonspendable on the fund financial statements by an amount equal to the carrying value of the asset.

**H. Inventory**

On government-wide and fund financial statements, purchased inventories are reported at cost on a first-in, first-out basis, and donated commodities are presented at their entitlement value. Inventories are accounted for using the consumption method which means that the costs of inventory items are recorded as an expenditure in the governmental funds when consumed.

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.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

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

**I. Capital Assets**

General capital assets are those assets specifically related to governmental activities. These assets 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 value as of the date received. The District's capitalization threshold is \$5,000 for general capital assets. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10 - 40 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 20 years

**J. Bond Issuance Cost/Unamortized Bond Premium and Discount/Unamortized Deferred Charges on Debt Refunding**

On fund financial statements and the government-wide financial statements, issuance costs are expensed/expended in the fiscal year they occur.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, 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 of resources on the statement of net position.

On the governmental fund financial statements, bond issuance costs and bond premiums are expensed in the fiscal year they occur. A reconciliation between the bonds' face value and the amount reported on the statement of net position is presented in Note 9.A.

**K. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable" or "due to/from other funds". These amounts are eliminated in the governmental activities column on the Statement of Net Position.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

**L. Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws.

Administrators and classified staff who work twelve month contracts are granted vacation leave. The leave amount is based on length of service and position. The District accrues vacation leave benefits as earned. Accrued vacation may be carried forward to the next fiscal year. The maximum amount to be carried at any one time is 1.5 times the annual number of days.

District employees earn sick leave at fifteen days per year which, if not taken, accumulates on an unlimited basis until retirement. All employees may be paid upon retirement: 1.) one-fourth of the accumulated sick leave up to a maximum of 60 days; and 2.) one-tenth of the days over an accumulated balance of 240 days. All staff members who resign after ten years of Bexley service may be paid one-fourth of accumulated sick leave up to a maximum of 25 days.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures only to the extent payments come due each period upon the occurrence of employee resignations and retirements. The entire compensated absence liability is reported on the government-wide financial statements.

**M. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and loans are recognized 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 pension is not sufficient for payment of those benefits.

**N. 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.

*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.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

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 fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the 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.

**O. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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 District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**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.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

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

**Q. 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.

Interfund activity between governmental funds is eliminated in the statement of activities.

**R. 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.

**S. Fair Value**

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.

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2021.

**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*

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

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

<u>Nonmajor funds</u>	<u>Deficit</u>
Elementary and Secondary School Emergency Relief	\$ 141,533
IDEA Part B	109,684
Title I	43,317
Supporting Effective Instruction	10,203

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 bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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;

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
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 40 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 on Hand**

At June 30, 2021, the District had \$400 in undeposited cash on hand, which is included as part of "equity in pooled cash and investments".

**B. Deposits with Financial Institutions**

At June 30, 2021, the carrying amount of all District deposits was \$2,137,251 and the bank balance of all District deposits was \$2,191,121. Of the bank balance, \$250,000 was covered by the FDIC. \$1,384,041 was covered by the Ohio Pooled Collateral System and \$557,080 was exposed to custodial credit risk because this amount was uninsured and uncollateralized.

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 reduced rate set by the Treasurer of State. 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.



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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments**

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

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	Investment Maturities				
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>
<i>Fair Value:</i>						
FAMC	\$ 260,882	\$ -	\$ -	\$ -	\$ -	\$ 260,882
FFCB	4,911,314	250,228	-	500,000	-	4,161,086
FHLB	1,458,303	252,013	-	-	-	1,206,290
FHLMC	2,044,958	-	-	749,115	-	1,295,843
FNMA	2,797,984	-	-	-	-	2,797,984
U.S. Treasury notes	882,564	-	-	-	-	882,564
Negotiable CDs	6,261,552	1,244,587	-	747,847	-	4,269,118
Commercial paper	2,288,539	2,288,539	-	-	-	-
U.S. Government money market	43,411	43,411	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>6,292,411</u>	<u>6,292,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 27,241,918</u>	<u>\$ 10,371,189</u>	<u>\$ -</u>	<u>\$ 1,996,962</u>	<u>\$ -</u>	<u>\$ 14,873,767</u>

The weighted average of maturity of investments is 1.87 years.

The District's investments measured at fair value are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly 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 commercial paper were rated P-1 by Moody's Investor Services. The District's investments in federal agency securities (FAMC, FFCB, FHLB, FHLMC, and FNMA) and U.S. Treasury notes were rated Aaa by Moody's Investor Services. The negotiable CDs and commercial paper investments were not rated and/or ratings were not readily available. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

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

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FAMC	\$ 260,882	0.96
FFCB	4,911,314	18.03
FHLB	1,458,303	5.35
FHLMC	2,044,958	7.51
FNMA	2,797,984	10.27
U.S. Treasury notes	882,564	3.24
Negotiable CDs	6,261,552	22.98
Commercial paper	2,288,539	8.40
U.S. Government money market	43,411	0.16
<i>Amortized Cost:</i>		
STAR Ohio	<u>6,292,411</u>	<u>23.10</u>
Total	<u>\$ 27,241,918</u>	<u>100.00</u>

**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:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,137,251
Investments	27,241,918
Cash on hand	<u>400</u>
Total	<u>\$ 29,379,569</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	<u>\$ 29,379,569</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the year ended June 30, 2021, as reported on the fund statements, consisted of \$200,000 transferred from the general fund to various nonmajor governmental funds. Transfers are used to move revenues from the fund that statute or budget required 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.
- B. Interfund loans at June 30, 2021, as reported on the fund statements, consisted of \$179,308 payable to the general fund from various nonmajor governmental funds. The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide statement of net position.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

- C. Due to/from other funds at June 30, 2021, as reported on the fund statements, consisted of \$69,104 between nonmajor governmental funds. The primary purpose of this interfund balance is to cover fiscal year 2021 expenditures which will be reimbursed in fiscal year 2022. Interfund balances between governmental funds are eliminated on the government-wide statement of net position.

**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 market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Public utility real and personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Franklin County. The County Auditor periodically advances 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 \$10,837,646 in the general fund, \$584,899 in the bond retirement fund and \$286,670 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2020 was \$1,740,545 in the general fund, \$82,105 in the bond retirement fund and \$46,874 in the permanent improvement 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.

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 of resources.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 6 - PROPERTY TAXES - (Continued)**

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

	2020 Second Half Collections		2021 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 556,592,830	98.79	\$ 654,473,750	98.94
Public utility personal	<u>6,808,210</u>	<u>1.21</u>	<u>7,045,070</u>	<u>1.06</u>
Total	<u>\$ 563,401,040</u>	<u>100.00</u>	<u>\$ 661,518,820</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$120.73		\$120.73	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2021 consisted of property taxes, income taxes, accounts (billings for user charged services and student fees), 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. 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 - CAPITAL ASSETS**

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

	<u>Balance</u> <u>06/30/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/21</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 154,150	\$ -	\$ -	\$ 154,150
Construction in progress	<u>-</u>	<u>105,718</u>	<u>-</u>	<u>105,718</u>
Total capital assets, not being depreciated	<u>154,150</u>	<u>105,718</u>	<u>-</u>	<u>259,868</u>
<i>Capital assets, being depreciated:</i>				
Buildings and building improvements	54,154,923	294,217	-	54,449,140
Furniture, fixtures and equipment	3,734,952	201,567	-	3,936,519
Vehicles	<u>1,152,523</u>	<u>93,990</u>	<u>(77,380)</u>	<u>1,169,133</u>
Total capital assets, being depreciated	<u>59,042,398</u>	<u>589,774</u>	<u>(77,380)</u>	<u>59,554,792</u>
<i>Less: accumulated depreciation:</i>				
Buildings and building improvements	(28,810,941)	(1,385,447)	-	(30,196,388)
Furniture, fixtures and equipment	(3,038,675)	(154,916)	-	(3,193,591)
Vehicles	<u>(877,534)</u>	<u>(65,082)</u>	<u>77,380</u>	<u>(865,236)</u>
Total accumulated depreciation	<u>(32,727,150)</u>	<u>(1,605,445)</u>	<u>77,380</u>	<u>(34,255,215)</u>
Governmental activities capital assets, net	<u>\$ 26,469,398</u>	<u>\$ (909,953)</u>	<u>\$ -</u>	<u>\$ 25,559,445</u>

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 8 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 52,759
Special	730
<u>Support services:</u>	
Instructional staff	3,691
Administration	192
Business	24,305
Operations and maintenance	42,321
Pupil Transportation	59,079
Food service operations	4,521
Other non-instructional services	2,271
Extracurricular activities	46,618
Unallocated	<u>1,368,958</u>
Total depreciation expense	<u>\$ 1,605,445</u>

**NOTE 9 - LONG-TERM OBLIGATIONS**

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

	<u>Balance</u> <u>06/30/20</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>06/30/21</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
<u>Governmental Activities:</u>					
General Obligation Bonds					
Series 2015 Refunding	\$ 7,925,000	\$ -	\$ (25,000)	\$ 7,900,000	\$ 20,000
Series 2016 Refunding	<u>3,735,000</u>	<u>-</u>	<u>(1,225,000)</u>	<u>2,510,000</u>	<u>1,250,000</u>
Total General Obligation Bonds	<u>11,660,000</u>	<u>-</u>	<u>(1,250,000)</u>	<u>10,410,000</u>	<u>1,270,000</u>
Capital Leases	-	934,551	(326,710)	607,841	296,567
Compensated Absences	2,307,423	479,556	(364,510)	2,422,469	418,898
Net Pension Liability	39,892,980	4,126,830	-	44,019,810	-
Net OPEB Liability	<u>3,130,151</u>	<u>-</u>	<u>(547,743)</u>	<u>2,582,408</u>	<u>-</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$ 56,990,554</u>	<u>\$ 5,540,937</u>	<u>\$ (2,488,963)</u>	<u>\$ 60,042,528</u>	<u>\$ 1,985,465</u>
				Add: Unamortized Premium	233,406
				Total on Statement of Net Position	<u>\$ 60,275,934</u>

B. Detail on the net pension liability and OPEB liability can be found in Notes 10 and 11, respectively. The District pays obligations related to employee compensation from the fund benefitting from their services.

Compensated absences will be paid from the fund from which the employee is paid, primarily the general fund and food service fund (a nonmajor governmental fund).

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

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

The general obligation bonds are a direct obligation of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the District from the bond retirement fund.

In the opinion of management, the District has complied with all bond covenants.

In September 2015, the District sold \$8,105,000 of refunding bonds with final maturity on December 1, 2027. These bonds refunded \$8,380,000 of the District's 2005 Refunding Bonds, dated December 7, 2005. The final maturity of the 2005 Bonds had been December 1, 2027. The refunding resulted in a premium of \$466,562. The transaction resulted in an economic gain of \$1,190,182 (present value) and a reduction of \$1,390,571 in future debt service payments.

In March 2016, the District sold \$7,180,000 of refunding bonds with final maturity on December 1, 2022. These bonds refunded \$7,250,000 of the District's 2006 Refunding Bonds, dated March 9, 2006. The final maturity of the 2006 Bonds had been December 1, 2022. The refunding resulted in a premium of \$243,737. The transaction resulted in an economic gain of \$660,752 (present value) and a reduction of \$784,085 in future debt service payments.

As discussed above, the District in prior years defeased certain bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of June 30, 2021, \$10,805,000 of bonds that the District defeased in previous years are still outstanding with the escrow agent.

The following is a summary of the future debt service requirements to maturity for the District's general obligation bonds:

Fiscal Year Ending June 30,	Interest Rate (%)	General Obligation Bonds		
		Principal	Interest	Total
2022	2	\$ 1,270,000	\$ 273,900	\$ 1,543,900
2023	2	1,300,000	248,200	1,548,200
2024	2	1,475,000	213,075	1,688,075
2025	3	1,520,000	168,150	1,688,150
2026	3	1,565,000	121,875	1,686,875
2027 - 2028	3	3,280,000	99,150	3,379,150
Total		<u>\$ 10,410,000</u>	<u>\$ 1,124,350</u>	<u>\$ 11,534,350</u>

**C. Capital Leases**

The District has entered into a lease agreement to acquire laptop computers. No assets were capitalized as a result of this agreement since no assets individually met the District's capitalization threshold of \$5,000. Principal payments of \$326,710 were paid from the permanent improvement fund, education foundation fund, and coronavirus relief fund (all nonmajor governmental funds).

**BEXLEY CITY SCHOOL DISTRICT  
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**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 326,710
2023	<u>326,710</u>
Total minimum lease payments	653,420
Less: amount representing interest	<u>(45,579)</u>
Total	<u>\$ 607,841</u>

**D. 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 \$51,028,775 (including available funds of \$1,902,081) and an unvoted debt margin of \$661,519.

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability/Asset***

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

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

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

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 11 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 pension obligation 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](http://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.

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%.



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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 \$603,387 for fiscal year 2021. Of this amount, \$49,063 is reported as a liability.

***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](http://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.

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

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

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 \$2,724,399 for fiscal year 2021. Of this amount, \$491,255 is reported as a liability.

***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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.12409990%	0.14681776%	
Proportion of the net pension liability current measurement date	<u>0.11976060%</u>	<u>0.14918967%</u>	
Change in proportionate share	<u>-0.00433930%</u>	<u>0.00237191%</u>	
Proportionate share of the net pension liability	\$ 7,921,218	\$ 36,098,592	\$ 44,019,810
Pension expense	\$ 892,170	\$ 4,628,774	\$ 5,520,944

**BEXLEY CITY SCHOOL DISTRICT  
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**NOTE 10 - 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 15,386	\$ 80,996	\$ 96,382
Net difference between projected and actual earnings on pension plan investments	502,837	1,755,479	2,258,316
Changes of assumptions	-	1,937,798	1,937,798
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	61,243	1,167,268	1,228,511
Contributions subsequent to the measurement date	<u>603,387</u>	<u>2,724,399</u>	<u>3,327,786</u>
Total deferred outflows of resources	<u>\$ 1,182,853</u>	<u>\$ 7,665,940</u>	<u>\$ 8,848,793</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 230,825	\$ 230,825
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>156,152</u>	<u>227,111</u>	<u>383,263</u>
Total deferred inflows of resources	<u>\$ 156,152</u>	<u>\$ 457,936</u>	<u>\$ 614,088</u>

\$3,327,786 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	\$ (37,501)	\$ 1,356,834	\$ 1,319,333
2023	93,794	964,820	1,058,614
2024	209,591	1,278,668	1,488,259
2025	<u>157,430</u>	<u>883,283</u>	<u>1,040,713</u>
Total	<u>\$ 423,314</u>	<u>\$ 4,483,605</u>	<u>\$ 4,906,919</u>

**BEXLEY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - 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	<u>100.00 %</u>	

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 10,851,102	\$ 7,921,218	\$ 5,462,990

**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%

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**NOTE 10 - 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:

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

\*\*10-Year 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 51,398,110	\$ 36,098,592	\$ 23,133,524

**BEXLEY CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Liability/Asset*

See Note 10 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](http://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 \$72,678.

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 \$72,678 for fiscal year 2021, all of which is reported as a liability.

*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](http://www.strsoh.org) or by calling (888) 227-7877.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - 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, 2020, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.12446970%	0.14681776%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.11882280%</u>	<u>0.14918967%</u>	
Change in proportionate share	<u>-0.00564690%</u>	<u>0.00237191%</u>	
Proportionate share of the net OPEB liability	\$ 2,582,408	\$ -	\$ 2,582,408
Proportionate share of the net OPEB asset	\$ -	\$ 2,622,007	\$ 2,622,007
OPEB expense	\$ (62,140)	\$ (159,695)	\$ (221,835)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 33,918	\$ 168,009	\$ 201,927
Net difference between projected and actual earnings on OPEB plan investments	29,095	91,892	120,987
Changes of assumptions	440,210	43,283	483,493
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	82,019	107,707	189,726
Contributions subsequent to the measurement date	<u>72,678</u>	<u>-</u>	<u>72,678</u>
Total deferred outflows of resources	<u>\$ 657,920</u>	<u>\$ 410,891</u>	<u>\$ 1,068,811</u>



**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,313,334	\$ 522,266	\$ 1,835,600
Changes of assumptions	65,044	2,490,469	2,555,513
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>345,082</u>	<u>88,511</u>	<u>433,593</u>
Total deferred inflows of resources	<u>\$ 1,723,460</u>	<u>\$ 3,101,246</u>	<u>\$ 4,824,706</u>

\$72,678 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2022	\$ (238,950)	\$ (680,865)	\$ (919,815)
2023	(236,849)	(618,666)	(855,515)
2024	(237,188)	(596,846)	(834,034)
2025	(205,939)	(553,861)	(759,800)
2026	(156,058)	(113,973)	(270,031)
Thereafter	<u>(63,234)</u>	<u>(126,144)</u>	<u>(189,378)</u>
Total	<u>\$ (1,138,218)</u>	<u>\$ (2,690,355)</u>	<u>\$ (3,828,573)</u>

**Actuarial Assumptions - SERS**

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

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

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

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 11 - 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.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 11 - 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	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. 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	\$ 3,160,804	\$ 2,582,408	\$ 2,122,585

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,033,450	\$ 2,582,408	\$ 3,316,506

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 11 - 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	
	Initial	Ultimate	Initial	Ultimate
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				
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.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 11 - 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	<u>100.00 %</u>	

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
	District's proportionate share of the net OPEB asset	\$ 2,281,316	\$ 2,622,007

	1% Decrease	Current Trend Rate	1% Increase
	District's proportionate share of the net OPEB asset	\$ 2,893,126	\$ 2,622,007

**NOTE 12 - RISK MANAGEMENT**

The District is exposed to various risks of loss from personnel actions, injuries to employees, theft or destruction of assets, and legal challenges to fiduciary decisions. To cover these risks, the District maintains property and casualty insurance through commercial insurance providers. There has been no significant reduction in coverage and no claims exceeded insurance coverage for the past three years. The District is registered and insured through the Ohio Bureau of Workers' Compensation for injuries to employees.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 13 - JOINTLY GOVERNED ORGANIZATION**

The District participates in the Metropolitan Educational Technology Association (META), a jointly governed organization created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and non-members innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. Financial information can be obtained from Ashley Widby, CFO, 100 Executive Drive, Marion, Ohio 43302.

**NOTE 14 - BUDGETARY BASIS OF ACCOUNTING**

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

The Statement of Revenues, 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 a restricted, committed or assigned fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Investments are reported at fair value (GAAP basis) as opposed to cost (budget basis);
- (e) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 14 - 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**

	<u>General fund</u>
Budget basis	\$ 2,721,632
Net adjustment for revenue accruals	11,217,150
Net adjustment for expenditure accruals	(65,008)
Net adjustment for other sources/uses	(313,865)
Funds budgeted elsewhere	17,344
Adjustment for encumbrances	1,326,990
GAAP basis	<u>\$ 14,904,243</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. For the District this includes the public school support fund, unclaimed money fund, district agency fund, and employee benefits agency fund.

**NOTE 15 - 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 is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. All adjustments have been finalized and are not material.

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 16 - STATUTORY RESERVES**

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.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2020	\$ -
Current year set-aside requirement	442,562
Current year offsets	<u>(723,942)</u>
Total	<u>\$ (281,380)</u>
Balance carried forward to fiscal year 2022	<u>\$ -</u>
Set-aside balance June 30, 2021	<u>\$ -</u>

Although the District had offsets during the year that reduced the set-aside amount below zero, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

**NOTE 17 - 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.

**NOTE 18 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are for subsequent-year expenditures and 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, net of any amounts reported as payable, were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,202,059
Nonmajor governmental	<u>783,069</u>
Total	<u>\$ 1,985,128</u>



**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

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

**NOTE 19 - 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 and scholarship funding will be directly funded by the State of Ohio to the respective 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 respective school. For fiscal year 2021, the District reported \$513,796 in revenue and expenditures/expense related to these programs. 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.

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REQUIRED SUPPLEMENTARY INFORMATION

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN 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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.11976060%	0.12409990%	0.11832130%	0.12814950%
District's proportionate share of the net pension liability	\$ 7,921,218	\$ 7,425,115	\$ 6,776,480	\$ 7,656,650
District's covered payroll	\$ 4,219,343	\$ 4,247,319	\$ 3,899,279	\$ 4,125,571
District's proportionate share of the net pension liability as a percentage of its covered payroll	187.74%	174.82%	173.79%	185.59%
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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.12335970%	0.12416000%	0.12457800%	0.12457800%
\$ 9,028,792	\$ 7,084,661	\$ 6,304,822	\$ 7,408,254
\$ 4,018,536	\$ 3,737,845	\$ 3,620,000	\$ 3,529,140
224.68%	189.54%	174.17%	209.92%
62.98%	69.16%	71.70%	65.52%

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN 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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.14918967%	0.14681776%	0.14153248%	0.13820600%
District's proportionate share of the net pension liability	\$ 36,098,592	\$ 32,467,865	\$ 31,119,815	\$ 32,831,208
District's covered payroll	\$ 18,207,857	\$ 17,791,614	\$ 16,085,593	\$ 19,779,107
District's proportionate share of the net pension liability as a percentage of its covered payroll	198.26%	182.49%	193.46%	165.99%
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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.14206800%	0.14380600%	0.14787800%	0.14787800%
\$ 47,554,365	\$ 39,743,761	\$ 35,969,059	\$ 42,846,108
\$ 17,190,021	\$ 15,003,743	\$ 15,109,054	\$ 17,678,292
276.64%	264.89%	238.06%	242.37%
66.80%	72.10%	74.70%	69.30%

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 603,387	\$ 590,708	\$ 573,388	\$ 545,899
Contributions in relation to the contractually required contribution	<u>(603,387)</u>	<u>(590,708)</u>	<u>(573,388)</u>	<u>(545,899)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,309,907	\$ 4,219,343	\$ 4,247,319	\$ 3,899,279
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 577,580	\$ 562,595	\$ 492,648	\$ 501,732	\$ 488,433	\$ 488,417
<u>(577,580)</u>	<u>(562,595)</u>	<u>(492,648)</u>	<u>(501,732)</u>	<u>(488,433)</u>	<u>(488,417)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,125,571	\$ 4,018,536	\$ 3,737,845	\$ 3,620,000	\$ 3,529,140	\$ 3,631,353
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 2,724,399	\$ 2,549,100	\$ 2,490,826	\$ 2,251,983
Contributions in relation to the contractually required contribution	<u>(2,724,399)</u>	<u>(2,549,100)</u>	<u>(2,490,826)</u>	<u>(2,251,983)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 19,459,993	\$ 18,207,857	\$ 17,791,614	\$ 16,085,593
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 2,769,075	\$ 2,406,603	\$ 2,100,524	\$ 1,964,177	\$ 2,298,178	\$ 2,243,642
<u>(2,769,075)</u>	<u>(2,406,603)</u>	<u>(2,100,524)</u>	<u>(1,964,177)</u>	<u>(2,298,178)</u>	<u>(2,243,642)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,779,107	\$ 17,190,021	\$ 15,003,743	\$ 15,109,054	\$ 17,678,292	\$ 17,258,785
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN 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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.11882280%	0.12446970%	0.11990500%	0.12919400%	0.13029160%
District's proportionate share of the net OPEB liability	\$ 2,582,408	\$ 3,130,151	\$ 3,326,489	\$ 3,647,228	\$ 3,713,792
District's covered payroll	\$ 4,219,343	\$ 4,247,319	\$ 3,899,279	\$ 4,125,571	\$ 4,018,536
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	61.20%	73.70%	85.31%	88.41%	92.42%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%	11.49%

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

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.14918967%	0.14681776%	0.14153248%	0.13820600%	0.14206800%
District's proportionate share of the net OPEB liability/(asset)	\$ (2,622,007)	\$ (2,431,654)	\$ (2,274,282)	\$ 5,392,301	\$ 7,597,834
District's covered payroll	\$ 18,207,857	\$ 17,791,614	\$ 16,085,593	\$ 19,779,107	\$ 17,190,021
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.40%	13.67%	14.14%	27.26%	44.20%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.70%	176.00%	47.10%	37.30%

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

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 72,678	\$ 50,545	\$ 84,495	\$ 84,518
Contributions in relation to the contractually required contribution	<u>(72,678)</u>	<u>(50,545)</u>	<u>(84,495)</u>	<u>(84,518)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,309,907	\$ 4,219,343	\$ 4,247,319	\$ 3,899,279
Contributions as a percentage of covered payroll	1.69%	1.20%	1.99%	2.17%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 68,897	\$ 29,737	\$ 27,660	\$ 32,580	\$ 31,409	\$ 45,392
<u>(68,897)</u>	<u>(29,737)</u>	<u>(27,660)</u>	<u>(32,580)</u>	<u>(31,409)</u>	<u>(45,392)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,125,571	\$ 4,018,536	\$ 3,737,845	\$ 3,620,000	\$ 3,529,140	\$ 3,631,353
1.67%	0.74%	0.74%	0.90%	0.89%	1.25%

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 19,459,993	\$ 18,207,857	\$ 17,791,614	\$ 16,085,593
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ -	\$ -	\$ -	\$ 151,091	\$ 176,783	\$ 172,588
-	-	-	(151,091)	(176,783)	(172,588)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,779,107	\$ 17,190,021	\$ 15,003,743	\$ 15,109,054	\$ 17,678,292	\$ 17,258,785
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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PENSION

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*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.

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*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)

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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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

*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.

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**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED June 30, 2021**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program Title</b>	<b>Federal (ALN)</b> <b>Assistance Listing Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<i>Passed Through Ohio Department of Education</i>		
Child Nutrition Cluster		
Non-Cash Assistance (Food Distribution)		
School Breakfast Program	10.553	\$ 6,040
National School Lunch Program	10.555	28,088
Cash Assistance		
COVID-19 School Breakfast Program	10.553	6,575
COVID-19 National School Lunch Program	10.555	20,902
School Breakfast Program	10.553	62,955
National School Lunch Program	10.555	302,436
Total Nutrition Cluster		<u>\$ 426,996</u>
<b>Total U.S. Department of Agriculture</b>		<b><u>\$ 426,996</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<i>Passed Through Ohio Department of Education</i>		
Special Education Cluster		
Special Education - Grants to States	84.027	709,977
Total Special Education - Grants to States		<u>709,977</u>
Special Education - Preschool Grants	84.173	18,974
Total Special Education - Preschool Grants		<u>18,974</u>
Total Special Education		<u>728,951</u>
Title I Grants to Local Educational Agencies	84.010	<u>148,284</u>
Supporting Effective Instruction State Grants	84.367	<u>46,375</u>
English Language Acquisition State Grants	84.365	<u>5,638</u>
Student Support and Academic Enrichment Program	84.424	<u>8,806</u>
COVID-19 Coronavirus Relief Fund	21.019	<u>253,655</u>
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	<u>179,812</u>
<b>Total U.S. Department of Education</b>		<b><u>\$ 1,371,521</u></b>
<b>Total</b>		<b><u><u>\$ 1,798,517</u></u></b>

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

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – Indirect Cost Rate**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

# OHIO AUDITOR OF STATE KEITH FABER



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

Bexley City School District  
Franklin County  
348 South Cassingham Road  
Bexley, Ohio 43209

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bexley City School District, Franklin County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 8, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures that may impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 8, 2021



# OHIO AUDITOR OF STATE KEITH FABER



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

Bexley City School District  
Franklin County  
348 Cassingham Road  
Bexley, Ohio 43209

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

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

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on the Major Federal Program***

In our opinion, Bexley City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2021.

***Report on Internal Control Over Compliance***

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 8, 2021

**BEXLEY CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# OHIO AUDITOR OF STATE KEITH FABER



**BEXLEY CITY SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/23/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)