OHIO AUDITOR OF STATE
KEITH FABER

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

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WOOD COUNTY

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Perrysburg Exempted Village School District
Wood County
140 East Indiana Avenue
Perrysburg, Ohio 43551

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Perrysburg Exempted Village School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2020, 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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
General Fund	Unmodified
Aggregate Remaining Fund Information	Qualified

Basis for Qualified Opinion on Aggregate Remaining Fund Information

Claims disbursements are reported at $1,439,906 for the year ended June 30, 2020, which is 8.4 percent of Aggregate Remaining Fund Information disbursements for the year ended June 30, 2020. We were unable to obtain sufficient appropriate audit evidence supporting the amount recorded as claims disbursements. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

Qualified Opinion

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion on Aggregate Remaining Fund Information* paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Aggregate Remaining Fund Information of the District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows 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 22 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 schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 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

April 14, 2021

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PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)

The management's discussion and analysis of the Perrysburg Exempted Village School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The District's net position of governmental activities decreased $6,737,187 which represents a 31.78% decrease from 2019's net position.

- General revenues accounted for $59,608,781 in revenue or 88.04% of all revenues. Program specific revenues in the form of charges for services and sales, operating and capital grants and contributions accounted for $8,095,312 or 11.96% of total revenues of $67,704,093.

- The District had $74,441,280 in expenses related to governmental activities; only $8,095,312 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $59,608,781 were not adequate to provide for these programs.

- The District's major governmental fund is the general fund. The general fund had $57,285,896 in revenues and $59,470,425 in expenditures. During fiscal 2020, the general fund's fund balance decreased $2,184,529 from $4,912,132 to $2,727,603.

Using the 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 major fund is the general fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The statement of net position and statement of activities answer this question. These statements include all 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. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance, pupil transportation, extracurricular activities, operation of non-instructional services, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

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 fund is the general 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 statement of activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

The District maintains only one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District has an internal service fund to account for a self-insurance program which provides medical and dental benefits to employees.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. 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 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

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2020 and June 30, 2019.

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Net Position

	Governmental Activities 2020	Governmental Activities 2019
Assets		
Current and other assets	$ 65,616,351	$ 54,529,040
Capital assets, net	77,276,968	80,759,555
Total assets	142,893,319	135,288,595
Deferred outflows of resources		
Unamortized deferred charges on debt refunding	178,219	211,121
Pensions	16,426,959	22,119,663
OPEB	2,569,979	2,223,451
Total deferred outflows of resources	19,175,157	24,554,235
Liabilities		
Current liabilities	9,493,961	9,543,948
Long-term liabilities:		
Due within one year	3,313,424	3,014,449
Due in more than one year:		
Net pension liability	67,483,934	64,953,601
Net OPEB liability	5,921,070	6,275,599
Other amounts	56,771,919	58,918,804
Total liabilities	142,984,308	142,706,401
Deferred inflows of resources		
Property taxes levied for next fiscal year	37,181,200	27,779,293
Payment in lieu of taxes levied for next fiscal year	297,086	239,224
Pensions	3,040,065	3,875,223
OPEB	6,503,470	6,443,155
Total deferred inflows of resources	47,021,821	38,336,895
Net position		
Net investment in capital assets	21,825,927	23,426,871
Restricted	4,849,539	4,036,122
Unrestricted (deficit)	(54,613,119)	(48,663,459)
Total net position (deficit)	$ (27,937,653)	$ (21,200,466)

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the 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.

GASB 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/asset, 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, 2020, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $27,937,653. Of this total, $4,849,539 is restricted in use.

Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS).

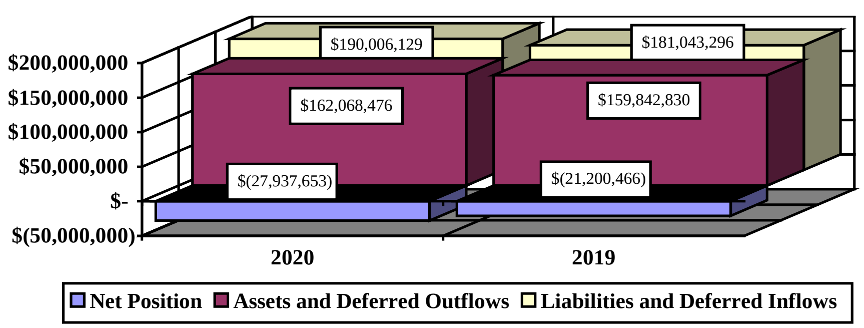
Total assets include a net OPEB asset reported by STRS.

Current and other assets increased primarily due to an increase in property taxes receivable as a result of an incremental levy passed by District voters in November 2019.

At year-end, capital assets represented 54.08% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The District's net investment in capital assets at June 30, 2020, was $21,825,927. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $4,849,539, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of $54,613,119.

The graph below illustrates the District's governmental activities assets plus deferred outflows of resources, liabilities plus deferred inflows of resources and net position at June 30, 2020 and 2019.



The table below shows the changes in net position for governmental activities between 2020 and 2019.

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Change in Net Position

	Governmental Activities 2020	Governmental Activities 2019
Revenues		
Program revenues:		
Charges for services and sales	$ 3,376,817	$ 3,706,297
Operating grants and contributions	4,144,605	4,250,585
Capital grants and contributions	573,890	151,384
General revenues:		
Property taxes	37,326,776	33,217,792
Income taxes	6,920,266	7,595,957
Grants and entitlements	14,578,779	14,834,562
Payments in lieu of taxes	599,556	512,932
Investment earnings	108,613	256,804
Miscellaneous	74,791	88,871
Total revenues	67,704,093	64,615,184

Expenses		
Program expenses:		
Instruction:		
Regular	34,527,095	29,132,585
Special	9,830,081	9,033,902
Vocational	42,712	3,698
Other	6,705	-
Support services:		
Pupil	5,453,801	4,755,861
Instructional staff	896,434	1,006,407
Board of education	89,985	91,226
Administration	5,954,499	5,165,276
Fiscal	1,389,594	1,128,650
Business	60,387	54,636
Operations and maintenance	6,176,775	5,847,145
Pupil transportation	2,672,143	2,353,993
Central	1,528,867	1,507,323
Operations of non-instructional services		
Food service operations	1,801,113	1,707,531
Other non-instructional services	304,200	372,361
Extracurricular activities	1,862,329	2,019,331
Interest and fiscal charges	1,844,560	1,919,047
Total expenses	74,441,280	66,098,972
Change in net position	(6,737,187)	(1,483,788)
Net position (deficit) at beginning of year	(21,200,466)	(19,716,678)
Net position (deficit) at end of year	$ (27,937,653)	$ (21,200,466)

Governmental Activities

Net position of the District's governmental activities decreased $6,737,187. Total governmental expenses of $74,441,280 were offset by program revenues of $8,095,312 and general revenues of $59,608,781. Program revenues supported 10.87% of the total governmental expenses.

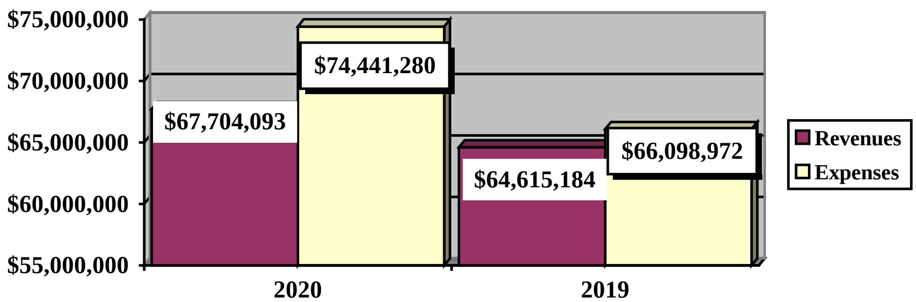
Overall, expenses of the governmental activities increased $8,342,308 or 12.62%. This increase is primarily the result of increases related to the District's pension expense and OPEB expense.

On an accrual basis, the District reported $12,650,632 and $8,508,941 in pension expense for fiscal year 2020 and 2019, respectively. In addition, the District reported ($734,760) and ($7,704,782) in OPEB expense for fiscal year 2020 and 2019, respectively. The increase in both the net pension expense and the OPEB expense from fiscal year 2019 to fiscal year 2020 was $11,111,713. This increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities.

The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, grants and entitlements and payments in lieu of taxes. These four sources of revenue total $59,425,377 and represent 87.77% of total governmental revenue. Real estate property is reappraised every six years.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2020 and 2019.

Governmental Activities - Revenues and Expenses



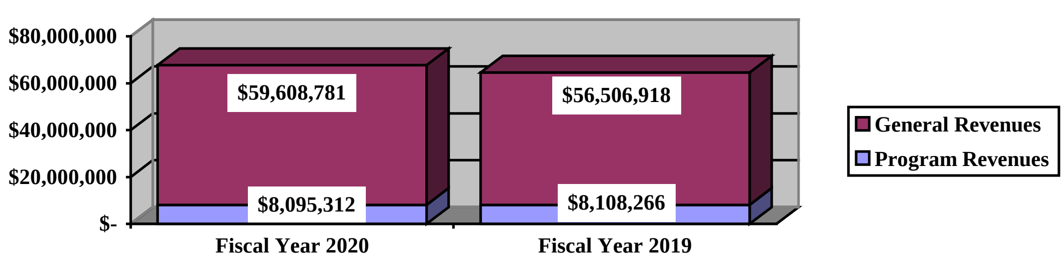
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2020 compared to 2019. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Governmental Activities			
	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Program expenses:				
Instruction:				
Regular	$ 34,527,095	$ 33,262,653	$ 29,132,585	$ 27,748,558
Special	9,830,081	6,994,811	9,033,902	5,932,734
Vocational	42,712	(74,729)	3,698	3,698
Other	6,705	6,705	-	-
Support services:				
Pupil	5,453,801	5,152,964	4,755,861	4,656,033
Instructional staff	896,434	818,279	1,006,407	849,663
Board of Education	89,985	89,985	91,226	91,226
Administration	5,954,499	5,847,533	5,165,276	5,154,299
Fiscal	1,389,594	1,389,594	1,128,650	1,128,650
Business	60,387	60,387	54,636	54,636
Operations and maintenance	6,176,775	6,082,824	5,847,145	5,786,462
Pupil transportation	2,672,143	2,583,856	2,353,993	2,278,144
Central	1,528,867	1,386,049	1,507,323	1,326,960
Operation of non-instructional services:				
Food service operations	1,801,113	386,289	1,707,531	116,674
Other non-instructional services	304,200	(15,539)	372,361	24,893
Extracurricular activities	1,862,329	529,747	2,019,331	919,029
Interest and fiscal charges	1,844,560	1,844,560	1,919,047	1,919,047
Total expenses	$ 74,441,280	$ 66,345,968	$ 66,098,972	$ 57,990,706

The dependence upon tax and other general revenues for governmental activities is apparent as 90.50% of instruction activities, which total $44,406,593, are supported through taxes and other general revenues. For all governmental activities, general revenue support is 89.13%.

The graph below presents the District's general and program revenues for fiscal years 2020 and 2019.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $8,721,173, which is less than last year's total of $9,452,838. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2020 and 2019.

	Fund Balance June 30, 2020	Fund Balance June 30, 2019	Change
General	$ 2,727,603	$ 4,912,132	$ (2,184,529)
Other governmental	5,993,570	4,540,706	1,452,864
Total	$ 8,721,173	$ 9,452,838	$ (731,665)

General Fund

The District's general fund balance decreased $2,184,529. The schedule below provides detail on the revenues and expenditures of the general fund for fiscal years 2020 and 2019.

	2020 Amount	2019 Amount	Percentage Change
Revenues			
Taxes	$ 38,597,221	$ 35,104,566	9.95 %
Tuition	1,001,949	1,125,087	(10.94) %
Earnings on investments	108,613	256,804	(57.71) %
Intergovernmental	15,704,424	16,135,924	(2.67) %
Other revenues	1,873,689	1,125,204	66.52 %
Total	$ 57,285,896	$ 53,747,585	6.58 %

	2020 Amount	2019 Amount	Percentage Change
Expenditures			
Instruction	$ 37,221,374	$ 36,336,464	2.44 %
Support services	20,292,205	20,918,912	(3.00) %
Operation of non-instructional services	5,154	7,847	(34.32) %
Extracurricular activities	1,229,689	1,239,931	(0.83) %
Facilities acquisition and construction	650	48,390	(98.66) %
Capital outlay	-	46,000	(100.00) %
Debt service	721,353	808,788	(10.81) %
Total	$ 59,470,425	$ 59,406,332	0.11 %

Revenues of the general fund increased approximately $3.5 million compared to fiscal year 2019. This is due to the increase in taxes revenue. The increase in property taxes is due to the District's voters passing a new incremental levy in November 2019. Intergovernmental revenues decreased due to cuts to the State Foundation program as a result of the COVID-19 pandemic.

Expenditures in the general fund increased approximately $64,000 from fiscal year 2019. This small increase is a result of lower operating expenditures (like building maintenance and bussing) because of the pandemic, even though District enrollment continues to increase.

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 fiscal year 2020, the original budgeted revenues and other financing sources were $54,935,339. Final budgeted revenues and other financing sources were increased $7,325,459 from the original budget. This is due to the District's voters passing a new incremental levy in November 2019. Actual revenues and other financing sources for fiscal year 2020 were $59,320,481. Actual revenues and other financing sources were $2,940,317 less than final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of $56,732,135 were increased to $61,211,605 in the final budget. This is due to the new levy passing in November 2019. The actual budget basis expenditures and other financing uses for fiscal year 2020 totaled $59,029,692, which was $2,181,913 less than the final budget appropriations.

Debt Administration and Capital Assets

Debt Administration

At June 30, 2020, the District had $48,760,000 in general obligation bonds, $2,529,666 in energy conservation notes and $1,835,249 in lease purchase obligations. Of this total, $2,843,917 is due within one year and $50,280,998 is due in greater than one year.

The following table summarizes the bonds, notes and lease obligations outstanding at June 30, 2020 and 2019.

Outstanding Debt, at Year End

	Governmental Activities 2020	Governmental Activities 2019
General obligation bonds	$ 48,760,000	$ 50,685,000
Energy conservation note	2,529,666	2,786,718
Lease-purchase agreements	1,835,249	1,261,763
Total	$ 53,124,915	$ 54,733,481

At June 30, 2020, the District's overall legal debt margin was $40,080,305 with an unvoted debt margin of $964,502.

See Note 10 to the basic financial statements for further detail on the District's long-term obligations.

Capital Assets

At the end of fiscal 2020, the District had $77,276,968 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. The following table shows fiscal 2020 balances compared to 2019:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2020	2019
Land	$ 4,370,152	$ 4,370,152
Land improvements	1,965,778	2,174,100
Building and improvements	66,611,651	70,594,180
Furniture and equipment	2,017,762	2,148,594
Vehicles	2,311,625	1,472,529
Total	$ 77,276,968	$ 80,759,555

Total additions to capital assets for 2020 were $1,807,212. Total disposals (net of accumulated depreciation) were $51,402. Depreciation recorded for the fiscal year totaled $5,238,397.

The overall decrease in capital assets of $3,482,587 is due to current year depreciation expense and disposals (net of accumulated depreciation) exceeding additions.

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

Economic Conditions and Outlook

The District has experienced the effects of an economic turn-around over the past several years. We continue to see signs of continuous economic growth throughout the District. Commercial and residential development continues. A District that traditionally prospers from the effects of residential and commercial real estate growth and a continuous increased income tax stream has seen these resources continue to grow but at the same time, create economic challenges for the district. Then, in March 2020, a global pandemic changed the way schools operated in Ohio.

The District comprises approximately 41 square miles in the north central portion of Wood County (the County) and is bordered on the north by the Maumee River. Residential construction has resulted in significant growth in the population of the District during the past several years, and this growth is expected to continue into the foreseeable future. The City of Perrysburg (the City) is an attractive municipality and is proud of its heritage. Although some residential development is occurring within the City boundaries, the majority of the current development is primarily in the southwest quadrant of the District, within Perrysburg and Middleton Townships. Development is primarily residential, although some retail and light manufacturing construction has occurred. The District is located in a reasonably good agricultural area, although agriculture is no longer a major contributor to the City or to the District. The City and the greater Toledo metropolitan area provide residents with many retail, commercial and light industrial advantages associated with small cities. Residents have the availability of a variety of shopping, entertainment, and dining venues, as well as a steady mix of employment options.

The District continues to play a vital role as a center of the community, and a sense of pride is evident within the District and throughout the community. The availability of new housing and transportation routes make the area attractive to families moving to this Northwest Ohio area. Those moving into the area have the advantages of the larger city conveniences and services while retaining the positives associated with the smaller, community-oriented environment.

The District operates four K-5 elementary school buildings, one 5-6 intermediate school, one 6-8 middle school, and one 9-12 high school. The District continues to maintain the Commodore Building that is located in the central portion of the City, and that currently houses the central administration. Original construction dates for these school buildings range from 1894 to 2001, and most of the buildings have had one or more major additions. In general, the buildings have been well maintained; yet, changes in program requirements and the inflexibility of several of the buildings present limitations for the delivery of the instructional programs. The Commodore Building continues to be renovated for administrative offices. The building is home to not only the District's administrative personnel but is host to a number of professional development programs for education personnel across Northwest Ohio. The School District community is changing. A different set of expectations for the schools comes with these changes. As new residents arrive and local conditions are altered, different work requirements and family expectations follow. The changing nature of agribusiness, manufacturing and service industries with new applications from technology creates the need for different skills for managers and workers. As residents are exposed to these changes in their home, business and work, they develop expectations for the schools that are different from those that have influenced the District in the past. All of these changes have potential for impact on teachers and teaching, as well as on school facilities and instructional materials.

The District is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is neither a part of, nor under the control of, the City. The territory of the District is considerably larger than the territory of the City.

Historically, real estate values throughout the District have increased at an average rate of almost two (1.77%) percent over the past ten years, in a non-triennial update or reappraisal year. The district has seen steady increases in the overall valuation since the 2011 reappraisal. Agricultural values have been adjusted on several occasions throughout the State to reflect more accurate CAUV (Current Agricultural Land Use Values) values. Voters renewed the incremental levy, originally approved by the community in 2004, in November of 2016. Currently the levy is collecting 14 mills. An incremental levy for new money passed in November 2019. The District's income tax collection continues to be a valuable resource. The District will experience a triennial update 2020 payable 2021 resulting in possible double digit (12%) growth.

The District continues to implement very aggressive measures to balance the budget and provide some financial stability. As the District moves forward into fiscal year 2021, the staff and administration continue to look at future growth throughout the community and the challenges that overcrowding presents. Reliance on the State of Ohio for financial support continues to be a huge question. Perrysburg residents have been very supportive of the district. The local community has replaced a large portion of the funding that state has taken away over the past several years with the approval of the incremental levy in 2016. With our community support, the new levy in November 2019 will continue to make Perrysburg a destination district.

The District's expenditure levels continue to be reviewed and closely monitored. The administration has managed to control the growth of expenditures. A more structured budgeting process has been developed and implemented. Board committees continue to be utilized in terms of the approval and implementation of various district programs and the costs associated with those programs. We will continue to make containing cost a primary focus as we move into future years.

Instructional programs and curriculum adoptions have and will continue to be a primary focus of the District's administrative team. As the District continues to move forward with curriculum updates and new technology initiatives, financial planning has become an integral part of this process. Costs for services for students with special needs continue to rise. This is such an uncontrollable cost. Court placed students with disabilities have a drastic impact on District finances. The District reviews these services on an annual basis to review their effectiveness for services and costs.

The District continues to grow in all aspects of economic development. Housing continues to rise and the district's enrollment continues to escalate at an explosive rate. Portable classrooms were purchased and installed at two elementary buildings in the district in the summer of 2013 at a cost of approximately $550,000 to address the overcrowding issue. The District built an intermediate building which was completed in 2018. Voters approved the $38,900,000 bond issue in November of 2014. This removed the fifth grade from the elementary building and the sixth grade from the current junior high and allowed some additional growth to occur for a short time. But with the explosive growth, the buildings and future needs are a concern. New subdivisions are platted and building continues throughout the District. Several apartment complexes have added students to already maximum building capacities.

Several tax abatements were negotiated over the last year with new companies and existing companies expanding operations throughout the District. It is evident that the economy has had its effect on the ability for companies to build and expand like they have in the past but the activity is beginning to accelerate once again.

We are extremely pleased with the direction the district has taken instructionally and we continue to provide an outstanding education for the students in Perrysburg.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Pam Harrington, Treasurer, at Perrysburg Exempted Village School District, 140 East Indiana Avenue, Perrysburg, Ohio 43551.

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2020

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents. . . .	$	14,437,123
Receivables:		
Property taxes		43,489,707
Income taxes.		2,615,456
Payment in lieu of taxes		387,086
Accounts.		10,366
Intergovernmental		558,278
Prepayments		72,228
Materials and supplies inventory.		4,354
Inventory held for resale.		19,970
Net OPEB asset		4,021,783
Capital assets:		
Nondepreciable capital assets		4,370,152
Depreciable capital assets, net.		72,906,816
Capital assets, net		77,276,968
Total assets.		142,893,319
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding		178,219
Pension		16,426,959
OPEB		2,569,979
Total deferred outflows of resources		19,175,157
Liabilities:		
Accounts payable.		222,368
Accrued wages and benefits		6,912,147
Intergovernmental payable		358,876
Pension and postemployment benefits payable .		960,454
Accrued interest payable		214,243
Unearned revenue		239,773
Claims payable.		586,100
Long-term liabilities:		
Due within one year.		3,313,424
Due in more than one year:		
Net pension liability		67,483,934
Net OPEB liability		5,921,070
Other amounts due in more than one year .		56,771,919
Total liabilities		142,984,308
Deferred inflows of resources:		
Property taxes levied for the next fiscal year. . . .		37,181,200
Payment in lieu of taxes levied for the next fiscal year		297,086
Pension		3,040,065
OPEB.		6,503,470
Total deferred inflows of resources		47,021,821
Net position:		
Net investment in capital assets		21,825,927
Restricted for:		
Capital projects		1,859,213
Debt service.		1,889,507
Locally funded programs		57,786
State funded programs.		297,990
Federally funded programs		68,179
Food service.		105,218
Student activities		402,169
Other purposes		169,477
Unrestricted (deficit)		(54,613,119)
Total net position (deficit).	$	(27,937,653)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 34,527,095	$ 1,254,052	$ 10,390	$ -	$ (33,262,653)
Special	9,830,081	181,128	2,654,142	-	(6,994,811)
Vocational	42,712	-	117,441	-	74,729
Other	6,705	-	-	-	(6,705)
Support services:					
Pupil	5,453,801	43,922	256,915	-	(5,152,964)
Instructional staff	896,434	87	78,068	-	(818,279)
Board of education	89,985	-	-	-	(89,985)
Administration	5,954,499	3,388	103,578	-	(5,847,533)
Fiscal	1,389,594	-	-	-	(1,389,594)
Business	60,387	-	-	-	(60,387)
Operations and maintenance	6,176,775	89,544	4,407	-	(6,082,824)
Pupil transportation	2,672,143	-	88,287	-	(2,583,856)
Central	1,528,867	130,218	12,600	-	(1,386,049)
Operation of non-instructional services:					
Food service operations	1,801,113	949,919	464,905	-	(386,289)
Other non-instructional services	304,200	-	319,739	-	15,539
Extracurricular activities	1,862,329	724,559	34,133	573,890	(529,747)
Interest and fiscal charges	1,844,560	-	-	-	(1,844,560)
Total governmental activities	$ 74,441,280	$ 3,376,817	$ 4,144,605	$ 573,890	(66,345,968)

General revenues:	
Property taxes levied for:	
General purposes	32,008,754
Debt service	3,622,479
Capital outlay	1,695,543
Payments in lieu of taxes	599,556
Income taxes levied for:	
General purposes	6,920,266
Grants and entitlements not restricted to specific programs	14,578,779
Investment earnings	108,613
Miscellaneous	74,791
Total general revenues	59,608,781
Change in net position	(6,737,187)
Net position (deficit) at beginning of year	(21,200,466)
Net position (deficit) at end of year	$ (27,937,653)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash			
and cash equivalents.	$ 3,742,887	$ 5,294,962	$ 9,037,849
Receivables:			
Property taxes.	37,685,323	5,804,384	43,489,707
Income taxes	2,615,456	-	2,615,456
Payment in lieu of taxes	-	387,086	387,086
Accounts	10,366	-	10,366
Intergovernmental.	215,338	342,940	558,278
Prepayments.	72,228	-	72,228
Materials and supplies inventory.	-	4,354	4,354
Inventory held for resale.	-	19,970	19,970
Due from other funds	53,023	-	53,023
Restricted assets:			
Equity in pooled cash			
and investments	1,270	-	1,270
Total assets	$ 44,395,891	$ 11,853,696	$ 56,249,587
Liabilities:			
Accounts payable	$ 172,036	$ 18,982	$ 191,018
Accrued wages and benefits	6,610,239	301,908	6,912,147
Compensated absences payable	48,907	-	48,907
Intergovernmental payable	354,910	3,966	358,876
Pension and postemployment benefits payable .	887,329	73,125	960,454
Due to other funds	-	53,023	53,023
Unearned revenue.	239,773	-	239,773
Total liabilities.	8,313,194	451,004	8,764,198
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . . .	32,252,484	4,928,716	37,181,200
Payment in lieu of taxes levied for the next fiscal year.	-	297,086	297,086
Delinquent property tax revenue not available. . .	175,566	27,150	202,716
Income tax revenue not available	782,253	-	782,253
Intergovernmental revenue not available.	144,791	141,170	285,961
Delinquent payments in lieu of taxes not available .	-	15,000	15,000
Total deferred inflows of resources	33,355,094	5,409,122	38,764,216
Fund balances:			
Nonspendable.	72,228	4,354	76,582
Restricted.	1,270	5,059,126	5,060,396
Committed.	11,000	1,004,055	1,015,055
Assigned.	1,018,522	-	1,018,522
Unassigned (deficit)	1,624,583	(73,965)	1,550,618
Total fund balances	2,727,603	5,993,570	8,721,173
Total liabilities, deferred inflows and fund balances .	$ 44,395,891	$ 11,853,696	$ 56,249,587

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

Total governmental fund balances		$ 8,721,173
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		77,276,968
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 202,716	
Income taxes receivable	782,253	
Payment in lieu of taxes receivable	15,000	
Intergovernmental receivable	285,961	
Total		1,285,930
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		4,780,554
Unamortized premiums on bonds issued are not recognized in the funds.		(2,504,345)
Unamortized amounts on refundings are not recognized in the funds.		178,219
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(214,243)
The net pension/OPEB asset & liabilities are not due and payable in the current period; therefore, the asset & liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	16,426,959	
Deferred inflows - pension	(3,040,065)	
Net pension liability	(67,483,934)	
Deferred outflows - OPEB	2,569,979	
Deferred inflows - OPEB	(6,503,470)	
Net OPEB asset	4,021,783	
Net OPEB liability	(5,921,070)	
Total		(59,929,818)
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	(48,760,000)	
Lease purchase obligations	(1,835,249)	
Compensated absences	(4,407,176)	
Energy conservation note	(2,529,666)	
Total		(57,532,091)
Net position (deficit) of governmental activities		$ (27,937,653)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Property taxes	$ 31,944,407	$ 5,314,536	$ 37,258,943
Income taxes	6,652,814	-	6,652,814
Payment in lieu of taxes	233,408	366,148	599,556
Tuition	1,001,949	21,039	1,022,988
Earnings on investments	108,613	-	108,613
Charges for services	-	949,919	949,919
Extracurricular	235,412	428,178	663,590
Classroom materials and fees	292,640	-	292,640
Other local revenues	1,112,229	143,737	1,255,966
Intergovernmental - intermediate	4,428	2,405	6,833
Intergovernmental - state	15,699,996	1,203,625	16,903,621
Intergovernmental - federal	-	1,750,243	1,750,243
Total revenues	57,285,896	10,179,830	67,465,726
Expenditures:			
Current:			
Instruction:			
Regular	29,464,614	168,096	29,632,710
Special	7,707,998	1,141,129	8,849,127
Vocational	42,057	-	42,057
Other	6,705	-	6,705
Support services:			
Pupil	4,561,937	120,388	4,682,325
Instructional staff	730,389	100,486	830,875
Board of education	88,185	-	88,185
Administration	5,062,388	23,087	5,085,475
Fiscal	1,220,009	53,025	1,273,034
Business	52,323	-	52,323
Operations and maintenance	5,209,231	4,581	5,213,812
Pupil transportation	2,120,724	8,396	2,129,120
Central	1,247,019	41,191	1,288,210
Operation of non-instructional services:			
Food service operations	-	1,604,226	1,604,226
Other non-instructional services	5,154	297,730	302,884
Extracurricular activities	1,229,689	472,802	1,702,491
Facilities acquisition and construction	650	605,119	605,769
Capital outlay	-	1,107,540	1,107,540
Debt service:			
Principal retirement	621,745	2,094,361	2,716,106
Interest and fiscal charges	99,608	2,014,820	2,114,428
Total expenditures	59,470,425	9,856,977	69,327,402
Excess (deficiency) of revenues over (under) expenditures	(2,184,529)	322,853	(1,861,676)
Other financing sources:			
Sale of capital assets	-	22,471	22,471
Lease purchase agreement	-	1,107,540	1,107,540
Total other financing sources	-	1,130,011	1,130,011
Net change in fund balances	(2,184,529)	1,452,864	(731,665)
Fund balances at beginning of year	4,912,132	4,540,706	9,452,838
Fund balances at end of year	$ 2,727,603	$ 5,993,570	$ 8,721,173

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD 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, 2020

Net change in fund balances - total governmental funds		$ (731,665)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 1,807,212	
Current year depreciation	(5,238,397)	
Total		(3,431,185)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(51,402)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	67,833	
Income taxes	267,452	
Intergovernmental	(96,918)	
Total		238,367
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
General obligation bonds	1,925,000	
Lease purchase agreements	534,054	
Energy conservation note	257,052	
Total		2,716,106
Issuance of lease purchase agreements are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(1,107,540)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	5,262,753	
OPEB	110,290	
Total		5,373,043
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset & liability are reported as pension/OPEB expense in the statement of activities		
Pension	(12,650,632)	
OPEB	734,760	
Total		(11,915,872)

- - Continued

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Increase in accrued interest payable	$ (3,209)	
Amortization of bond premiums	305,979	
Amortization of deferred charges	(32,902)	
Total		$ 269,868
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.		(120,945)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		2,024,038
Change in net position of governmental activities		$ (6,737,187)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD 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, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
From local sources:				
Property taxes	$ 31,066,180	$ 35,208,761	$ 33,545,999	$ (1,662,762)
Income taxes	7,158,645	8,113,228	7,730,074	(383,154)
Payment in lieu of taxes	220,255	249,625	237,836	(11,789)
Tuition	909,364	1,030,625	981,953	(48,672)
Earnings on investments	104,047	117,921	112,352	(5,569)
Extracurricular	62,144	70,431	67,105	(3,326)
Other local revenues	851,893	965,490	919,894	(45,596)
Intergovernmental - state	14,543,658	16,483,010	15,704,586	(778,424)
Total revenues	54,916,186	62,239,091	59,299,799	(2,939,292)
Expenditures:				
Current:				
Instruction:				
Regular	27,934,686	29,009,470	29,065,993	(56,523)
Special	7,423,266	8,147,165	7,723,896	423,269
Vocational	40,420	111,630	42,057	69,573
Support services:				
Pupil	4,387,714	4,810,271	4,565,409	244,862
Instructional staff	718,944	862,937	748,060	114,877
Board of education	92,258	112,612	95,994	16,618
Administration	4,934,301	5,585,667	5,134,132	451,535
Fiscal	1,187,040	1,210,079	1,235,113	(25,034)
Business	53,476	56,072	55,642	430
Operations and maintenance	5,089,242	5,387,755	5,295,348	92,407
Pupil transportation	2,069,790	2,575,060	2,153,613	421,447
Central	1,122,927	1,222,452	1,168,404	54,048
Other non-instructional services	4,953	7,959	5,154	2,805
Extracurricular activities	994,580	1,267,220	1,034,859	232,361
Facilities acquisition and construction	625	75,087	650	74,437
Debt service:				
Principal retirement	583,424	671,853	607,052	64,801
Interest and fiscal charges	94,489	98,316	98,316	-
Total expenditures	56,732,135	61,211,605	59,029,692	2,181,913
Excess (deficiency) of revenues over (under) expenditures	(1,815,949)	1,027,486	270,107	(757,379)
Other financing sources:				
Refund of prior year's expenditures	19,153	21,707	20,682	(1,025)
Total other financing sources	19,153	21,707	20,682	(1,025)
Net change in fund balance	(1,796,796)	1,049,193	290,789	(758,404)
Fund balance at beginning of year	1,913,223	1,913,223	1,913,223	-
Prior year encumbrances appropriated	527,774	527,774	527,774	-
Fund balance at end of year	$ 644,201	$ 3,490,190	$ 2,731,786	$ (758,404)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash and cash equivalents.	$ 5,398,004
Liabilities:	
Accounts payable.	31,350
Claims payable	586,100
Total liabilities	617,450
Net position:	
Unrestricted.	$ 4,780,554

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	$ 9,331,178
Operating expenses:	
Purchased services	1,358,478
Claims	5,948,662
Total operating expenses	7,307,140
Change in net position	2,024,038
Net position at beginning of year	2,756,516
Net position at end of year	$ 4,780,554

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services.	$ 9,331,178
Cash payments for purchased services	(1,358,478)
Cash payments for claims	(6,229,062)
Net cash provided by operating activities	1,743,638
Cash and cash equivalents at beginning of year .	3,654,366
Cash and cash equivalents at end of year	$ 5,398,004
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 2,024,038
Changes in assets and liabilities:	
Decrease in claims payable	(280,400)
Net cash provided by operating activities.	$ 1,743,638

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose Trust	
	Scholarship	**Agency**
Assets:		
Equity in pooled cash and cash equivalents	$ 258,115	$ 154,445
Liabilities:		
Accounts payable	$ 4,222	$ -
Due to students	-	131,804
Due to others	-	22,641
Total liabilities	4,222	$ 154,445
Net position:		
Held in trust for scholarships	253,893	
Total liabilities and net position	$ 258,115	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Private Purpose Trust
	Scholarship
Additions:	
Interest.	$ 685
Gifts and contributions.	4,122
Total additions.	4,807
Deductions:	
Scholarships awarded	5,572
Change in net position	(765)
Net position at beginning of year.	254,658
Net position at end of year	$ 253,893

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Perrysburg Exempted Village School District (the District) is located in Wood County in northwest Ohio.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

It currently operates 4 elementary schools, 1 intermediate school, 1 junior high school, and 1 comprehensive high school. The District employs 32 administrators, 202 non-certified and 380 certified full-time and part-time employees to provide services to approximately 5,341 students and various community groups.

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).

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Computer Association
The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is a program of the Northern Buckeye Education Council. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities. NWOCA is governed by the Northern Buckeye Education Council as described below. Financial information can be obtained from Tammy Butler, who serves as Treasurer, at 209 Nolan Parkway, P.O. Box 407, Archbold, Ohio 43502.

Northern Buckeye Education Council
The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among school districts located in Defiance, Fulton, Henry, Lucas, Williams, and Wood counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. To obtain financial information write to the Northern Buckeye Education Council, Tammy Butler, who serves as Treasurer, at 209 Nolan Parkway, P.O. Box 407, Archbold, Ohio 43502.

Penta Career Center
The Penta Career Center (the "Center") is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide vocational and special education needs of the students. The Center accepts non-tuition students from the District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the District. Financial information can be obtained from the Penta County Career Center, Carrie Herringshaw, who serves as Treasurer, at 9301 Buck Road, Perrysburg, Ohio 43551.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

The following is the District's major governmental fund:

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

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

PROPRIETARY FUND

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 enterprise funds. The following is a description of the District's internal service fund:

> *Internal service fund* - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program, which provides dental, vision, medical/surgical and life insurance benefits to employees.

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 agency funds. Trust funds are distinguished from agency funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for student activities and tournaments.

C. 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. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows 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. The internal service fund is presented in a single column on the face of the proprietary fund statements. 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 and deferred outflows and current liabilities and deferred inflows 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.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the District's internal service fund is charges for services. Operating expenses for internal service funds include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes property taxes, income 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 income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 7).

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 14 and 15 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 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.

See Notes 14 and 15 for deferred inflows of resources related to the District's net pension liability and net OEPB liability/asset, respectively. This deferred inflow of resources is 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 used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

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 agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Wood County Budget Commission for rate determination. The Wood County Budget Commission waived the tax budget filing requirement for fiscal year 2020.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the original and final amended certificate of estimated resources issued during the fiscal year.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the fund level which is the legal level of control. Any revisions that alter appropriations at the fund level must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budget amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

F. Cash and Investments

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

During fiscal year 2020, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices.

STAR 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 and is recognized as an external investment pool by the District. 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 a NAV per share that approximates fair value.

For the fiscal year 2020, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or 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 2020 amounted to $108,613, which includes $78,765 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.

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

G. Inventory

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

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

H. Prepaids

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 financial statements 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.

I. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. The District maintains a capitalization threshold of $2,500 for its capital assets. In addition, a capital asset must have an estimated useful life greater than one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their acquisition values as of the date received. 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.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

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

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	8 - 10 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from cash deficits among the governmental activities are classified as amounts “due to/from other funds”. These amounts are eliminated in the governmental activities column on the statement of net position.

K. Compensated Absences

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

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

For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service or any employee with fifteen years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2020 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, is paid in a timely manner and, in full from current financial resources is 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, leases and notes are recognized as a liability on the fund financial statements when due.

M. Fund Balance

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

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

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.

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.

N. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include amounts for school bus purchases. See Note 18 for details.

O. Net Position

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

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 financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Q. Parochial School

The St. Rose School, a parochial school located within the District boundaries operated through the Toledo Catholic Archdiocese.

Current State legislation provides funding to this parochial school, which is received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The administration of the State monies by the District is reflected in a special revenue fund for financial reporting purposes.

R. Unamortized Bond Premium and Deferred Charges on Refunding

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. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

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

S. 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 2020.

T. 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 activities between governmental funds are eliminated in the statement of activities.

U. 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 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.

V. 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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2020, the District has implemented GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*" and GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*"

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

GASB Statement No. 95 postpones the effective dates of certain provisions in the statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following statements are postponed by one year:
- Statement No. 84, *Fiduciary Activities*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*

Certain provisions in the following statements are postponed by one year:
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following statement is postponed by 18 months:
- Statement No. 87, *Leases*

B. Deficit Fund Balances

Fund balances at June 30, 2020 included the following individual fund deficits:

Nonmajor funds	Deficit
Title VI-B	$ 70,195
Title I	2,313
IDEA handicapped preschool	1,457

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.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio).

8. Certain banker's acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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 fiscal year end, the District had $24,000 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2020, the carrying amount of all District deposits was $11,795,212. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2020, $11,876,999 of the District's bank balance of $12,380,018 was exposed to custodial risk as discussed below, while $503,019 was covered by the FDIC.

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's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

Measurement/ Investment type	Measurement value	Investment maturities 6 months or less
Amortized cost:		
STAR Ohio	$ 3,030,471	$ 3,030,471
	$ 3,030,471	$ 3,030,471

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. 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: Standard & Poor's has assigned STAR Ohio 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 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.

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, 2020:

Measurement/ Investment type	Measurement value	% of Total
Amortized cost:		
STAR Ohio	$ 3,030,471	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of June 30, 2020:

Cash and investments per note	
Carrying amount of deposits	$ 11,795,212
Investments	3,030,471
Cash on hand	24,000
Total	$ 14,849,683

Cash and cash equivalents per statement of net position	
Governmental activities	$ 14,437,123
Private-purpose trust fund	258,115
Agency funds	154,445
Total	$ 14,849,683

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2020, as reported on the fund statements, consist of the following amounts due to and due from other funds:

Due to	Due from	Amount
General fund	Nonmajor governmental funds	$ 53,023

The purpose of the amount due to/from other funds is to cover negative cash balances in the nonmajor governmental funds. The interfund balance will be repaid once the anticipated revenues are received and is expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the 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 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, 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 Wood 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, 2020, are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was $5,257,273 in the general fund, $591,326 in the debt service fund, a nonmajor governmental fund and $257,192 in the permanent improvement fund, a nonmajor governmental fund. This amount is recorded as revenue. The amount available for advance at June 30, 2019 was $6,858,865 in the general fund, $1,129,109 in the debt service fund, a nonmajor governmental fund, and $439,259 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, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 927,991,410	97.73	$ 938,016,010	97.25
Public utility personal	21,551,550	2.27	26,486,290	2.75
Total	$ 949,542,960	100.00	$ 964,502,300	100.00
Tax rate per $1,000 of assessed valuation	$ 71.09		$ 77.90	

NOTE 7 - INCOME TAXES

In 1991, the voters of the District passed a .5% school income tax on wages earned by residents of the District. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund and totaled $6,652,814 on the governmental fund financial statements during fiscal year 2020.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2020 consisted of property taxes, school district income taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees) and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 43,489,707
School district income tax	2,615,456
Payments in lieu of taxes	387,086
Intergovernmental	558,278
Accounts	10,366
Total	$ 47,060,893

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

NOTE 9 - CAPITAL ASSETS

Capital asset activity for fiscal year 2020 is as follows:

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 4,370,152	$ -	$ -	$ 4,370,152
Total capital assets, not being depreciated	4,370,152	-	-	4,370,152
Capital assets, being depreciated:				
Land improvements	8,640,696	-	-	8,640,696
Buildings and improvements	118,309,816	377,836	-	118,687,652
Furniture and equipment	8,541,483	316,836	-	8,858,319
Vehicles	3,753,805	1,112,540	(514,016)	4,352,329
Total capital assets, being depreciated	139,245,800	1,807,212	(514,016)	140,538,996
Less: accumulated depreciation:				
Land improvements	(6,466,596)	(208,322)	-	(6,674,918)
Buildings and improvements	(47,715,636)	(4,360,365)	-	(52,076,001)
Furniture and equipment	(6,392,889)	(447,668)	-	(6,840,557)
Vehicles	(2,281,276)	(222,042)	462,614	(2,040,704)
Total accumulated depreciation	(62,856,397)	(5,238,397)	462,614	(67,632,180)
Depreciable capital assets, net	76,389,403	(3,431,185)	(51,402)	72,906,816
Governmental activities capital assets, net	$ 80,759,555	$ (3,431,185)	$ (51,402)	$ 77,276,968

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 2,523,057
Special	497,278
Vocational	270
Support services:	
Pupil	406,863
Instructional staff	62,066
Board of education	1,800
Administration	403,523
Fiscal	52,521
Business	3,221
Operations and maintenance	538,443
Pupil transportation	354,869
Central	157,722
Operation of non-instructional services:	
Food service operations	115,386
Other non-instructional services	541
Extracurricular activities	120,837
Total depreciation expense	$ 5,238,397

NOTE 10 - LONG-TERM OBLIGATIONS

A. The changes in the District's long-term obligations during the year consist of the following:

	Balance Outstanding June 30, 2019	Additions	Reductions	Balance Outstanding June 30, 2020	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
2015 school improvement bonds	$ 37,330,000	$ -	$ (465,000)	$ 36,865,000	$ 420,000
2016 refunding bonds	13,355,000	-	(1,460,000)	11,895,000	1,585,000
Total general obligation bonds payable	50,685,000	-	(1,925,000)	48,760,000	2,005,000
Other long-term obligations:					
Lease purchase agreements	1,261,763	1,107,540	(534,054)	1,835,249	573,965
Energy conservation note	2,786,718	-	(257,052)	2,529,666	264,952
Net pension liability	64,953,601	2,530,333	-	67,483,934	-
Net OPEB liability	6,275,599	-	(354,529)	5,921,070	-
Compensated absences	4,389,448	532,630	(465,995)	4,456,083	469,507
Total other long-term obligations	79,667,129	4,170,503	(1,611,630)	82,226,002	1,308,424
Total long-term obligations governmental activities	$ 130,352,129	$ 4,170,503	$ (3,536,630)	130,986,002	$ 3,313,424
Unamortized premium on bonds				2,504,345	
Total on statement of net position				$ 133,490,347	

Series 2015 general obligation bonds: On March 25, 2015, the District issued $38,900,000 of general obligation bonds for the purpose of constructing, renovating, remodeling, adding to, furnishing, equipping and otherwise improving District buildings and facilities and acquiring, improving and equipping real estate and interests for District purposes. The issue is made up of serial and term bonds, bears interest rates ranging from 2.00-5.00% and matures on December 1, 2043.

Series 2016 refunding general obligation bonds: - On September 6, 2016, the District issued 2016 refunding general obligation bonds to currently refund the District's 2006 and 2007 advance refunding general obligation bonds. The issuance proceeds of $16,929,574 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and, accordingly, has been removed from the statement of net position.

The issue is comprised of current interest refunding bonds, par value $14,690,000. The interest rate on the current interest refunding bonds ranges from 1.5% to 5.0% with interest payments due on June 1 and December 1 of each year until final maturity at December 1, 2025.

The reacquisition price exceeded the net carrying amount of the old debt by $304,344. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

All general obligation bonds are paid from the debt service fund, a nonmajor governmental fund.

Energy conservation note: On September 19, 2013, the District issued $4,069,476 in energy conservation notes for energy improvements to all existing buildings. The notes were issued for a fifteen-year period, with final maturity in fiscal year 2029. The notes bear an interest rate of 3.0499% and are retired through the general fund.

Lease purchase agreements: The lease purchase agreements were issued to fund athletic facility improvements, the purchase school buses and the purchase of a micro bus. See Note 11 for details.

Compensated absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. Compensated absences will be paid from the general fund and the food service fund, a nonmajor governmental fund.

Net pension liability: A discussion of the District's net pension liability is located in Note 14.

Net OPEB liability: A discussion of the District's net OPEB liability is located in Note 15.

B. Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2020, are as follows:

Fiscal	2015 School Improvement Bonds			2016 Refunding Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2021	$ 420,000	$ 1,461,569	$ 1,881,569	$ 1,585,000	$ 463,500	$ 2,048,500
2022	415,000	1,453,219	1,868,219	1,720,000	418,900	2,138,900
2023	360,000	1,445,019	1,805,019	1,820,000	360,500	2,180,500
2024	265,000	1,437,656	1,702,656	2,125,000	261,875	2,386,875
2025	295,000	1,430,656	1,725,656	2,295,000	151,375	2,446,375
2026 - 2030	5,645,000	6,659,944	12,304,944	2,350,000	47,000	2,397,000
2031 - 2035	8,270,000	5,249,397	13,519,397	-	-	-
2036 - 2040	10,635,000	3,237,625	13,872,625	-	-	-
2041 - 2044	10,560,000	813,749	11,373,749	-	-	-
Total	$ 36,865,000	$ 23,188,834	$ 60,053,834	$ 11,895,000	$ 1,703,150	$ 13,598,150

Fiscal	Energy Conservation Note		
Year Ended	Principal	Interest	Total
2021	$ 264,952	$ 75,148	$ 340,100
2022	273,094	67,006	340,100
2023	281,487	58,613	340,100
2024	290,138	49,962	340,100
2025	299,054	41,046	340,100
2026 - 2029	1,120,941	69,409	1,190,350
Total	$ 2,529,666	$ 361,184	$ 2,890,850

C. 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, 2020, are a voted debt margin of $40,080,305 (including available funds of $2,035,098) and an unvoted debt margin of $964,502.

NOTE 11 - LEASE PURCHASE AGREEMENTS

During fiscal year 2016, the District entered into a $1,750,000 lease purchase agreement for improvements to the athletic facility. During fiscal year 2018, the District entered into a $1,060,807 lease purchase agreement for the purchase of twelve school buses. During fiscal year 2019, the District entered into a $46,000 lease purchase agreement for the purchase of a micro bus. During fiscal year 2020, the District entered into a $1,107,540 lease purchase agreement for the purchase of twelve school buses. These leases meet the criteria of a capital lease as defined by accounting principles generally accepted in the United States of America which defines a capital lease generally as one which transfers the benefits and risks of ownership to the lessee at the conclusion of the lease term. Lease payments for the athletic facility lease are shown as debt service expenditures in the general fund and lease payments for the school buses lease are shown as debt service expenditures in the permanent improvement fund, a nonmajor governmental fund.

The general capital assets acquired by these lease purchase agreements have been capitalized in the governmental activities on the statement of net position in the amount of $1,750,000 for the athletic facility lease, all of which is included in buildings and improvements, and $2,214,347 for the school buses leases and the micro bus lease, all of which is included in vehicles, at June 30, 2020.

The following is a schedule of the future long-term minimum lease payments required under the lease agreements and the present value of the future minimum lease payments as of June 30, 2020:

Fiscal Year Ending June 30	Athletic Facility	School Buses	Micro Bus	Total
2021	$ 178,054	$ 429,749	$ 15,983	$ 623,786
2022	-	429,750	-	429,750
2023	-	429,749	-	429,749
2024	-	240,388	-	240,388
2025	-	240,388	-	240,388
Total minimum lease payments	178,054	1,770,024	15,983	1,964,061
Less: amount representing interest	(3,054)	(125,099)	(659)	(128,812)
Total	$ 175,000	$ 1,644,925	$ 15,324	$ 1,835,249

NOTE 12 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees, with one or more years of service, earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service. Sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement varies by classification. Certified and non-certified staff entitled to receive four days per year for each of the last ten years of District service, plus an additional eleven days are added for each year in the last three years before retirement in which the teacher completed the year with their maximum days of accumulated, but unused sick leave. In addition, if the teacher completes their last six years of service with the maximum accumulated sick leave balance, they will receive an additional six days of severance. Administrative staff is entitled to the greater of 72 days or to receive eight days per year for each of the last four years of District service, plus one-fourth of their total accumulated sick leave.

NOTE 13 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; and natural disasters for which the District maintains comprehensive insurance with private carriers for real property, building contents, vehicles and general liability insurance. Vehicle policies include liability coverage for bodily injury and property damage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

B. Workers' Compensation Rating Program

The District participates in the Bureau of Worker's Compensation retrospective rating program. The District hired David Kaderavek of Kaderavek LP, LLC of Perrysburg, Ohio to serve as the administrator of District's program.

C. Employee Group Life, Medical/Surgical, Dental and Vision Insurance

The District has established an internal service "self-insurance" fund, in conjunction with a formalized risk management program, in an effort to minimize risk exposure and control claims and premium costs.

This self-insurance fund was established for the purpose of accumulating balances sufficient to self-insure basic medical coverage and permit excess umbrella coverage for claims over a pre-determined level. Board and employee premium contributions are determined by negotiated agreement. Amounts are paid into this fund from the general fund and certain nonmajor governmental funds. Claims payments are made on an as-incurred basis, thus no "reserve" remains with the insurance carrier.

Expenses for claims are recorded as other expenses when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment assumptions as determined by the third party administrator. These liabilities are reported at their present value of $586,100 at June 30, 2020 and are based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling claims.

Changes in claims activity for the 2020 and 2019 fiscal years are as follows:

Fiscal Year	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
2020	$ 866,500	$ 5,948,662	$ (6,229,062)	$ 586,100
2019	927,300	7,542,112	(7,602,912)	866,500

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

The 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 are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* 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 and postemployment benefits payable on both the accrual and modified accrual basis of accounting.

Plan Description - District Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was $1,065,316 for fiscal year 2020. Of this amount, $94,207 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined 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.

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

The DC Plan allows members to place all 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 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2020, 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 2020 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was $4,197,437 for fiscal year 2020. Of this amount, $715,028 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.22205900%	0.23756801%	
Proportion of the net pension liability current measurement date	0.23038580%	0.24282617%	
Change in proportionate share	0.00832680%	0.00525816%	
Proportionate share of the net pension liability	$ 13,784,386	$ 53,699,548	$ 67,483,934
Pension expense	$ 2,946,967	$ 9,703,665	$ 12,650,632

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 349,539	$ 437,203	$ 786,742
Changes of assumptions	-	6,308,050	6,308,050
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	550,977	3,518,437	4,069,414
Contributions subsequent to the measurement date	1,065,316	4,197,437	5,262,753
Total deferred outflows of resources	$ 1,965,832	$ 14,461,127	$ 16,426,959

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 232,456	$ 232,456
Net difference between projected and actual earnings on pension plan investments	176,938	2,624,541	2,801,479
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	6,130	-	6,130
Total deferred inflows of resources	$ 183,068	$ 2,856,997	$ 3,040,065

$5,262,753 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 year ending June 30, 2021.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ 858,516	$ 4,700,779	$ 5,559,295
2022	(229,639)	1,842,688	1,613,049
2023	(11,774)	381,002	369,228
2024	100,345	482,224	582,569
Total	$ 717,448	$ 7,406,693	$ 8,124,141

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, 2019, 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 investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning 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 (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	$19,316,853	$ 13,784,386	$ 9,144,720

Actuarial Assumptions - STRS

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

	July 1, 2019
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%

For the July 1, 2019, 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. Pre-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. Post-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, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**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, 2019. 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, 2019. 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, 2019.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	$ 78,475,907	$ 53,699,548	$ 32,725,091

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability/asset to employees for OPEB. OPEB is a component of exchange transactions–between an employer and its employees—of salaries and benefits for employee services. 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 obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability/asset represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net 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.

The 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 OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - District Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, 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 2020, this amount was $19,600. 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 2020, the District's surcharge obligation was $110,290.

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 $110,290 for fiscal year 2020. Of this amount, $110,290 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District 's proportion of the net OPEB liability/asset was based on the District 's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB			
liability/asset prior measurement date	0.22620720%	0.23756801%	
Proportion of the net OPEB			
liability/asset current measurement date	0.23544990%	0.24282617%	
Change in proportionate share	0.00924270%	0.00525816%	
Proportionate share of the net			
OPEB liability	$ 5,921,070	$ -	$ 5,921,070
Proportionate share of the net			
OPEB asset	$ -	$ 4,021,783	$ 4,021,783
OPEB expense	$ 343,269	$ (1,078,029)	$ (734,760)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and			
actual experience	$ 86,916	$ 364,607	$ 451,523
Net difference between projected and			
actual earnings on OPEB plan investments	14,213	-	14,213
Changes of assumptions	432,467	84,537	517,004
Difference between employer contributions			
and proportionate share of contributions/			
change in proportionate share	739,073	737,876	1,476,949
Contributions subsequent to the			
measurement date	110,290	-	110,290
Total deferred outflows of resources	$ 1,382,959	$ 1,187,020	$ 2,569,979
Deferred inflows of resources			
Differences between expected and			
actual experience	$ 1,300,818	$ 204,615	$ 1,505,433
Net difference between projected and			
actual earnings on pension plan investments	-	252,595	252,595
Changes of assumptions	331,799	4,409,420	4,741,219
Difference between employer contributions			
and proportionate share of contributions/			
change in proportionate share	4,223	-	4,223
Total deferred inflows of resources	$ 1,636,840	$ 4,866,630	$ 6,503,470

$110,290 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 year ending June 30, 2021.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	$ (186,410)	$ (806,752)	$ (993,162)
2022	(17,070)	(806,752)	(823,822)
2023	(12,902)	(705,515)	(718,417)
2024	(13,579)	(670,000)	(683,579)
2025	(77,446)	(707,201)	(784,647)
Thereafter	(56,764)	16,610	(40,154)
Total	$ (364,171)	$ (3,679,610)	$ (4,043,781)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019 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 investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 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.

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	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. 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 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). 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.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net OPEB liability	$ 7,187,056	$ 5,921,070	$ 4,914,463

	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
District's proportionate share of the net OPEB liability	$ 4,743,976	$ 5,921,070	$ 7,482,788

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
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%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	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, 2019 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, 2018.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**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, 2019. 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, 2019.

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, 2019, 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 (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	$ 3,431,792	$ 4,021,783	$ 4,517,829

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 4,560,518	$ 4,021,783	$ 3,361,956

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

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

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ 290,789
Net adjustment for revenue accruals	(2,659,714)
Net adjustment for expenditure accruals	(243,067)
Net adjustment for other sources/uses	(20,682)
Funds budgeted elsewhere	110,169
Adjustment for encumbrances	337,976
GAAP basis	$ (2,184,529)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund, the staff rotary fund, the learning day by day fund, the rotary services fund, the underground storage tank fund, the rotary special services fund, the technology insurance fund and the public school support fund.

NOTE 17 - CONTINGENCIES

A. Grants

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

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

C. Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 are finalized and have been included in the financial statements.

NOTE 18 - SET-ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2019	$ -
Current year set-aside requirement	942,450
Current year offsets	(2,096,443)
Prior year offset from bond proceeds	-
Total	$ (1,153,993)
Balance carried forward to fiscal year 2021	$ -
Set-aside balance June 30, 2020	$ -

In addition to the above statutory set-asides, the District had $1,270 in monies restricted for school bus purchases.

During fiscal year 2015, the District issued $38,900,000 in capital related school improvement bonds. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to $0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $38,900,000 at June 30, 2020.

NOTE 19 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Materials and supplies inventory	$ -	$ 4,354	$ 4,354
Prepaids	72,228	-	72,228
Total nonspendable	72,228	4,354	76,582
Restricted:			
Debt service	-	2,035,098	2,035,098
Capital improvements	-	1,881,323	1,881,323
Food service operations	-	217,036	217,036
Non-public schools	-	73,262	73,262
Extracurricular	-	402,169	402,169
Targeted academic assistance	-	7,909	7,909
School bus purchases	1,270	-	1,270
Other purposes	-	442,329	442,329
Total restricted	1,270	5,059,126	5,060,396
Committed:			
Capital improvements	-	1,004,055	1,004,055
Other purposes	11,000	-	11,000
Total committed	11,000	1,004,055	1,015,055
Assigned:			
Student instruction	205,600	-	205,600
Student and staff support	185,102	-	185,102
Uniform school supplies	104,313	-	104,313
Other purposes	523,507	-	523,507
Total assigned	1,018,522	-	1,018,522
Unassigned (deficit)	1,624,583	(73,965)	1,550,618
Total fund balances	$ 2,727,603	$ 5,993,570	$ 8,721,173

NOTE 20 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 308,529
Other governmental	887,140
Total	$ 1,195,669

NOTE 21 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Perrysburg and Perrysburg Township provide tax abatements through Community Reinvestment Areas (CRAs).

Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The CRA agreements entered into by the City of Perrysburg and Perrysburg Township affect the property tax receipts collected and distributed to the District. Under these agreements, the District property taxes were reduced by $353,429.

NOTE 22 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 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 investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD 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 SEVEN FISCAL YEARS

	2020	**2019**	**2018**	**2017**
District's proportion of the net pension liability	0.23038580%	0.22205900%	0.19610620%	0.19616830%
District's proportionate share of the net pension liability	$ 13,784,386	$ 12,717,730	$ 11,716,912	$ 14,357,710
District's covered payroll	$ 7,420,341	$ 8,054,363	$ 6,363,279	$ 5,792,093
District's proportionate share of the net pension liability as a percentage of its covered payroll	185.76%	157.90%	184.13%	247.88%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

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

2016		2015		2014	
	0.19157430%		0.18665700%		0.18665700%
$	10,931,415	$	9,446,604	$	11,099,893
$	5,767,382	$	5,423,874	$	4,973,909
	189.54%		174.17%		223.16%
	69.16%		71.70%		65.52%

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD 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 SEVEN FISCAL YEARS

	2020	2019	2018	2017
District's proportion of the net pension liability	0.24282617%	0.23756801%	0.22170676%	0.21396579%
District's proportionate share of the net pension liability	$ 53,699,548	$ 52,235,871	$ 52,666,916	$ 71,620,799
District's covered payroll	$ 28,219,350	$ 27,757,886	$ 24,555,686	$ 22,795,857
District's proportionate share of the net pension liability as a percentage of its covered payroll	190.29%	188.18%	214.48%	314.18%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

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

2016	2015	2014
0.21092450%	0.19950196%	0.19950196%
$ 58,293,362	$ 48,525,781	$ 57,803,593
$ 22,006,436	$ 20,383,592	$ 20,289,000
264.89%	238.06%	284.90%
72.10%	74.70%	69.30%

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ 1,065,316	$ 1,001,746	$ 1,087,339	$ 890,859
Contributions in relation to the contractually required contribution	(1,065,316)	(1,001,746)	(1,087,339)	(890,859)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,609,400	$ 7,420,341	$ 8,054,363	$ 6,363,279
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014	2013	2012	2011
$ 810,893	$ 760,141	$ 751,749	$ 688,389	$ 674,078	$ 656,140
(810,893)	(760,141)	(751,749)	(688,389)	(674,078)	(656,140)
$ -	$ -	$ -	$ -	$ -	$ -
$ 5,792,093	$ 5,767,382	$ 5,423,874	$ 4,973,909	$ 5,011,732	$ 5,219,889
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ 4,197,437	$ 3,950,709	$ 3,886,104	$ 3,437,796
Contributions in relation to the contractually required contribution	(4,197,437)	(3,950,709)	(3,886,104)	(3,437,796)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 29,981,693	$ 28,219,350	$ 27,757,886	$ 24,555,686
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016		2015		2014		2013		2012		2011	
$	3,191,420	$	3,080,901	$	2,649,867	$	2,637,570	$	2,696,972	$	2,753,900
	(3,191,420)		(3,080,901)		(2,649,867)		(2,637,570)		(2,696,972)		(2,753,900)
$	-	$	-	$	-	$	-	$	-	$	-
$	22,795,857	$	22,006,436	$	20,383,592	$	20,289,000	$	20,745,938	$	21,183,846
	14.00%		14.00%		13.00%		13.00%		13.00%		13.00%

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD 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 FOUR FISCAL YEARS

	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.23544990%	0.22620720%	0.19857840%	0.19851019%
District's proportionate share of the net OPEB liability	$ 5,921,070	$ 6,275,599	$ 5,329,323	$ 5,658,275
District's covered payroll	$ 7,420,341	$ 8,054,363	$ 6,363,279	$ 5,792,093
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	79.80%	77.92%	83.75%	97.69%
Plan fiduciary net position as a percentage of the total OPEB liability	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

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	2020	**2019**	**2018**	**2017**
District's proportion of the net OPEB liability/asset	0.24282617%	0.23756801%	0.022170676%	0.21396579%
District's proportionate share of the net OPEB liability/(asset)	$ (4,021,783)	$ (3,817,475)	$ 8,650,180	$ 11,442,946
District's covered payroll	$ 28,219,350	$ 27,757,886	$ 24,555,686	$ 22,795,857
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.25%	13.75%	35.23%	50.20%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	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

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ 110,290	$ 177,766	$ 166,602	$ 106,268
Contributions in relation to the contractually required contribution	(110,290)	(177,766)	(166,602)	(106,268)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,609,400	$ 7,420,341	$ 8,054,363	$ 6,363,279
Contributions as a percentage of covered payroll	1.45%	2.40%	2.07%	1.67%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016		2015		2014		2013		2012		2011	
$	99,225	$	140,781	$	91,867	$	80,567	$	102,531	$	156,291
	(99,225)		(140,781)		(91,867)		(80,567)		(102,531)		(156,291)
$	-	$	-	$	-	$	-	$	-	$	-
$	5,792,093	$	5,767,382	$	5,423,874	$	4,973,909	$	5,011,732	$	5,219,889
	1.71%		2.44%		1.69%		1.62%		2.05%		2.99%

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	2019	2018	2017
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 29,981,693	$ 28,219,350	$ 27,757,886	$ 24,555,686
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014	2013	2012	2011
$ -	$ -	$ 212,253	$ 202,890	$ 207,459	$ 211,838
-	-	(212,253)	(202,890)	(207,459)	(211,838)
$ -	$ -	$ -	$ -	$ -	$ -
$ 22,795,857	$ 22,006,436	$ 20,383,592	$ 20,289,000	$ 20,745,938	$ 21,183,846
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

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 2018-2020.

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 2019-2020.

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 year 2020.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

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%.

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 increase 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.

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 assumption 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.

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal CFDA Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553		
Cash Assistance			$ 12,679
COVID-19 - Cash Assistance			30,887
Total School Breakfast Program			43,566
National School Lunch Program	10.555		
Cash Assistance			228,621
COVID-19 Cash Assistance			75,377
Non-Cash Assistance (Food Distribution)			112,934
Total National School Lunch Program			416,932
Total Child Nutrition Cluster			460,498
Total U.S. Department of Agriculture			**460,498**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010		104,492
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)	84.027		932,024
Special Education - Grants to States (IDEA, Restoration)	84.027A		71,548
Total Grants to States			1,003,572
Special Education - Preschool Grants (IDEA, Preschool)	84.173		30,464
Special Education - Preschool Grants (IDEA, Preschool Restoration)	84.173A		14,090
Total Preschool Grants			44,554
Total Special Education Cluster (IDEA)			1,048,126
English Language Acquisition State Grants	84.365	$ 9,872	9,872
Improving Teacher Quality State Grants	84.367		70,010
Student Support and Academic Enrichment Program	84.424		12,772
Total U.S. Department of Education		**9,872**	**1,245,272**
Total Expenditures of Federal Awards		**$ 9,872**	**$ 1,705,770**

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Perrysburg Exempted Village School District, Wood County, Ohio (the District) under programs of the federal government for the year ended June 30, 2020. 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, changes in net position, or cash flows 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 – SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Education (ODE) to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E – 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 F – FOOD DONATION PROGRAM

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2020
(Continued)**

NOTE G – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program.

The District transferred the following amounts from 2020 to 2021 programs:

Program Title	CFDA Number	Amount Transferred
Title I Grants to Local Educational Agencies	84.010	$ 31,044
Special Education -Grants to States (IDEA, Part B)	84.027	125,380
English Language Acquisition State Grants	84.365	12,453
Improving Teacher Quality State Grants	84.367	19,807
Student Support and Academic Enrichment Program	84.424	4,126

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NorthwestRegion@ohioauditor.gov

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

Perrysburg Exempted Village School District
Wood County
140 East Indiana Avenue
Perrysburg, Ohio 43551

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Perrysburg Exempted Village School District, Wood County, Ohio (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 14, 2021, wherein we qualified our opinion because we were unable to obtain sufficient appropriate audit evidence to support claims disbursements in the Aggregate Remaining Fund Information. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

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*.

District's Response to Finding

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

April 14, 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

Perrysburg Exempted Village School District
Wood County
140 East Indiana Avenue
Perrysburg, Ohio 43551

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited Perrysburg Exempted Village School District, Wood County, Ohio'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 Perrysburg Exempted Village School District's major federal program for the year ended June 30, 2020. 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, Perrysburg Exempted Village 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, 2020.

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

April 14, 2021

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2020-001

Material Weakness - Service Organization Accountability Deficiencies

Sound accounting practices require public officials to design and operate a system of internal control that is adequate to provide reasonable assurance over the reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations, and safeguarding of assets against unauthorized acquisition, use or disposition.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2020-001 (Continued)

Material Weakness - Service Organization Accountability Deficiencies (Continued)

The District has outsourced employees' health and dental insurance claims processing, which is a significant accounting function, to a third-party administrator. Due to deficiencies in internal control, the District has not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reasonably assure that health and dental insurance claims have been authorized and completely and accurately processed in accordance with the contract. Attestation standard (AT-C 320) Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting, prescribes standards for reporting on service organizations. An unmodified Type 2 Report on Management's Description of a Service Organization's System and a Service Auditor's Report on that Description and on the Suitability of the Design and Operating Effectiveness of Controls in accordance with AT-C 320 should provide the District with reasonable assurance that health and dental insurance claim transactions conform to the contract.

While the District reviews the amounts paid by the third party administrator and compares them to the related invoices, this did not provide sufficient assurance for claims disbursements made by the newly contracted third party administrator which did not obtain a Type 2 SOC 1 report. Claims disbursements were material to the financial statements for fiscal year 2020 and this deficiency resulted in a qualified opinion. Failing to ensure adequate controls are in place and operating effectively could result in errors occurring without detection.

The District should require a Type 2 SOC 1 report in its contract with the third-party administrator and should review the SOC 1 report timely. The report should follow the American Institute of Certified Public Accountants' Attestation Standards and be performed by a firm registered and in good standing with the Accountancy Board of the respective state. If the third-party administrator refuses to furnish the District with a Type 2 SOC 1 report, the District should contract with a third-party administrator that will provide this report.

Officials' Response:

See corrective action plan

3. FINDINGS FOR FEDERAL AWARDS

None

Perrysburg Schools

Board of Education
Administrative Offices
Attn: Treasurer's Office
140 East Indiana Avenue
Perrysburg, Ohio 43551
419-874-9131
Fax: 419-872-8820

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2020

Finding Number:	2020-001
Planned Corrective Action:	Management is aware and understand the importance of ensuring the third-party administrator has significant controls in place over health and dental claims and will require a SOC 1 Type 2 report.
Anticipated Completion Date:	June 30, 2021
Responsible Contact Person:	Pam Harrington, CFO/Treasurer

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OHIO AUDITOR OF STATE
KEITH FABER

PERRYSBURG EXEMPTED VILLAGE SCHOOL DISTRICT

WOOD 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 5/6/2021

88 East Broad Street, Columbus, Ohio 43215
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