OHIO AUDITOR OF STATE
KEITH FABER

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY
JUNE 30, 2021

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Gallipolis City School District
Gallia County
61 State Street
Gallipolis, Ohio 45631

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

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

Other Matters

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 (the Schedule) 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 March 24, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 24, 2022

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

Financial Highlights

Key financial highlights for 2021 are as follows:

- During fiscal year 2021, net position of governmental activities increased $4,330,508 which represents a 15.63% increase from fiscal year 2020 net position.

- General revenues accounted for $19,344,428 in revenue or 63.88% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for $10,936,306 or 36.12% of total revenues of $30,280,734.

- The District had $25,950,226 in expenses related to governmental activities; $10,936,306 of these expenditures were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $19,344,428 were adequate to provide for these programs.

- The District had two major governmental funds during fiscal year 2021, the general fund and the debt service fund. The general fund had $21,329,245 in revenues and $19,607,060 in expenditures and other financing uses. During fiscal year 2021, the general fund's fund balance increased $1,740,223 (including nonspenable inventory increase of $18,038) from a balance of $2,526,040 to $4,266,263.

- The debt service fund had $2,352,217 in revenues and other financing sources and $1,832,544 in expenditures. During fiscal year 2021, the debt service fund's fund balance increased $519,673 from $3,298,379 to $3,818,052.

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 general fund and the debt service fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

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

In the Statement of Net Position and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's Statement of Net Position and Statement of Activities can be found on pages 15-16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District' most significant funds. The District's major governmental funds are the general fund and the debt service fund. All other governmental funds are considered nonmajor.

Governmental Funds

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 23-60 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 62-79 of this report.

The District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2021 and June 30, 2020.

Net Position

	Governmental Activities 2021	Governmental Activities 2020
Assets		
Current and other assets	$ 23,852,252	$ 18,707,496
Capital assets, net	58,486,249	60,066,276
Total assets	82,338,501	78,773,772
Deferred Outflows of Resources		
Pension	3,684,037	3,642,288
OPEB	529,860	353,015
Total deferred outflows of resources	4,213,897	3,995,303
Total assets and deferred outflows	86,552,398	82,769,075
Liabilities		
Current liabilities	1,704,230	1,701,417
Long-term liabilities:		
Due within one year	1,305,917	1,139,356
Due in more than one year:		
Net pension liability	21,758,425	20,082,744
Net OPEB liability	1,665,188	1,901,712
Other amounts	16,577,751	17,902,982
Total liabilities	43,011,511	42,728,211
Deferred Inflows of Resources		
Property taxes levied for the next fiscal year	7,263,265	6,661,890
Payment in lieu of taxes levied for the next fiscal year	1,926	-
Unamortized deferred gain on debt refunding	126,067	139,455
Pension	1,450,656	3,073,681
OPEB	2,661,196	2,458,569
Total deferred inflows of resources	11,503,110	12,333,595
Total liabilities and deferred inflows	54,514,621	55,061,806
Net Position		
Net investment in capital assets	41,695,784	42,838,574
Restricted	8,497,754	5,155,717
Unrestricted (deficit)	(18,155,761)	(20,287,022)
Total net position	$ 32,037,777	$ 27,707,269

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

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

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

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

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

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

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

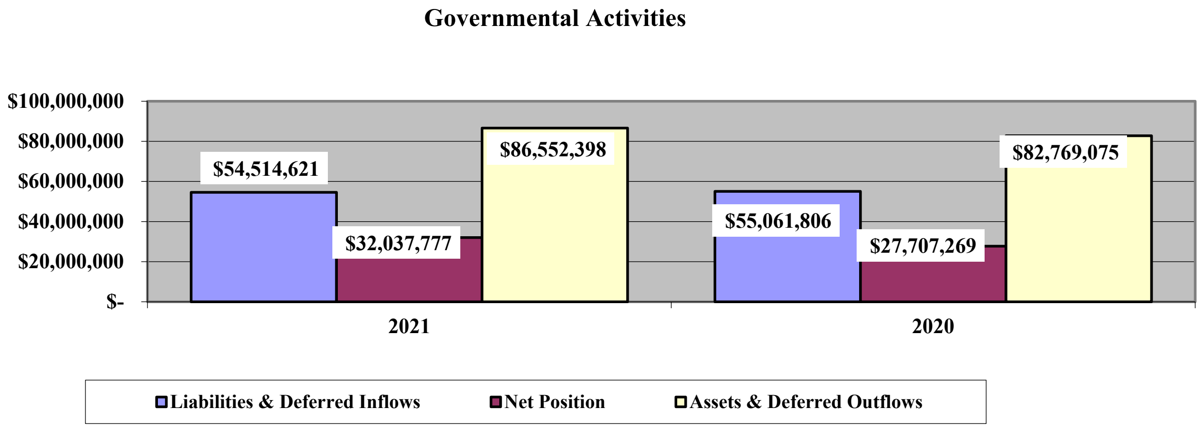
In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability/asset, respectively, not accounted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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $32,037,777.

At fiscal year-end, capital assets represented 71.03% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment and furniture and vehicles. Total net investment in capital assets at June 30, 2021 was $41,695,784. 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, $8,497,754, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of $18,155,761.

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



The table below shows the change in net position for fiscal year 2021 and 2020.

Change in Net Position

	Governmental Activities 2021	Governmental Activities 2020
Revenues		
Program revenues:		
Charges for services and sales	$ 2,968,057	$ 2,332,555
Operating grants and contributions	7,916,948	5,694,931
Capital grants and contributions	51,301	47,800
General revenues:		
Property taxes	7,751,600	6,822,072
Payment in lieu of taxes	7,082	-
Grants and entitlements	11,194,571	10,938,514
Investment earnings	76,658	56,677
Miscellaneous	314,517	198,640
Total revenues	30,280,734	26,091,189

- Continued

Change in Net Position (Continued)

	Governmental Activities 2021	Governmental Activities 2020
Expenses		
Program expenses:		
Instruction:		
Regular	$ 10,303,987	$ 9,681,682
Special	4,692,871	4,758,441
Vocational	115,717	102,712
Other	529,096	809,418
Support services:		
Pupil	1,303,144	1,269,006
Instructional staff	1,184,472	704,659
Board of education	52,087	32,618
Administration	1,633,889	1,824,574
Fiscal	589,863	517,342
Operations and maintenance	2,314,884	2,769,018
Pupil transportation	1,335,244	1,387,031
Central	67,416	53,212
Operation of non-instructional services:		
Food service operations	668,362	824,767
Other non-instructional services	5,123	88
Extracurricular activities	528,710	536,013
Interest and fiscal charges	625,361	984,771
Total expenses	25,950,226	26,255,352
Change in net position	4,330,508	(164,163)
Net position at beginning of year	27,707,269	27,871,432
Net position at end of year	$ 32,037,777	$ 27,707,269

Governmental Activities

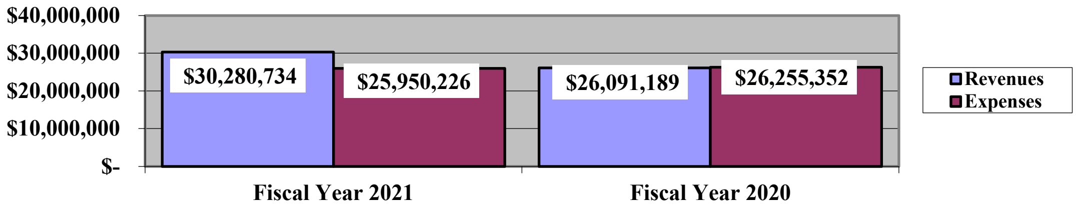
Net position of the District's governmental activities increased $4,330,508 during fiscal year 2021. Total governmental expenses of $25,950,226 were offset by program revenues of $10,936,306 and general revenues of $19,344,428. Program revenues supported 42.14% of the total governmental expenses.

In the area of program revenues, operating grants and contributions increased, which is primarily attributable to $828,728 and $429,938 in Elementary and Secondary School Emergency (ESSER) funding and Coronavirus Relief funding, respectively, received during fiscal 2021 in response to the COVID-19 pandemic. Charges for services and sales and regular instruction expenditures increased primarily from the District coding monies from Gallia-Vinton ESC who receives money from Job and Family Services to provide the District' summer school programming as gross instead of net.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 62.57% of total governmental revenue. Real estate property is reappraised every six years. Miscellaneous general revenues increased during fiscal year as a result of a refunds and a dividend received by the Bureau of Workers' Compensation (BWC). Investment earnings experience a significant decrease during the fiscal year as a result of the COVID-19 Pandemic and the Federal Reserve cutting increase rates.

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

Governmental Activities - Revenues and Expenses



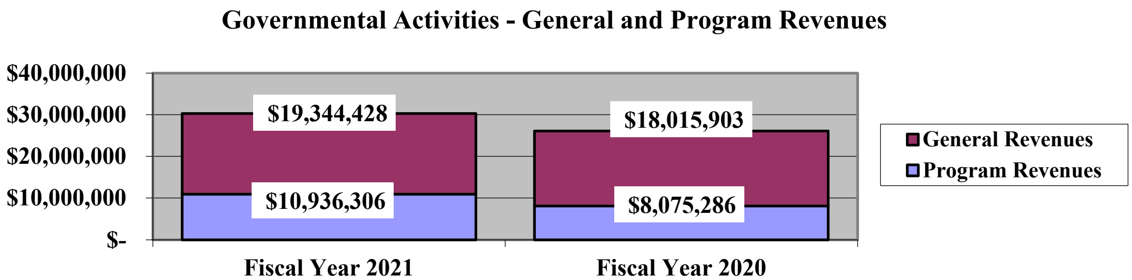
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported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

Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses				
Instruction:				
Regular	$ 10,303,987	$ 7,193,255	$ 9,681,682	$ 7,892,676
Special	4,692,871	1,057,959	4,758,441	1,612,493
Vocational	115,717	99,209	102,712	86,204
Other	529,096	(220,904)	809,418	41,668
Support services:				
Pupil	1,303,144	176,297	1,269,006	663,733
Instructional staff	1,184,472	500,397	704,659	444,052
Board of education	52,087	52,087	32,618	32,618
Administration	1,633,889	1,359,559	1,824,574	1,704,722
Fiscal	589,863	582,600	517,342	514,005
Operations and maintenance	2,314,884	2,244,977	2,769,018	2,677,866
Pupil transportation	1,335,244	1,051,638	1,387,031	1,123,731
Central	67,416	67,416	53,212	52,669
Operations of non-instructional services:				
Other non-instructional services	5,123	(28)	88	88
Food service operations	668,362	(92,138)	824,767	10,439
Extracurricular activities	528,710	316,235	536,013	338,331
Interest and fiscal charges	625,361	625,361	984,771	984,771
Total expenses	$ 25,950,226	$ 15,013,920	$ 26,255,352	$ 18,180,066

The dependence upon tax and other general revenues for governmental activities is apparent, 51.97% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 57.86%. The District's taxpayers and State unrestricted grants are by far the primary support for District students.

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



The District's Funds

The District's governmental funds reported a combined fund balance of $12,028,633, which is higher than last year's total of $8,478,994. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Increase
General	$ 4,266,263	$ 2,526,040	$ 1,740,223
Debt service	3,818,052	3,298,379	519,673
Other governmental	3,944,318	2,654,575	1,289,743
Total	$ 12,028,633	$ 8,478,994	$ 3,549,639

General Fund

The District's general fund's fund balance increased $1,740,223.

The table below assists in illustrating the financial activities and fund balance of the general fund.

	2021 Amount	2020 Amount	Increase/ (Decrease)	Percentage Change
Revenues				
Taxes	$ 5,523,889	$ 4,798,031	$ 725,858	15.13
Tuition	1,929,505	1,983,212	(53,707)	(2.71)
Earnings on investments	75,955	56,178	19,777	35.20
Intergovernmental	12,563,613	12,328,338	235,275	1.91
Charges for services	893,357	72,118	821,239	1,138.74
Other revenues	342,926	164,634	178,292	108.30
Total	$ 21,329,245	$ 19,402,511	$ 1,926,734	9.93
Expenditures				
Instruction	$ 11,907,876	$ 11,269,937	$ 637,939	5.66
Support services	7,146,136	7,039,256	106,880	1.52
Operation of non-instructional services	-	1,870	(1,870)	(100.00)
Extracurricular activities	327,572	331,281	(3,709)	(1.12)
Capital outlay	-	202,067	(202,067)	100.00
Debt service	45,750	64,390	(18,640)	(28.95)
Total	$ 19,427,334	$ 18,908,801	$ 518,533	2.74

The District's general fund revenues increased $1,926,734 or 9.93% in fiscal year 2021. Tax revenue increased $725,858 or 15.13% due to a property tax reappraisal in calendar year 2020. Charges for services increased $821,239 or 1,138.74% in fiscal year 2021. This increase was due to the District starting to record funds as gross from Gallia-Vinton ESC from Job and Family Services to provide summer school and other services for students to charges for services. In prior years these receipts were netted against the regular instruction expenditures. All other revenues remained comparable to the prior fiscal year.

The District's general fund expenditures increased $518,533 or 2.74% in fiscal year 2021. Capital outlay decreased $202,067 or 100.00% due to the District entering into a new capital lease for copiers in the prior fiscal year. All other expenditures remained comparable to the prior fiscal year.

Debt Service Fund

The debt service fund had $2,352,217 in revenues and other financing sources and $1,832,544 in expenditures. During fiscal year 2021, the debt service fund's fund balance increased $519,673 from $3,298,379 to $3,818,052.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

For the general fund, final budgeted revenues and other financing sources were $21,280,860, which was $1,518,412 more than the original budgeted revenues and other financing sources of $19,762,448. Actual revenues and other financing sources for fiscal year 2021 totaled $21,280,860, which remained the same as final budgeted revenues and other financing sources for fiscal year 2021.

General fund final appropriations (appropriated expenditures and other financing uses) were $20,076,910, which was $637,396 less than the original budgeted expenditures and other financing uses of $20,714,306. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled $20,076,910, which remained the same as final budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2021, the District had $58,486,249 invested in land, land improvements, buildings and improvements, equipment and furniture and vehicles. This entire amount is reported in governmental activities.

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

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2021	2020
Land	$ 1,179,750	$ 1,205,750
Land improvements	1,828,783	2,084,065
Building and improvements	54,130,960	55,513,329
Equipment and furniture	728,959	828,862
Vehicles	617,797	434,270
Total	$ 58,486,249	$ 60,066,276

The overall decrease in capital assets of $1,580,027 is due to depreciation expense of $1,945,731 and disposals (net accumulated depreciation) of $26,000 exceeding capital outlays of $391,704 in fiscal year 2021.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2021, the District had $1,475,556 in energy conservation bonds, $13,101,748 in refunding bonds outstanding and $138,244 in capital lease obligations. Of this total, $1,202,788 is due within one year and $13,512,760 is due in greater than one year. The table on the following page summarizes the bonds and capital lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2021	Governmental Activities 2020
Energy conservation bonds	$ 1,475,556	$ 1,608,020
Lease purchase agreement	-	47,422
Refunding bonds	13,101,748	13,898,779
Capital Lease	138,244	177,553
Total	$ 14,715,548	$ 15,731,774

See Note 10 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District strives to maintain the highest standards of service to its students, parents and community. The District has carefully managed its general fund budgets in order to optimize the dollars available for educating the students it serves and to minimize the levy millage amounts needed from the community's citizens. The District has communicated to its community that they rely upon their support for part of its operations, and will continue to work diligently to plan expenses, staying carefully within the five-year financial plan.

The District has made great strides in the past four years to improve the general fund ending cash balance. The District has met and continues to keep at least sixty days of operating expense in the general fund for a healthy cash flow.

The District has received ESSER funds which will be used to update HVAC systems throughout the District. These funds will help offset expenses to permanent improvement in the future as well as provide better ventilation for a healthier environment for all students.

The negotiated agreement between the Board of Education and the Gallipolis Education Association was approved for the period September 1, 2021 through August 31, 2024. The negotiated agreement between the Board of Education and the Gallipolis Ohio Association of Public School Employees Local 349 was approved for the period July 1, 2021 through June 30, 2024.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Bethany Lewis, Treasurer of Gallipolis City School District, 61 State Street, Gallipolis OH 45631.

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2021

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents	$	12,599,918
Receivables:		
Property taxes		8,268,681
Payment in lieu of taxes		1,926
Accounts		6,358
Intergovernmental		1,331,470
Prepayments		323,386
Materials and supplies inventory		89,859
Inventory held for resale		7,702
Net OPEB asset		1,222,952
Capital assets:		
Nondepreciable capital assets		1,179,750
Depreciable capital assets, net		57,306,499
Capital assets, net		58,486,249
Total assets		82,338,501
Deferred outflows of resources:		
Pension		3,684,037
OPEB		529,860
Total deferred outflows of resources		4,213,897
Liabilities:		
Accounts payable		65,044
Accrued wages and benefits payable		1,198,976
Intergovernmental payable		391,072
Accrued interest payable		49,138
Long-term liabilities:		
Due within one year		1,305,917
Due in more than one year:		
Net pension liability		21,758,425
Net OPEB liability		1,665,188
Other amounts due in more than one year		16,577,751
Total liabilities		43,011,511
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		7,263,265
Payment in lieu of taxes levied for the next fiscal year		1,926
Unamortized deferred gain on debt refunding		126,067
Pension		1,450,656
OPEB		2,661,196
Total deferred inflows of resources		11,503,110
Net position:		
Net investment in capital assets		41,695,784
Restricted for:		
Capital projects		1,614,941
Classroom facilities maintenance		233,248
Debt service		3,854,341
State funded programs		1,447,444
Federally funded programs		644,418
Food service operations		527,086
Student activities		119,062
Other purposes		57,214
Unrestricted (deficit)		(18,155,761)
Total net position	$	32,037,777

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

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

		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	$ 10,303,987	$ 2,300,643	$ 810,089	$ -	$ (7,193,255)
Special	4,692,871	306,877	3,328,035	-	(1,057,959)
Vocational	115,717	-	16,508	-	(99,209)
Other	529,096	-	750,000	-	220,904
Support services:					
Pupil	1,303,144	-	1,126,847	-	(176,297)
Instructional staff	1,184,472	32,874	651,201	-	(500,397)
Board of education	52,087	-	-	-	(52,087)
Administration	1,633,889	-	274,330	-	(1,359,559)
Fiscal	589,863	-	7,263	-	(582,600)
Operations and maintenance	2,314,884	-	69,907	-	(2,244,977)
Pupil transportation	1,335,244	186,148	49,662	47,796	(1,051,638)
Central	67,416	-	-	-	(67,416)
Operation of non-instructional services:					
Food service operations	668,362	41,432	719,068	-	92,138
Other non-instructional services	5,123	-	5,151	-	28
Extracurricular activities	528,710	100,083	108,887	3,505	(316,235)
Interest and fiscal charges	625,361	-	-	-	(625,361)
Totals	$ 25,950,226	$ 2,968,057	$ 7,916,948	$ 51,301	(15,013,920)

General revenues:	
Property taxes levied for:	
General purposes	5,518,304
Debt service	1,926,551
Capital outlay	240,063
Classroom facilities maintenance	66,682
Payments in lieu of taxes	7,082
Grants and entitlements not restricted to specific programs	11,194,571
Investment earnings	76,658
Miscellaneous	314,517
Total general revenues	19,344,428
Change in net position	4,330,508
Net position at beginning of year	27,707,269
Net position at end of year	$ 32,037,777

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 4,803,479	$ 3,748,937	$ 4,047,502	$ 12,599,918
Receivables:				
Property taxes	5,762,903	2,075,413	430,365	8,268,681
Payment in lieu of taxes	1,356	488	82	1,926
Accounts	4,692	-	1,666	6,358
Intergovernmental	19,351	-	1,312,119	1,331,470
Prepayments	256,399	-	66,987	323,386
Materials and supplies inventory	64,814	-	25,045	89,859
Inventory held for resale	-	-	7,702	7,702
Due from other funds	347,365	-	-	347,365
Total assets	$ 11,260,359	$ 5,824,838	$ 5,891,468	$ 22,976,665
Liabilities:				
Accounts payable	$ 55,942	$ -	$ 9,102	$ 65,044
Accrued wages and benefits payable	1,002,637	-	196,339	1,198,976
Compensated absences payable	2,837	-	-	2,837
Intergovernmental payable	341,667	-	49,405	391,072
Due to other funds	-	-	347,365	347,365
Total liabilities	1,403,083	-	602,211	2,005,294
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	5,062,173	1,823,057	378,035	7,263,265
Payment in lieu of taxes levied for the next fiscal year	1,356	488	82	1,926
Delinquent property tax revenue not available	508,813	183,241	37,998	730,052
Intergovernmental revenue not available	18,671	-	928,824	947,495
Total deferred inflows of resources	5,591,013	2,006,786	1,344,939	8,942,738
Fund balances:				
Nonspendable:				
Materials and supplies inventory	64,814	-	25,045	89,859
Prepaids	256,399	-	66,987	323,386
Restricted:				
Debt service	-	3,818,052	-	3,818,052
Capital improvements	-	-	1,587,176	1,587,176
Classroom facilities maintenance	-	-	223,015	223,015
Food service operations	-	-	534,993	534,993
State funded programs	-	-	34,867	34,867
Extracurricular	-	-	119,050	119,050
Scholarships	-	-	57,214	57,214
Student wellness and success	-	-	1,358,370	1,358,370
Committed:				
Capital improvements	-	-	100,182	100,182
Student instruction	3,493	-	-	3,493
Student and staff support	151,744	-	-	151,744
Termination benefits	344,564	-	-	344,564
Assigned:				
Student instruction	80,420	-	-	80,420
Student and staff support	144,471	-	-	144,471
Public school support	49,986	-	-	49,986
Uniform school supplies	29,223	-	-	29,223
Unassigned (deficit)	3,141,149	-	(162,581)	2,978,568
Total fund balances	4,266,263	3,818,052	3,944,318	12,028,633
Total liabilities, deferred inflows and fund balances	$ 11,260,359	$ 5,824,838	$ 5,891,468	$ 22,976,665

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

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

Total governmental fund balances		$ 12,028,633
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.		58,486,249
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 730,052	
Intergovernmental receivable	947,495	
Total		1,677,547
Unamortized premiums on refunding bonds issued are not recognized in the funds.		(2,046,664)
Unamortized amounts on refundings are not recognized in the funds.		(126,067)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(49,138)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	3,684,037	
Deferred inflows - pension	(1,450,656)	
Net pension liability	(21,758,425)	
Deferred outflows - OPEB	529,860	
Deferred inflows - OPEB	(2,661,196)	
Net OPEB asset	1,222,952	
Net OPEB liability	(1,665,188)	
Total		(22,098,616)
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 refunding bonds	(13,101,748)	
Energy conservation bonds	(1,475,556)	
Capital lease obligations	(138,244)	
Compensated absences	(1,118,619)	
Total		(15,834,167)
Net position of governmental activities		$ 32,037,777

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

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

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 5,523,889	$ 1,928,378	$ 310,584	$ 7,762,851
Intergovernmental	12,563,613	242,326	5,345,148	18,151,087
Investment earnings	75,955	-	2,214	78,169
Tuition and fees	1,929,505	-	-	1,929,505
Extracurricular	3,680	-	100,083	103,763
Charges for services	893,357	-	41,432	934,789
Contributions and donations	49,153	-	58,760	107,913
Payment in lieu of taxes	4,972	1,787	323	7,082
Miscellaneous	285,121	-	2,881	288,002
Total revenues	21,329,245	2,172,491	5,861,425	29,363,161
Expenditures:				
Current:				
Instruction:				
Regular	8,904,858	-	650,993	9,555,851
Special	2,894,894	-	1,298,517	4,193,411
Vocational	104,143	-	-	104,143
Other	3,981	-	525,115	529,096
Support services:				
Pupil	1,046,175	-	291,141	1,337,316
Instructional staff	587,766	-	521,046	1,108,812
Board of education	52,104	-	-	52,104
Administration	1,260,654	-	246,746	1,507,400
Fiscal	489,121	56,918	15,146	561,185
Operations and maintenance	2,278,475	-	91,192	2,369,667
Pupil transportation	1,364,377	-	97,406	1,461,783
Central	67,464	-	-	67,464
Operation of non-instructional services:				
Food service operations	-	-	642,932	642,932
Other non-instructional services	-	-	5,123	5,123
Extracurricular activities	327,572	-	148,849	476,421
Debt service:				
Principal retirement	38,026	167,195	48,705	253,926
Interest and fiscal charges	7,724	623,162	2,554	633,440
Accretion on capital appreciation bonds	-	985,269	-	985,269
Total expenditures	19,427,334	1,832,544	4,585,465	25,845,343
Excess of revenues over expenditures	1,901,911	339,947	1,275,960	3,517,818
Other financing sources (uses):				
Transfers in	-	179,726	-	179,726
Transfers (out)	(179,726)	-	-	(179,726)
Total other financing sources (uses)	(179,726)	179,726	-	-
Net change in fund balances	1,722,185	519,673	1,275,960	3,517,818
Fund balances at beginning of year	2,526,040	3,298,379	2,654,575	8,478,994
Change in reserve for inventory	18,038	-	13,783	31,821
Fund balances at end of year	$ 4,266,263	$ 3,818,052	$ 3,944,318	$ 12,028,633

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ 3,517,818
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	$ 391,704	
Current year depreciation	(1,945,731)	
Total		(1,554,027)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(26,000)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		31,821
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(11,251)	
Intergovernmental	947,495	
Total		936,244
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,239,195
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
(Increase) decrease in accrued interest payable	315	
Accreted interest on capital appreciation bonds	(222,969)	
Amortization of bond premiums	217,345	
Amortization of deferred gains	13,388	
Total		8,079
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,579,717	
OPEB	48,295	
Total		1,628,012
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,590,624)	
OPEB	212,054	
Total		(1,378,570)
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.		(72,064)
Change in net position of governmental activities		$ 4,330,508

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 5,061,222	$ 5,450,092	$ 5,450,092	$ -
Intergovernmental	11,705,877	12,605,278	12,605,278	-
Investment earnings	70,536	75,955	75,955	-
Tuition and fees	1,762,404	1,897,815	1,897,815	-
Charges for services	816,199	878,910	878,910	-
Contributions and donations	33,153	35,700	35,700	-
Payment in lieu of taxes	4,617	4,972	4,972	-
Miscellaneous	197,760	212,954	212,954	-
Total revenues	19,651,768	21,161,676	21,161,676	-
Expenditures:				
Current:				
Instruction:				
Regular	9,266,372	8,977,335	8,977,335	-
Special	2,979,977	2,887,025	2,887,025	-
Vocational	106,513	103,191	103,191	-
Other	4,048	3,922	3,922	-
Support services:				
Pupil	1,053,944	1,021,069	1,021,069	-
Instructional staff	649,607	629,344	629,344	-
Board of education	54,053	52,367	52,367	-
Administration	1,323,803	1,282,511	1,282,511	-
Fiscal	510,683	494,754	494,754	-
Operations and maintenance	2,545,594	2,466,192	2,466,192	-
Pupil transportation	1,534,364	1,486,504	1,486,504	-
Central	65,893	63,838	63,838	-
Extracurricular activities	339,729	329,132	329,132	-
Total expenditures	20,434,580	19,797,184	19,797,184	-
Excess of revenues over (under) expenditures	(782,812)	1,364,492	1,364,492	-
Other financing sources (uses):				
Refund of prior year's expenditures	93,381	100,556	100,556	-
Transfers (out)	(279,726)	(279,726)	(279,726)	-
Sale of capital assets	17,299	18,628	18,628	-
Total other financing sources (uses)	(169,046)	(160,542)	(160,542)	-
Net change in fund balance	(951,858)	1,203,950	1,203,950	-
Fund balance at beginning of year	2,897,729	2,897,729	2,897,729	-
Prior year encumbrances appropriated	213,629	213,629	213,629	-
Fund balance at end of year	$ 2,159,500	$ 4,315,308	$ 4,315,308	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Gallipolis City School District (the "District") is located on the Ohio River in east-central Gallia County. The District includes all of the City of Gallipolis and portions of surrounding townships.

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.

The District ranks as the 434 largest by enrollment among the 609 public school districts and community schools in the State. It currently operates 3 elementary schools, 1 middle school and 1 high school. The District employs 136 certified and 85 classified full-time and part-time employees to provide services to approximately 1,956 students in grades K through 12 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).

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

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

JOINTLY GOVERNED ORGANIZATIONS

Gallia-Jackson-Vinton Joint Vocational School District
The Gallia-Jackson-Vinton Joint Vocational School District (JVSD) is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide for the vocational and special education needs of its students. The JVSD accepts non-tuition students from the District as a member school of the JVSD; however, it is considered a separate political subdivision and is not considered to be part of the District. Financial information for the JVSD can be obtained by contacting the Treasurer, Gallia-Jackson-Vinton Joint Vocational School District, 351 Buckeye Hills Rd., P.O. Box 157, Rio Grande, Ohio 45674-157.

Gallia-Vinton Educational Service Center
Gallia-Vinton Educational Service Center is a jointly governed organization providing educational services to its participating school districts. The Educational Service Center is governed by a board of education comprised of eight members appointed by the participating school districts. The board controls the financial activity of the Educational Service Center and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Educational Service Center is not dependent on the District's continued participation and no equity interest exists. To obtain financial information write to the Gallia-Vinton Educational Service Center, Jay Carter, who serves as Treasurer, at P.O. Box 178, Rio Grande, Ohio 45674.

PUBLIC ENTITY RISK POOLS

Ohio School Boards Association Workers' Compensation Group Rating Program
The District participates in a group rating plan for workers' compensation as established in Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP) was established as an insurance purchasing pool. The GRP is governed by a three-member Board of Directors. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. Refer to Note 11 for further information on this group rating plan.

Schools of Ohio Risk Sharing Authority
The District participates in the Schools of Ohio Risk Sharing Authority Board (SORSA), an insurance purchasing pool. SORSA's business affairs are conducted by a nine member Board of directors consisting of a President, Vice President, Secretary, Treasurer and five delegates. SORSA was created to provide joint self-insurance coverage and to assist members to prevent and reduce losses and injuries to the District's property and person. It is intended to provide liability and property insurance at reduced premiums for the participants. SORSA is organized as a nonprofit corporation under provisions of Ohio Revised Code 2744.

B. Fund Accounting

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

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

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 and deferred outflows of resources 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 of resources and liabilities and deferred inflows of resources are reported as fund balance. The following are the District's major governmental funds:

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

Debt service fund - The debt service fund is used to account for resources that are restricted for payment of debt service principal and interest.

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 of construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District does not have any trust funds. The District's custodial fund accounts for funds collected and distributed on behalf of OHSAA. The District did not collect or distribute any funds on behalf of OHSAA in fiscal year 2021.

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.

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all 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. Fiduciary funds are reported by fund type.

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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current deferred outflows and current liabilities and current 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.

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

D. Basis of Accounting

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 12 and 13 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively.

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

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, unavailable revenue and unamortized deferred gain on debt refunding. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Unamortized deferred gain on debt refunding results from the difference in the reacquisition price and the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

For the District, see Notes 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB 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 District is required by State statute to adopt an annual appropriated cash basis budget for all funds, except custodial funds. The specific timetable for is as follows:

1. On July 25, 2002, the Gallia County Budget Commission voted to waive the requirement that school districts adopt a tax budget as required by Section 5705.28 of the Ohio Revised Code, by January 15 and the filing by January 20. In order to complete other necessary documents, the Budget Commission now requires certain information to be filed by May 1. Information required includes the general fund five year forecast submitted to the Department of Education, projected revenues and expenditures line items for all levy funds, projected revenue and debt requirements (principal and interest) and amortization schedules for the debt service fund, and balances and total anticipated activity for all other funds.

2. Prior to 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 a basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. 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 statement reflect the amounts set forth in the original and final amended certificate issued for fiscal year 2021.

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

3. By July 1, the annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. 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. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation total.

4. All funds, other than agency funds, are legally required to be budgeted and appropriated.

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.

7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2021. All amounts reported in the budgetary statement reflect the original appropriations plus all modifications legally enacted by the Board.

8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

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 2021, the District had no investments. All monies of the pool were maintained in depository accounts with financial institutions.

Under existing Ohio statutes all investment earning are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to $75,955, which includes $44,991 assigned from other District funds.

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

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

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

G. Inventory

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

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintained a capitalization threshold of $1,500 during fiscal year 2021. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. The District does not possess infrastructure.

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

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

I. Interfund Balances

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

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

J. Compensated Absences

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. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2021, 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 50 or greater with at least 10 years of service or employees with 20 years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2021 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

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

L. Fund Balance

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

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

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

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

N. Prepayments

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

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

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

O. Estimates

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

P. 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. Transfers between governmental funds are eliminated for reporting on the government-wide statement.

Q. 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.

R. 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. During fiscal year 2021, the District had neither transaction.

S. Issuance Costs/Unamortized Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, bond issuance costs are expensed in the year they occur.

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

For 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 governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
Public school preschool	$ 1,698
IDEA, Part B	11,105
Miscellaneous federal grants	117,295

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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

8. Certain bankers' 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.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was $12,599,918 and the bank balance of all District deposits was $13,028,436. Of the bank balance, $12,778,436 was exposed to custodial risk as discussed below because those deposits were uninsured and collateralized and $250,000 was covered by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

B. Investments

The District had no investments at June 30, 2021.

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

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

Cash and investments per note	
Carrying amount of deposits	$ 12,599,918
Cash and cash equivalents per statement of net position	
Governmental activities	$ 12,599,918

NOTE 5 - INTERFUND TRANSACTIONS

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

	Amount
Tranfers to debt service fund from:	
General fund	$ 179,726

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

All transfers were in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

Receivable fund	Payable fund	Amount
General fund	Nonmajor Governmental Funds	$ 347,365

The balance resulted from a negative cash balance in the public school preschool fund (a nonmajor governmental fund), the elementary and secondary school emergency fund (a nonmajor governmental fund), the IDEA Part-B fund (a nonmajor governmental fund), Title I, disadvantaged children fund (a nonmajor governmental fund), IDEA preschool grant for the handicapped fund (a nonmajor governmental fund), improving teacher quality (a nonmajor governmental fund), and the miscellaneous federal grants fund (a nonmajor governmental fund) at fiscal year end. The balances are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

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

The District receives property taxes from Gallia County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was $191,917 in the general fund, $69,115 in the debt service fund, $10,472 in the permanent improvement fund (a nonmajor governmental fund) and $3,860 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2020 was $118,120 in the general fund, $42,489 in the debt service fund, $7,055 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 259,237,500	94.88	$ 284,915,130	94.82
Public utility personal	13,998,680	5.12	15,547,900	5.18
Total	$ 273,236,180	100.00	$ 300,463,030	100.00
Tax rate per $1,000 of assessed valuation for:				
General operations	$31.00		$31.00	
Bond retirement	7.20		7.20	
Permanent improvements	1.50		1.50	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2021 consisted of taxes, payment in lieu of taxes, accounts 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:	
Taxes	$ 8,268,681
Payment in lieu of taxes	1,926
Accounts	6,358
Intergovernmental	1,331,470
Total	$ 9,608,435

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

NOTE 8 - CAPITAL ASSETS

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

Governmental activities:	Balance 06/30/2020	Additions	Deletions	Balance 06/30/21
Capital assets, not being depreciated:				
Land	$ 1,205,750	$ -	$ (26,000)	$ 1,179,750
Total capital assets, not being depreciated	1,205,750	-	(26,000)	1,179,750
Capital assets, being depreciated:				
Land improvements	4,825,612	-	-	4,825,612
Buildings and improvements	72,478,773	40,921	-	72,519,694
Equipment and furniture	2,433,846	79,320	-	2,513,166
Vehicles	1,959,797	271,463	(202,507)	2,028,753
Total capital assets, being depreciated	81,698,028	391,704	(202,507)	81,887,225
Less: accumulated depreciation:				
Land improvements	(2,741,547)	(255,282)	-	(2,996,829)
Buildings and improvements	(16,965,444)	(1,423,290)	-	(18,388,734)
Equipment and furniture	(1,604,984)	(179,223)	-	(1,784,207)
Vehicles	(1,525,527)	(87,936)	202,507	(1,410,956)
Total accumulated depreciation	(22,837,502)	(1,945,731)	202,507	(24,580,726)
Total capital assets, net	$ 60,066,276	$ (1,554,027)	$ (26,000)	$ 58,486,249

Depreciation expense was charged to the governmental functions as follows:

Instruction:	
Regular	$ 878,817
Special	560,517
Vocational	13,311
Support services:	
Pupil	106,955
Instructional staff	60,755
Administration	144,750
Pupil transportation	87,936
Operation of non-instructional services:	
Food service operations	55,566
Extracurricular activities	37,124
Total depreciation expense	$ 1,945,731

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

A. In prior fiscal years, the District entered into capitalized lease for copiers. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. Capital assets acquired by lease have been capitalized in the amount of $208,886, which is equal to the present value of the future minimum lease payments as of the date of their inception. Accumulated depreciation as of June 30, 2021 was $62,666, leaving a current book value of $146,220. A corresponding liability was recorded in the statement of net position. During fiscal year 2021, the District made principal payments of $39,309, paid by the general fund and the food service fund (a nonmajor governmental fund).

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

Fiscal Year Ending June 30,	Amount
2022	$ 47,294
2023	47,294
2024	47,295
2025	7,882
Total	149,765
Less: amount representing interest	(11,521)
Present value of minimum lease payments	$ 138,244

B. In prior fiscal years, the District entered into a lease purchase agreement in the amount of $226,680 with Lease Finance Group (the "Lessor"), a division of Signature Bank for chromebooks. Lease payments are due on February 15 of each year. The interest rate on the lease purchase agreement is 4.80%. The final lease payment stated in the issue is February 15, 2021. The chromebooks have not been capitalized due to each item being under the capitalization threshold. The lease payments will be paid from the permanent improvement fund (a nonmajor governmental fund) and the data communication fund (a nonmajor governmental fund). During fiscal year 2021, the District fulfilled the lease purchase agreement obligation.

The lease purchase agreement was considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. The lease purchase agreement provided that in the event of default, the Lessor with or without terminating the lease, may declare all rent payments due or to become due during the fiscal year in effect when the default occurred to be immediately due and payable by the District.

NOTE 10 - LONG-TERM OBLIGATIONS

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

Governmental activities:	Balance 6/30/20	Increases	Decreases	Balance 6/30/21	Amounts Due In One Year
Refunding bonds, series 2013					
Capital appreciation bonds	$ 43,665	$ -	$ (34,731)	$ 8,934	-
Accreted interest	860,114	222,969	(985,269)	97,814	-
Refunding bonds, series 2019					
Current interest bonds	12,995,000	-	-	12,995,000	1,025,000
Energy conservation bonds, series 2016	1,608,020	-	(132,464)	1,475,556	136,468
Capital lease	177,553	-	(39,309)	138,244	41,320
Lease purchase agreement from direct borrowing	47,422	-	(47,422)	-	-
Net pension liability	20,082,744	1,675,681	-	21,758,425	-
Net OPEB liability	1,901,712	-	(236,524)	1,665,188	-
Compensated absences	1,046,555	309,637	(234,736)	1,121,456	103,129
Total	$ 38,762,785	$ 2,208,287	$ (1,710,455)	39,260,617	$ 1,305,917
Unamortized premium				2,046,664	
Total on statement of net position				$ 41,307,281	

Compensated absences - Compensated absences will be paid out of the fund from which the employee's salary is paid, which is primarily the general fund for the District.

Net pension liability - See Note 12 for details.

Net OPEB liability/asset - See Note 13 for details.

B. Refunding Bonds, Series 2013

On December 27, 2012, the District issued general obligation refunding bonds (Series 2013, refunding bonds). These bonds refunded the $17,090,000 callable portion of the Series 2006 issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the debt service fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position. The source of payment is derived from a current 7.2 mil bonded debt tax levy. The outstanding current interest bonds of $15,075,000 were refunded by the Series 2019 refunding bonds. The defeased balance of the refunded bonds at June 30, 2021 were $14,875,000.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

This issue was comprised of both current interest bonds, which were refunded by the Series 2019 refunding bonds. The capital appreciation bonds, principal outstanding $8,934 at June 30, 2021. The remaining capital appreciation bonds mature December 1, 2028 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the outstanding capital appreciation bonds is $970,000. Total accreted interest of $97,814 has been included on the statement of net position at June 30, 2021.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year at interest rates ranging from 1-3.25 percent. The final maturity stated in the issue was December 1, 2032.

The reacquisition price exceeded the net carrying amount of the old debt by $2,374,629. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which was equal to the life of the new debt issued.

C. Refunding Bonds, Series 2019

On November 19, 2019, the District issued $13,165,000 in general obligation refunding bonds (Series 2019, refunding bonds). These bonds refunded the $15,075,000 current interest portion of the Series 2013 refunding general obligation bonds. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the debt service fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position. The source of payment is derived from a current 7.2 mil bonded debt tax levy.

This issue is comprised of current interest bonds, principal outstanding $12,995,000 at June 30, 2021. Interest payments on the current interest bonds are due on June 1 and December 1 of each year at interest rates ranging from 4.000-5.000 percent. The final maturity stated in the issue is December 1, 2031.

The net carrying amount of the old debt exceeded the reacquisition price by $141,128. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The net present value savings of the refunding was $719,552.

D. Energy Conservation Bonds

On July 29, 2016, the District issued $2,081,953 in general obligation bonds for the purpose of providing energy conservation measures for the District, under authority of Ohio Revised Code Sections 133.06(G) and 3313.372. The bonds were issued for a fifteen-year period with final maturity during fiscal year 2031. The bonds bear an interest rate of 3.00 percent. The bonds are being retired from the debt service fund.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

E. Debt Service Requirements

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

Fiscal Year	Series 2019 Current Interest Refunding Bonds			Series 2013 Capital Appreciation Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2022	$ 1,025,000	$ 555,400	$ 1,580,400	$ -	$ -	$ -
2023	1,070,000	513,500	1,583,500	-	-	-
2024	1,110,000	469,900	1,579,900	-	-	-
2025	1,155,000	424,600	1,579,600	-	-	-
2026	1,200,000	371,500	1,571,500	-	-	-
2027 - 2031	5,895,000	1,005,300	6,900,300	8,934	961,066	970,000
2032	1,540,000	30,800	1,570,800	-	-	-
Total	$ 12,995,000	$ 3,371,000	$ 16,366,000	$ 8,934	$ 961,066	$ 970,000

Fiscal Year	Energy Conservation Bonds		
Year Ended	Principal	Interest	Total
2022	$ 136,468	$ 43,258	$ 179,726
2023	140,593	39,134	179,727
2024	144,843	34,885	179,728
2025	149,221	30,507	179,728
2026	153,732	25,997	179,729
2027 - 2031	750,699	57,418	808,117
Total	$ 1,475,556	$ 231,199	$ 1,706,755

F. Legal Debt Margins

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 margins 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 calculations 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.

In accordance with the above calculations, as of June 30, 2021, the District has a legal voted debt margin of $17,855,791 (including available funds of $3,818,052), the legal unvoted debt margin was $300,463, and the legal energy conservation debt margin was $1,228,611.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees and natural disasters.

During fiscal year 2021, the District purchased general liability insurance through the Schools of Ohio Risk Sharing Authority (SORSA), which carried a $15 million per occurrence and $17 million annual aggregate limitation.

Fleet and property/casualty insurance are also purchased through SORSA and traditionally funded, as are all benefit plans offered to employees. Total property limit is $89,204,025 and total liability limit is $15,000,000. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no funding provisions are required by the District.

OSBA WORKERS' COMPENSATION GROUP RATING PROGRAM

For fiscal year 2021, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management provides administrative, cost control and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit: or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was $355,157 for fiscal year 2021. Of this amount, $17,747 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The District's contractually required contribution to STRS was $1,224,560 for fiscal year 2021. Of this amount, $223,168 is reported as intergovernmental payable.

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.07380750%	0.07084394%	
Proportion of the net pension liability current measurement date	0.07440630%	0.06958476%	
Change in proportionate share	0.00059880%	-0.00125918%	
Proportionate share of the net pension liability	$ 4,921,389	$ 16,837,036	$ 21,758,425
Pension expense	$ 382,312	$ 1,208,312	$ 1,590,624

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 9,560	$ 37,779	$ 47,339
Net difference between projected and actual earnings on pension plan investments	312,407	818,790	1,131,197
Changes of assumptions	-	903,822	903,822
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	21,962	-	21,962
Contributions subsequent to the measurement date	355,157	1,224,560	1,579,717
Total deferred outflows of resources	$ 699,086	$ 2,984,951	$ 3,684,037

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 107,663	$ 107,663
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	3,214	1,339,779	1,342,993
Total deferred inflows of resources	$ 3,214	$ 1,447,442	$ 1,450,656

$1,579,717 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ 10,265	$ (127,384)	$ (117,119)
2023	102,422	(94,945)	7,477
2024	130,219	218,883	349,102
2025	97,809	316,395	414,204
Total	$ 340,715	$ 312,949	$ 653,664

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 6,741,703	$ 4,921,389	$ 3,394,112

Actuarial Assumptions - STRS

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 23,973,008	$ 16,837,036	$ 10,789,894

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was $48,295.

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 $48,295 for fiscal year 2021. Of this amount $48,295 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

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

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.07562110%	0.07084394%	
Proportion of the net OPEB liability/asset current measurement date	0.07661930%	0.06958476%	
Change in proportionate share	0.00099820%	-0.00125918%	
Proportionate share of the net OPEB liability	$ 1,665,188	$ -	$ 1,665,188
Proportionate share of the net OPEB asset	$ -	$ (1,222,952)	$ (1,222,952)
OPEB expense	$ (75,919)	$ (136,135)	$ (212,054)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 21,869	$ 78,360	$ 100,229
Net difference between projected and actual earnings on OPEB plan investments	18,765	42,861	61,626
Changes of assumptions	283,857	20,187	304,044
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	15,666	-	15,666
Contributions subsequent to the measurement date	48,295	-	48,295
Total deferred outflows of resources	$ 388,452	$ 141,408	$ 529,860

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 846,865	$ 243,594	$ 1,090,459
Changes of assumptions	41,941	1,161,596	1,203,537
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	149,211	217,989	367,200
Total deferred inflows of resources	$ 1,038,017	$ 1,623,179	$ 2,661,196

$48,295 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (154,380)	$ (379,215)	$ (533,595)
2023	(153,025)	(350,205)	(503,230)
2024	(153,245)	(340,029)	(493,274)
2025	(125,625)	(292,389)	(418,014)
2026	(82,520)	(60,545)	(143,065)
Thereafter	(29,065)	(59,388)	(88,453)
Total	$ (697,860)	$ (1,481,771)	$ (2,179,631)

Actuarial Assumptions - SERS

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45%, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.13% was used as of June 30, 2019. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,038,149	$ 1,665,188	$ 1,368,685

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,311,209	$ 1,665,188	$ 2,138,549

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

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

	July 1, 2020		July 1, 2019	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,064,047	$ 1,222,952	$ 1,357,775

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,349,406	$ 1,222,952	$ 1,068,910

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of 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 are as follows:

Net Change in Fund Balance

	General fund
Budget basis	$ 1,203,950
Net adjustment for revenue accruals	97,367
Net adjustment for expenditure accruals	65,806
Net adjustment for other sources/uses	(19,184)
Funds budgeted elsewhere	(37,883)
Adjustment for encumbrances	412,129
GAAP basis	$ 1,722,185

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 public school support fund and the termination benefits fund.

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigations

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

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2021 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 16 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the pension and other employee benefits plan in which the District participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During fiscal year 2021, the District received $228,175 as an on-behalf of grant from another government. These amounts are recorded in the coronavirus relief fund (a nonmajor governmental fund).

NOTE 17 - 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.

NOTE 17 - SET-ASIDES - (Continued)

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

	Capital Improvements
Set-aside balance June 30, 2020	$ -
Current year set-aside requirement	366,418
Current year offsets	(340,002)
Prior year offset from bond proceeds	(26,416)
Total	$ -
Balance carried forward to fiscal year 2022	$ -
Set-aside balance June 30, 2021	$ -

During a prior fiscal year, the District issued $25,000,000 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 District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $23,102,319 at June 30, 2021.

NOTE 18 - 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	$ 380,128
Other governmental	353,379
Total	$ 733,507

NOTE 19 - SUBSEQUENT EVENT

For fiscal year 2022, District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school and scholarship funding will be directly funded by the State of Ohio to the respective schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the respective school. For fiscal year 2021, the District reported $290,855 in revenue and expenditures/expense related to these programs. This new funding system calculates a unique base cost and a unique “per-pupil local capacity amount” for each District. The District’s state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net pension liability	0.07440630%	0.07380750%	0.07411580%	0.08308540%
District's proportionate share of the net pension liability	$ 4,921,389	$ 4,416,032	$ 4,244,749	$ 4,964,169
District's covered payroll	$ 2,615,321	$ 2,543,837	$ 2,500,067	$ 2,539,007
District's proportionate share of the net pension liability as a percentage of its covered payroll	188.18%	173.60%	169.79%	195.52%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.09021180%	0.09164670%	0.08994200%	0.08994200%
$ 6,602,671	$ 5,229,450	$ 4,551,913	$ 5,348,562
$ 2,758,900	$ 2,759,044	$ 2,613,535	$ 2,496,062
239.32%	189.54%	174.17%	214.28%
62.98%	69.16%	71.70%	65.52%

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	2021	**2020**	**2019**	**2018**
District's proportion of the net pension liability	0.06958476%	0.07084394%	0.07549706%	0.07843699%
District's proportionate share of the net pension liability	$ 16,837,036	$ 15,666,712	$ 16,600,108	$ 18,632,875
District's covered payroll	$ 8,544,650	$ 8,208,536	$ 8,602,100	$ 8,562,100
District's proportionate share of the net pension liability as a percentage of its covered payroll	197.05%	190.86%	192.98%	217.62%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.08384918%	0.08798803%	0.08680476%	0.08680476%
$ 28,066,848	$ 24,317,318	$ 21,113,922	$ 25,150,765
$ 8,765,600	$ 9,180,079	$ 8,869,054	$ 9,507,708
320.19%	264.89%	238.06%	264.53%
66.80%	72.10%	74.70%	69.30%

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 355,157	$ 366,145	$ 343,418	$ 337,509
Contributions in relation to the contractually required contribution	(355,157)	(366,145)	(343,418)	(337,509)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,536,836	$ 2,615,321	$ 2,543,837	$ 2,500,067
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	355,461	$	386,246	$	363,642	$	362,236	$	345,455	$	343,317
	(355,461)		(386,246)		(363,642)		(362,236)		(345,455)		(343,317)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,539,007	$	2,758,900	$	2,759,044	$	2,613,535	$	2,496,062	$	2,552,543
	14.00%		14.00%		13.18%		13.86%		13.84%		13.45%

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 1,224,560	$ 1,196,251	$ 1,149,195	$ 1,204,294
Contributions in relation to the contractually required contribution	(1,224,560)	(1,196,251)	(1,149,195)	(1,204,294)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 8,746,857	$ 8,544,650	$ 8,208,536	$ 8,602,100
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ 1,198,694	$ 1,227,184	$ 1,285,211	$ 1,152,977	$ 1,236,002	$ 1,249,428
(1,198,694)	(1,227,184)	(1,285,211)	(1,152,977)	(1,236,002)	(1,249,428)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,562,100	$ 8,765,600	$ 9,180,079	$ 8,869,054	$ 9,507,708	$ 9,610,985
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.07661930%	0.07562110%	0.07534910%	0.08414220%
District's proportionate share of the net OPEB liability	$ 1,665,188	$ 1,901,712	$ 2,090,388	$ 2,258,156
District's covered payroll	$ 2,615,321	$ 2,543,837	$ 2,500,067	$ 2,539,007
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	63.67%	74.76%	83.61%	88.94%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017
0.09107808%
$ 2,596,062
$ 2,758,900
94.10%
11.49%

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net OPEB liability/asset	0.06958476%	0.07084394%	0.07549706%	0.07843699%
District's proportionate share of the net OPEB liability/(asset)	$ (1,222,952)	$ (1,173,345)	$ (1,213,161)	$ 3,060,322
District's covered payroll	$ 8,544,650	$ 8,208,536	$ 8,602,100	$ 8,562,100
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.31%	14.29%	14.10%	35.74%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.70%	176.00%	47.10%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017
0.08384918%
$ 4,484,276
$ 8,765,600
51.16%
37.30%

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 48,295	$ 46,422	$ 58,796	$ 53,911
Contributions in relation to the contractually required contribution	(48,295)	(46,422)	(58,796)	(53,911)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,536,836	$ 2,615,321	$ 2,543,837	$ 2,500,067
Contributions as a percentage of covered payroll	1.90%	1.78%	2.31%	2.16%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	45,072	$	44,620	$	66,496	$	45,945	$	41,080	$	51,387
	(45,072)		(44,620)		(66,496)		(45,945)		(41,080)		(51,387)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,539,007	$	2,758,900	$	2,759,044	$	2,613,535	$	2,496,062	$	2,552,543
	1.78%		1.62%		2.41%		1.76%		1.65%		2.01%

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 8,746,857	$ 8,544,650	$ 8,208,536	$ 8,602,100
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2017	2016	2015	2014	2013	2012
	$ -	$ -	$ -	$ 91,769	$ 95,077	$ 96,110
	-	-	-	(91,769)	(95,077)	(96,110)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 8,562,100	$ 8,765,600	$ 9,180,079	$ 8,869,054	$ 9,507,708	$ 9,610,985
	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 2019-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2021.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

(Continued)

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%. For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021. For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2020/2021	$ 45,474
Cash Assistance			
COVID-19 School Breakfast Program	10.553	2020	22,471
School Breakfast Program	10.553	2020/2021	169,195
COVID-19 National School Lunch	10.555	2020	48,936
National School Lunch	10.555	2020/2021	418,436
Total Cash Assistance			659,038
Total Child Nutrition Cluster			704,512
Total U.S. Department of Agriculture			704,512
U.S. DEPARTMENT OF EDUCATION			
Passed Through from Green Township, Gallia County, Ohio			
Coronavirus Relief Fund	21.019	2021	228,175
Passed Through Ohio Department of Education			
Coronavirus Relief Fund	21.019	2021	201,763
Total Coronavirus Relief Fund			429,938
Passed Through Ohio Department of Education			
Title I:			
Title I Grants to Local Educational Agencies	84.010	2020	88,289
Title I Grants to Local Educational Agencies	84.010	2021	803,556
School Quality Improvement Grant	84.010	2020	24
School Quality Improvement Grant	84.010	2021	120,500
Total Title I Grants to Local Educational Agencies			1,012,369
Special Education Cluster:			
Special Education - Grants to States	84.027	2020	60,837
Special Education - Grants to States	84.027	2021	493,776
Total Special Education - Grants to States			554,613
Special Education - Preschool Grants	84.173	2020	567
Special Education - Preschool Grants	84.173	2021	12,974
Total Special Education - Preschool Grants			13,541
Total Special Education Cluster			568,154
Twenty-First Century Community Learning Centers	84.287	2021	527,973
Rural Education	84.358	2020	1,703
Rural Education	84.358	2021	26,510
Total Rural Education			28,213
Supporting Effective Instruction State Grants	84.367	2020	9,230
Supporting Effective Instruction State Grants	84.367	2021	72,393
Total Supporting Effective Instruction State Grants			81,623
Student Support and Academic Enrichment	84.424	2021	120,323
COVID-19 Education Stabilization Fund	84.425D	2021	692,381
COVID-19 Education Stabilization Fund	84.425D	2022	95,701
Total COVID-19 Education Stabilization Fund			788,082
Total U.S. Department of Education			3,556,675
Total Expenditures of Federal Awards			**$4,261,187**

The accompanying notes are an integral part of this Schedule.

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

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

Program Title	CFDA Number	Amt. Transferred	
Title I Grants to Local Educational Agencies	84.010	$	248,631
EOEC (Expanding Opportunities for Each Child	84.010	$	21,952
School Quality Improvement Grant	84.010A	$	36,306
Title II-A Supporting Effective Instruction	84.367	$	84,072
Title IV-A Student Support and Academic Enrichmen	84.424	$	8,576
Title V-B Rural and Low Income	84.358	$	22,579
IDEA-B Special Education	84.027	$	70,801
IDEA Early Childhood Special Education	84.173	$	11,669
21st Century	84.287	$	224,885

OHIO AUDITOR OF STATE
KEITH FABER

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

Gallipolis City School District
Gallia County
61 State Street
Gallipolis, Ohio 45631

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gallipolis City School District, Gallia County, Ohio (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 24, 2022. 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 opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. 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 2021-001 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

March 24, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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

Gallipolis City School District
Gallia County
61 State Street
Gallipolis, Ohio 45631

To the Board of Education:

Report on Compliance for each Major Federal Program

We have audited the Gallipolis City School District's, Gallia County, Ohio (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 Gallipolis City School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

March 24, 2022

GALLIPOLIS CITY SCHOOL DISTRICT
GALLIA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	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):** • Coronavirus Relief Fund Assistance Listing #21.019 • Education Stabilization Fund Assistance Listing #84.425D	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

FINDING NUMBER 2020-001

Material Weakness- Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

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

FINDING NUMBER 2021-001 (Continued)

Material Weakness (Continued)

Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The calculation of Intergovernmental Receivable did not include FY 2021 grant amounts carried forward to FY 2022. This resulted in an understatement of Intergovernmental Receivable and Intergovernmental Revenue Not Available in the amount of $6,807 in Early Childhood Education Fund, $224,885 in 21st Century Fund; $70,801 in Title VI-B Fund, $270,583 in Title I Fund; $11,669 in Early Childhood Fund; $84,072 in Title II-D Fund; $31,155 in Miscellaneous Federal Grants Fund for a total of $699,972.

These adjustments have been posted to the accompanying basic financial statements.

The Treasurer should review the calculations of various receivables to assure all relevant amounts are included.

Officials' Response: Adjustments will be made to GAAP reports to include FY21 grant amounts carried forward to FY22 to reflect the correct amount of Intergovernmental Receivable and Intergovernmental Revenue Not Available. Moving forward, the Treasurer will analyze the calculations of various receivables closely to assure all relevant amounts are included and also compare calculations to prior years to reduce the possibility of reporting errors.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Gallipolis City School District
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www.gc.k12.oh.us

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2021

Finding Number:	2021-001
Planned Corrective Action:	Adjustments will be made to GAAP reports to include FY21 grant amounts carried forward to FY22 to reflect the correct amount of Intergovernmental Receivable and Intergovernmental Revenue Not Available. Moving forward, the Treasurer will analyze the calculations of various receivables closely to assure all relevant amounts are included and also compare calculations to prior years to reduce the possibility of reporting errors.
Anticipated Completion Date:	04/30/2022
Responsible Contact Person:	Bethany M. Lewis, Treasurer

OHIO AUDITOR OF STATE
KEITH FABER

GALLIPOLIS CITY SCHOOL DISTRICT

GALLIA 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 4/12/2022

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