REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2021

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY
JUNE 30, 2021

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FRANKLIN COUNTY
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Reynoldsburg City School District
Franklin County
7244 East Main Street
Reynoldsburg, Ohio 43068

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 Reynoldsburg City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matters

As discussed in Note 19 to the financial statements, during 2021, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and elected to change the presentation of the financial statements to be reported in accordance with accounting principles generally accepted in the United States of America (Generally Accepted Accounting Principles - GAAP). The change in accounting principles caused a restatement of beginning net position and fund balance. We did not modify our opinion regarding these matters.

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 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

June 13, 2022

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As management of the Reynoldsburg City School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2021. Readers should also review the basic financial statements and 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:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $23.1 million (net position).

- The District's total net position increased by $4.6 million during the fiscal year.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $71.4 million, an increase of $12.3 million in comparison with the prior fiscal year. Of this amount, $45.8 million is available for spending at the District's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned balance for the general fund was $46.0 million, or 58.1% of total general fund expenditures.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds appears on the fund financial statements beginning with the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. These statements provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, governmental and proprietary, use different accounting approaches as further described in the notes to the basic financial statements.

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 other financial assets that can readily be converted to cash. The governmental fund 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 financial resources available to spend in the near future to finance the District's 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.

Proprietary Funds

The District uses an internal service fund to account for health and dental claims and premiums. This fund uses the accrual basis of accounting; the same as on the entity-wide statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $23.1 million according to the Statement of Net Position at the close of the most recent fiscal year.

The District's net position at fiscal year-end was as follows:

Net Position
Governmental Activities

	2021
Current and Other Assets	$ 124,047,827
Capital Assets, Net of Depreciation	106,899,036
Total Assets	230,946,863
Unamortized Amount on Refunding	8,992,396
Pension	22,010,485
OPEB	2,894,998
Total Deferred Outflows of Resources	33,897,879
Current Liabilities	11,253,701
Long-term Liabilities:	
Due Within One Year	6,506,303
Due in More Than One Year:	
Net Pension Liability	93,086,540
Net OPEB Liability	5,751,915
Other Amounts	88,719,212
Total Liabilities	205,317,671
Property Taxes	26,344,489
Pension	630,075
OPEB	9,490,307
Total Deferred Inflows of Resources	36,464,871
Net Investment in Capital Assets	24,513,195
Restricted	13,729,741
Unrestricted	(15,180,736)
Total Net Position	$ 23,062,200

During the fiscal year, the District converted from a modified cash basis presentation to the presentation that follows the accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units prescribed in the statements issued by the Governmental Accounting Standards Board (GASB). In future years, a comparison analysis will be presented.

A large portion of the District's net position reflect its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities

Net position of the District's governmental activities increased by $4.6 million. The details of this increase in net position are as follows:

Change in Net Position

	2021
Program Revenues:	
Charges for Services	$ 5,086,301
Operating Grants	11,743,223
General Revenues:	
Property Taxes	40,280,861
Income Taxes	5,964,029
Grants and Entitlements	44,404,249
Payments in Lieu of Taxes	2,857,060
Investment Earnings	178,758
Miscellaneous	1,369,163
Total Revenues	111,883,644
Program Expenses:	
Instructional	64,714,406
Support Services	34,397,258
Non-Instructional Services	3,407,984
Extracurricular Activities	988,575
Interest and Fiscal Charges	3,762,039
Total Expenses	107,270,262
Change in Net Position	4,613,382
Net Position at Beginning of Year,	74,694,636
Restatement, See Note 19	(56,245,818)
Net Position at End of Year	$ 23,062,200

During the fiscal year, the District converted from a modified cash basis presentation to the presentation that follows the accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units prescribed in the statements issued by the Governmental Accounting Standards Board (GASB). In future years, a comparison analysis will be presented.

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

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

Programs	Total Cost of Services 2021	Net Cost of Services 2021
Instructional	$ 64,714,406	$ 54,635,020
Support Services	34,397,258	31,140,006
Non-Instructional Services	3,407,984	195,747
Extracurricular Activities	988,575	707,926
Interest and Fiscal Charges	3,762,039	3,762,039
Total	$ 107,270,262	$ 90,440,738

Local property taxes make up 36.0% of total revenues for governmental activities. The net services column reflecting the need for $90.4 million of support indicates the reliance on general revenues to support governmental activities.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the District's governmental funds reported combined ending fund balances of $71.4 million, an increase of $12.3 million in comparison with the prior year. Approximately $45.8 million of this amount is available for new spending at the District's discretion (unassigned fund balance). The remainder of fund balance is not available for new spending because it is not in spendable form ($710,452), restricted ($13.4 million), committed ($153,082), or assigned ($11.3 million).

The schedule below indicates the fund balance and the total change in fund balance by major fund and other governmental funds as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Restated Fund Balance June 30, 2020	Increase/ (Decrease)
General Fund	$ 51,875,788	$ 42,703,621	$ 9,172,167
Bond Retirement Fund	9,130,425	6,676,608	2,453,817
Other Governmental Funds	10,355,926	9,650,644	705,282
Total	$ 71,362,139	$ 59,030,873	$ 12,331,266

General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $46.0 million, while total fund balance was $51.9 million. The fund balance of the District's general fund increased by $9.2 million during the current fiscal year.

Debt Service Fund

The Debt Service Fund is a debt service fund. Fund balance in this fund increased by $2.5 million during the fiscal year. This increase represents the amount in which property taxes and related revenues exceeded debt service expenditures.

Other Governmental Funds

Other Governmental Funds consist of various Special Revenue and Capital Projects Funds. Fund balance in these funds increased by $705,282 during the fiscal year. The key component of this increase was an increase in the Student Wellness and Success Fund. This increase is mainly due to a significant increase in grant revenue received from the State of Ohio.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced. The most significant adjustment to the original budget revenues in the 2021 budget was a decrease in advances from other governmental funds of $350,000. The variance between final budgeted revenues and actual revenues was insignificant.

During fiscal year 2021, the District amended its General fund appropriations several times. Original budgeted expenditures of $85,306,206 were decreased by $299,918 during 2021 to $85,006,288. The actual budgetary expenditures were $1.8 million less than the final budgeted expenditures. The variance is primarily the result of COVID-19 grant funding received during the fiscal year.

Capital Assets

At fiscal year-end, the District had $106.9 million (net of accumulated depreciation) invested in land, land improvements, buildings, buildings and improvements, furniture, fixtures, and equipment, and vehicles, a decrease of $2.4 million in comparison with the prior fiscal year. This decrease represents the amount in which current year depreciation of $3.9 million exceeded current year additions of $1.5 million.

See note 8 to the basic financial statements for additional information on capital assets.

Debt

At fiscal year-end, the District's general bonded debt totaled $91.4 million, a decrease of $6.2 million in comparison with the prior fiscal year. This decrease represents the amount in which principal reductions and amortization totaling $6.3 million exceeded accretion of $70,613.

See Note 9 to the basic financial statements for additional information on long-term obligations.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, tax payers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for monies it receives. Questions concerning any information in this report or request for additional information should be directed to Ms. Angele Latham, Treasurer, Reynoldsburg City School District, 7244 E. Main Street, Reynoldsburg, Ohio 43068-3585.

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REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 37,632,190
Investments	38,630,886
Receivables:	
Property Taxes	33,989,558
Income Taxes	2,563,586
Accounts	49,109
Payment in Lieu of Taxes	2,512,397
Intergovernmental	2,403,273
Accrued Interest	44,853
Prepayments	622,479
Materials and Supplies Inventory	62,973
Non-Depreciable Capital Assets	9,375,887
Depreciable Capital Assets	97,523,149
Net OPEB Asset	5,536,523
Total Assets	230,946,863
Deferred Outflows of Resources:	
Unamortized Amount on Refunding	8,992,396
Pension	22,010,485
OPEB	2,894,998
Total Deferred Outflows of Resources	33,897,879
Liabilities	
Accounts Payable	547,697
Accrued Wages and Benefits	8,061,622
Intergovernmental Payable	1,153,687
Accrued Interest Payable	298,723
Claims Payable	1,191,972
Long-Term Liabilities:	
Due Within One Year	6,506,303
Due in More Than One Year	
Net Pension Liability	93,086,540
Net OPEB Liability	5,751,915
Other Amounts Due in More Than One Year	88,719,212
Total Liabilities	205,317,671
Deferred Inflows of Resources:	
Property and Other Local Taxes	26,344,489
Pension	630,075
OPEB	9,490,307
Total Deferred Inflows of Resources	36,464,871
Net Position	
Net Investment in Capital Assets	24,513,195
Restricted for:	
Library Support Endowment	27,162
Debt Service	8,887,567
Capital Projects	336,664
Food Service	1,731,958
Locally Funded Programs	68,195
Student Activities	87,916
State Funded Programs	1,096,683
Federally Funded Programs	510,737
Classroom Facilities Maintenance	982,859
Unrestricted	(15,180,736)
Total Net Position	$ 23,062,200

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$ 46,496,205	$ 3,649,740	$ 1,725,646	$ (41,120,819)
Special	17,859,445	1,178,074	3,346,459	(13,334,912)
Vocational	127,474	11,682	-	(115,792)
Other	231,282	4,662	163,123	(63,497)
Support services:				
Pupils	5,672,789	-	1,481,764	(4,191,025)
Instructional Staff	4,741,483	-	1,147,783	(3,593,700)
Board of Education	25,459	-	-	(25,459)
Administration	8,918,992	-	48,931	(8,870,061)
Fiscal	1,520,315	-	-	(1,520,315)
Business	319,112	-	-	(319,112)
Operations and Maintenance	8,167,402	-	533,064	(7,634,338)
Pupil Transportation	4,269,222	-	22,188	(4,247,034)
Central	762,484	-	23,522	(738,962)
Operation of Non-Instructional Services:				
Food Service Operations	2,804,294	49,996	2,627,180	(127,118)
Other Non-Operational Services	603,690	5,180	529,881	(68,629)
Extracurricular activities	988,575	186,967	93,682	(707,926)
Debt Service				
Interest and Fiscal Charges	3,762,039	-	-	(3,762,039)
Total Governmental Activities	$ 107,270,262	$ 5,086,301	$ 11,743,223	$ (90,440,738)

General Revenues	
Property Taxes Levied for:	
General Purposes	30,367,416
Debt Service	9,535,904
Facilities Maintenance	377,541
Income Taxes	5,964,029
Payment in Lieu of Taxes	2,857,060
Unrestricted Grants and Entitlements	44,404,249
Investment Earnings	178,758
Miscellaneous	1,369,163
Total General Revenues	95,054,120
Change in Net Position	4,613,382
Net Position Beginning of Year, Restated	18,448,818
Net Position End of Year	$ 23,062,200

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	$ 10,050,797	$ 6,836,485	$ 11,183,396	$ 28,070,678
Investments	38,630,886	-	-	38,630,886
Receivables:				
Property Taxes	25,803,677	7,869,902	315,979	33,989,558
Income Taxes	2,563,586	-	-	2,563,586
Accounts	43,232	-	620	43,852
Payment in Lieu of Taxes	2,500,674	11,306	417	2,512,397
Intergovernmental	484,088	-	1,919,185	2,403,273
Accrued Interest	44,853	-	-	44,853
Due From Other Funds	1,481,217	-	-	1,481,217
Prepayments	557,256	-	65,223	622,479
Materials and Supplies Inventory	-	-	62,973	62,973
Total Assets	$ 82,160,266	$ 14,717,693	$ 13,547,793	$ 110,425,752
Liabilities:				
Accounts Payable	$ 493,790	$ -	$ 53,894	547,684
Accrued Wages and Benefits	7,321,851	-	739,771	8,061,622
Compensated Absences Payable	85,609	-	-	85,609
Intergovernmental Payable	1,047,350	-	106,337	1,153,687
Due to Other Funds	-	-	1,481,217	1,481,217
Total Liabilities	8,948,600	-	2,381,219	11,329,819
Deferred Inflows of Resources:				
Property and Other Local Taxes	20,591,098	5,531,403	221,988	26,344,489
Unavailable Revenue	744,780	55,865	588,660	1,389,305
Total Deferred Inflows of Resources	21,335,878	5,587,268	810,648	27,733,794
Fund Balances:				
Nonspendable:				
Library Support Endowment	-	-	25,000	25,000
Materials and Supplies Inventory	-	-	62,973	62,973
Prepayments	557,256	-	65,223	622,479
Restricted for:				
Library Support Endowment	-	-	2,162	2,162
Debt Service	-	9,130,425	-	9,130,425
Capital Projects	-	-	336,664	336,664
Food Service	-	-	1,662,940	1,662,940
Locally Funded Programs	1,683	-	28,962	30,645
Student Activities	-	-	87,916	87,916
State Funded Programs	-	-	1,096,683	1,096,683
Federally Funded Programs	-	-	51,725	51,725
Classroom Facilities Maintenance	-	-	980,527	980,527
Scholarships	-	-	53,563	53,563
Committed to:				
Instruction	-	-	153,082	153,082
Assigned for:				
Public School Support	135,664	-	-	135,664
Instruction	439,590	-	-	439,590
Support Services	1,045,838	-	-	1,045,838
Capital Projects	18,665	-	5,984,060	6,002,725
Future Appropriations	3,638,633	-	-	3,638,633
Unassigned	46,038,459	-	(235,554)	45,802,905
Total Fund Balances	51,875,788	9,130,425	10,355,926	71,362,139
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 82,160,266	$ 14,717,693	$ 13,547,793	$ 110,425,752

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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

Total Governmental Fund Balances		$ 71,362,139
Amounts reported for governmental activities in 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.		106,899,036
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property Tax Receivables	253,768	
Income Tax Receivables	504,356	
Intergovernmental Receivables	586,328	
Interest Receivables	44,853	
		1,389,305
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		8,374,784
The net pension liability, net OPEB liability and net OPEB asset are not due and payable in the current period; therefore, the liability, asset and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	22,010,485	
Deferred Inflows - Pension	(630,075)	
Net Pension Liability	(93,086,540)	
Deferred Outflows - OPEB	2,894,998	
Deferred Inflows - OPEB	(9,490,307)	
Net OPEB Asset	5,536,523	
Net OPEB Liability	(5,751,915)	
		(78,516,831)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Serial and Term Bonds	(70,720,000)	
Capital Appreciation Bonds	(458,628)	
Certificates of Participation	(11,300,000)	
Bond and Certificate Premiums	(8,900,758)	
Unamortized Amount on Refunding	8,992,396	
Accrued Interest Payable	(298,723)	
Leases	(365,667)	
Compensated Absence Payable	(3,394,853)	
		(86,446,233)
Net Position of Governmental Activities		$ 23,062,200

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property Taxes	$ 30,469,249	$ 9,573,572	$ 379,009	$ 40,421,830
Income Taxes	6,226,617	-	-	6,226,617
Tuition and Fees	4,844,008	-	150	4,844,158
Charges for Services	-	-	49,996	49,996
Earnings on Investments	191,118	-	2,840	193,958
Extracurricular	15,010	-	177,137	192,147
Payments in Lieu of Taxes	2,845,219	11,410	431	2,857,060
Other Local Revenues	1,347,896	-	41,489	1,389,385
Intergovernmental- State	42,763,528	987,718	1,937,097	45,688,343
Intergovernmental- Federal	666,850	-	10,112,697	10,779,547
Total Revenues	89,369,495	10,572,700	12,700,846	112,643,041
Expenditures:				
Instruction:				
Regular	37,284,299	-	1,939,483	39,223,782
Special	12,032,120	-	3,269,787	15,301,907
Vocational	119,326	-	-	119,326
Other	47,661	-	167,681	215,342
Support Services:				
Pupils	4,194,412	-	793,598	4,988,010
Instructional Staff	2,826,870	-	1,560,675	4,387,545
Board of Education	24,228	-	-	24,228
Administration	7,516,999	-	52,104	7,569,103
Fiscal	1,357,049	109,123	-	1,466,172
Business	298,790	-	-	298,790
Operations and Maintenance	6,992,837	-	942,519	7,935,356
Pupil Transportation	3,881,275	-	406,794	4,288,069
Central	512,955	-	212,374	725,329
Operation of Non-Instructional Services:				
Food Service Operations	-	-	2,607,834	2,607,834
Other Non-Operational Services	-	-	578,130	578,130
Extracurricular Activities	443,890	-	425,795	869,685
Facilities Acquisition and Construction	479,728	-	6,245	485,973
Debt Service:				
Principal Retirement	867,213	4,680,000	-	5,547,213
Interest and Fiscal Charges	404,515	3,329,760	-	3,734,275
Total Expenditures	79,284,167	8,118,883	12,963,019	100,366,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,085,328	2,453,817	(262,173)	12,276,972
Other Financing Sources (Uses):				
Sale of Capital Assets	42,930	-	-	42,930
Insurance Proceeds	11,364	-	-	11,364
Transfers In	-	-	967,455	967,455
Transfers Out	(967,455)	-	-	(967,455)
Total Other Financing Sources (Uses)	(913,161)	-	967,455	54,294
Net Change in Fund Balances	9,172,167	2,453,817	705,282	12,331,266
Fund Balance Beginning of Year, Restated	42,703,621	6,676,608	9,650,644	59,030,873
Fund Balance End of Year	$ 51,875,788	$ 9,130,425	$ 10,355,926	$ 71,362,139

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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

Net Change in Fund Balances - Total Governmental Funds		$ 12,331,266
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.		
	Depreciation	(3,884,724)
	Capital Outlay	1,461,167
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Property Taxes	(140,969)
	Income Taxes	(262,588)
	Intergovernmental Revenues	(384,070)
	Interest Revenues	(15,200)
	Other Revenues	(10,864)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(2,374,470)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
	Pension	6,591,378
	OPEB	153,905
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability and asset are reported as pension/OPEB expense in the statement of activities.		
	Pension	(14,521,466)
	OPEB	76,083
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
	Bond and Note Principal Repayments	5,440,000
	Amortization and Capital Appreciation Bond Accretion	(49,222)
	Capital Lease and Lease Obligation Principal Repayments	107,213
	Accrued Interest	21,458
Some expenses reported in the statement of activities, such as compensated absences payable and other accounts payable, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
	Compensated Absences	74,485
Change in Net Position of Governmental Activities		$ 4,613,382

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Revenues:				
From local sources:				
Property Taxes	$ 24,451,273	$ 24,202,735	$ 24,202,735	$ -
Income Taxes	5,793,464	5,734,566	5,734,576	10
Tuition and Fees	4,864,930	4,524,160	4,815,480	291,320
Earnings on Investments	517,091	525,000	511,835	(13,165)
Payments in Lieu of Taxes	2,874,437	2,700,000	2,845,219	145,219
Other Local Revenues	1,344,670	1,316,100	1,331,002	14,902
Intergovernmental- State	43,202,666	42,599,126	42,763,528	164,402
Intergovernmental- Federal	280,751	520,000	277,897	(242,103)
Total Revenues	83,329,282	82,121,687	82,482,272	360,585
Expenditures:				
Instruction:				
Regular	38,792,645	38,649,365	37,374,655	1,274,710
Special	12,607,170	12,560,950	12,242,559	318,391
Vocational	109,512	109,136	98,205	10,931
Other	55,570	55,363	54,097	1,266
Support Services:				
Pupils	4,385,320	4,369,258	4,205,852	163,406
Instructional Staff	2,995,152	2,984,122	2,964,159	19,963
Board of Education	30,808	30,694	45,057	(14,363)
Administration	7,893,232	7,864,331	7,664,259	200,072
Fiscal	1,416,697	1,411,440	1,388,055	23,385
Business	309,847	308,696	301,687	7,009
Operations and Maintenance	7,432,179	7,405,536	7,518,988	(113,452)
Pupil Transportation	4,216,343	4,201,276	4,150,116	51,160
Central	511,561	509,663	591,470	(81,807)
Operation of Non-Instructional Services:				
Other Non-Operational Services	10,474	10,435	10,083	352
Extracurricular Activities	454,372	452,683	485,134	(32,451)
Facilities Acquisition and Construction	533,711	531,727	582,467	(50,740)
Debt Service:				
Principal Retirement	867,213	867,213	867,213	-
Interest and Fiscal Charges	404,515	404,515	404,515	-
Total Expenditures	83,026,321	82,726,403	80,948,571	1,777,832
Excess of Revenues Over Expenditures	302,961	(604,716)	1,533,701	2,138,417
Other Financing Sources (Uses):				
Sale of Capital Assets	43,371	43,000	42,930	(70)
Insurance Proceeds	-	11,500	11,364	(136)
Transfers Out	(967,455)	(967,455)	(967,455)	-
Advances In	871,862	1,213,000	863,000	(350,000)
Advances Out	(1,312,430)	(1,312,430)	(1,312,430)	-
Total Other Financing Sources (Uses)	(1,364,652)	(1,012,385)	(1,362,591)	(350,206)
Net Change in Fund Balance	(1,061,691)	(1,617,101)	171,110	1,788,211
Fund Balance at Beginning of Year	45,138,200	45,138,200	45,138,200	-
Prior Year Encumbrances Appropriated	1,065,171	1,065,171	1,065,171	-
Fund Balance at End of Year	$ 45,141,680	$ 44,586,270	$ 46,374,481	$ 1,788,211

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
AS OF JUNE 30, 2021

	Governmental Activities - Internal Service Fund
Current Assets:	
Cash and Cash Equivalents	$ 9,561,512
Accounts Receivable	5,257
Total Assets	9,566,769
Current Liabilities:	
Claims Payable	1,191,972
Accounts Payable	13
Total Liabilities	1,191,985
Net Position:	
Unrestricted	8,374,784
Total Net Position	$ 8,374,784

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Fund
Operating Revenues:	
Charges for Services	$ 11,161,578
Total Operating Revenues	11,161,578
Operating Expenses:	
Purchased Services	1,323,520
Claims	12,212,528
Total Operating Expenses	13,536,048
Change in Net Position and Operating Loss	(2,374,470)
Net Position Beginning of Year, Restated	10,749,254
Net Position End of Year	$ 8,374,784

See accompanying notes to the basic financial statements.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:	
Cash Received from Charges for Services	$ 11,156,321
Cash Payments for Purchased Services	(1,323,507)
Cash Payments for Claims	(12,045,114)
Net Cash Used for Operating Activities	(2,212,300)
Decrease in Cash and Cash Equivalents	(2,212,300)
Cash and Cash Equivalents at Beginning of Year, Restated	11,773,812
Cash and Cash Equivalents at End of Year	$ 9,561,512
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Income (Loss)	$ (2,374,470)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Changes in Assets and Liabilities:	
Accounts Receivable	(5,257)
Claims Payable	167,414
Accounts Payable	13
Net Cash Used for Operating Activities	$ (2,212,300)

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT

The Reynoldsburg City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the District.

The District employs 252 non-certified and 519 certified employees to provide services to approximately 6,836 students and community groups. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District 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.

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; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District.

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 does not have any component units.

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

JOINTLY GOVERNED ORGANIZATION

META Solutions
The District is a member of Meta Solutions. META Solutions is a consortium that provides software, hardware, staff development, and technology integration support for member schools. As one of 20+ ITC-sites around the state, META Solutions is a member of the Ohio Education Computer Network (OECN) which provides fiscal, support, and student services statewide to Ohio's school districts. Beyond these core services, META Solutions also provides additional services to member schools and contracted institutions. Financial information can be obtained from the offices of the Treasurer at 100 Executive Drive, Marion, Ohio, 43302.

PUBLIC ENTITY RISK POOL

Comp Management Group Retrospective Rating Program
The District participates in the Comp Management Group Retrospective Rating Program, a voluntary performance based incentive program. Similar to group rating, companies are grouped together to achieve lower premiums than they could as individuals. However, in this program, employers continue to own individual premiums and the BWC calculates group retro rebates/assessments at 12, 24 and 36 months after the end of the policy. This creates an incentive for participants to control and reduce losses by practicing effective workplace safety and claims management.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America 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 more significant of the District's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements (see Note 2.G). Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

Program revenues include 1) charges to customers or applicant who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, payment in lieu of taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). 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 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.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing resources) and uses (i.e., expenditures and other financing uses) of current financial resources. The 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 statement for the governmental funds.

The District's major funds include the following governmental funds: the general fund and the debt service fund. The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. The bond retirement fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The District's nonmajor governmental funds include capital projects funds and special revenue funds. The capital project funds are used to account for receipts and expenditures related to capital facilities. The special revenue funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

The District's nonmajor proprietary fund includes the following fund type:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or, agencies of the government generally on a cost-reimbursement basis. The District has one such fund, an Employee Benefits Self-Insurance Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. However, the activity for interfund services in the internal service fund are consolidated with the Governmental Activities on the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Charges for services (or charges for employee benefit costs) are the principal operating revenues for the District's internal service fund. Operating expenses for the internal service fund include the cost of purchased services and claims expenses and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed

C. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in receipts are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

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

D. Cash and Investments

Monies received by the District are pooled with individual fund balance integrity maintained through the District's records. 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. At fiscal year-end, investments were limited to STAR Ohio, money market funds, Federal Agency securities, negotiable CD's and commercial paper.

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

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, 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 the fiscal year amounted to $191,118 which includes $69,492 assigned from other governmental funds.

E. Inventory

Inventories of supplies are presented at cost on a first-in, first-out basis and are expended/expensed when used. Donated commodities are presented at their entitlement value.

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

F. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in 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 follows the policy of not capitalizing assets with a cost of less than $5,000 and a useful life of less than five years. The District does not possess any infrastructure.

All reported capital assets, with the exception of 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:

Land Improvements	15
Buildings & Improvements	25
Buildings	50
Furniture, Fixtures, and Equipment	5-15
Vehicles	8

G. Interfund Activity

Transfers between governmental funds are eliminated on the government-wide statements. 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.

On fund financial statements, short-term interfund loans are classified as due to/from other funds and long-term interfund loans are classified as advances to/from other funds. These amounts are eliminated in the statement of net position.

H. Compensated Absences

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

The entire compensated absence liability is reported on the government-wide financial statements. The amount of accumulated vacation and sick leave of employees applicable to governmental type activities is not reflected in the fund financial statements. When paid, compensated absences for governmental activities are paid from the fund to which the employee's payroll is charged. The funds which record expenditures or expenses for employee payroll and compensated absences are the General Fund, Food Service Fund and the various other special revenue funds.

I. Accrued Liabilities and Long-term Debt

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements as well as the proprietary fund 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, 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 fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred amount on refunding, for pension and OPEB. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position 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 until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes, intergovernmental revenues, and interest income. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 14. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 11 and 12).

K. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, net OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

L. Fund Balances

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 governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

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

Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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 or committed. Although no specific resolution has been made, the District Board of Education authorizes the Treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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 used only to report a deficit 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 either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

N. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their 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.

O. 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. There were no extraordinary or special items reported during the current fiscal year.

P. Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond issuance costs are expensed in the period in which they are incurred.

On the governmental fund financial statements, governmental fund types recognize bond premiums and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. 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 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.

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NOTE 3 – 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 requires accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

Net Change in Fund Balance

GAAP Basis	$ 9,172,167
Uniform School Supplies Change	(4,516)
Public School Support Change	(7,491)
Flex Spending Account Change	(34)
Revenue Accruals	(6,821,488)
Expenditure Accruals	279,237
Other Financing Sources and Uses Activity	(449,430)
Encumbrances	(1,997,335)
Budget Basis	$ 171,110

With the implementation of GASB Statement No. 54, *Fund Balance Reporting*, the District's Public School Support Fund, Uniform School Supplies Fund, and Alternative School Funds, no longer meet the special revenue fund type criteria for reporting in the fiscal year-end external financial statements. As such, these funds are presented as part of the District's General Fund in the year-end financial statements. The budgetary comparison information in the fiscal year-end financial statements is the legally adopted budget for the General Fund, without modification for the funds no longer meeting the special revenue criteria.

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 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 accounts, including passbook accounts.

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

Interim monies to 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 market 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 date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

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

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

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

8. Certain banker’s acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days respectively, from the purchase date in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within 5 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

Custodial credit risk for deposits 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. At fiscal year-end, the carrying amount of the District's deposits was $4,603,886. The combined bank balance was $5,779,400, of which $250,000 was covered by Federal Deposit Insurance Corporation (FDIC) and the remaining balance was uninsured and collateralized. The District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

1. Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market 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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

B. Investments

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

			Investment Maturities		
Investment Type	Measurement Value	Percent of Total	Less than one year	1 to 3 years	Greater than 3 years
STAR Ohio (NAV)	$33,018,412	46.08%	$ 33,018,412	$ -	$ -
Money Market Funds (NAV)	9,892	0.01%	9,892	-	-
Commercial Paper	13,402,166	18.70%	13,402,166	-	-
Federal Agency Securities	11,805,363	16.47%	2,102,139	6,076,808	3,626,416
Negotiable CD's	13,423,357	18.74%	6,502,507	6,920,850	-
Total	$ 71,659,190	100%	$ 55,035,116	$ 12,997,658	$ 3,626,416

All investments are reported at fair value except STAR Ohio and money market funds, which are measured at the net asset value per share, which approximates fair value. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's fair value measurements are based on level 2 inputs. Institutional bond quotes and evaluations based on various market and industry inputs are used in the valuation of the District's level 2 investments.

In addition, in accordance with GASB Statement No. 79, the District's investment in STAR Ohio is reported at amortized cost. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2021, is 54 days and carries a rating of AAAm by S&P Global Ratings.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, investment portfolio maturities are limited to five years or less. To reduce interest rate risk it is Management's policy to hold all investments to maturity.

Credit Risk: The District does not have a formal investment policy limiting credit risk. The federal agency securities carry a rating of AA+ ($10,324,788) and Aaa ($1,480,575) by Standard and Poor's. The commercial paper is rated A-1 by Standard and Poor's. The certificates of deposit and money market funds are not rated.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The District's policy does not limit the amount invested in U.S. Treasury securities or those instruments guaranteed by the U.S. Treasury. Investments in Federal Agency Instruments/Government Sponsored Enterprise securities and investments in repurchase agreements and certificates of deposit may be made up of 25% and 50%, respectively, of the District's total portfolio.

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

The following is a reconciliation of cash and investments to the Statement of Net Position as of June 30, 2021:

Cash and investments per note		
Carrying amount of deposits	$	4,603,886
Investments		71,659,190
Total	$	76,263,076

Cash and investments per statement of net position		
Governmental activities	$	76,263,076
Total	$	76,263,076

NOTE 5 – 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, public utility property, and tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed values as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2021 represent the collection of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien on December 31, 2021, were levied after April 1, 2021, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Franklin and Licking Counties. The County Auditors periodically advance to the District their 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 of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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	$ 726,051,500	96.60%	$ 869,638,160	97.10%
Public Utility Personal	25,565,810	3.40%	25,962,740	2.90%
Total	$ 751,617,310	100.00%	$ 895,600,900	100.00%
Tax rate per $1,000 of assessed valuation	$ 71.55		$ 70.05	

NOTE 6 – TAX ABATEMENTS

Under tax abatement agreements entered into by the Ohio EPA, the District’s property tax revenues were reduced by $52,895.

NOTE 7 – INCOME TAXES

The District levies a voted tax of one-half percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1990 and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State of Ohio makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. The District's income tax receipts are credited to the General Fund.

NOTE 8 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year follows:

Governmental Activities	Restated Beginning Balance	Additions	Transfers	Ending Balance
Nondepreciable Capital Assets				
Land	$ 9,375,887	$ -	$ -	$ 9,375,887
Construction in Progress	133,525	172,261	(305,786)	-
Total Nondepreciable Assets	9,509,412	172,261	(305,786)	9,375,887
Depreciable Capital Assets				
Land Improvements	5,838,857	-	-	5,838,857
Buildings	168,264,977	-	86,566	168,351,543
Buildings and Improvements	15,410,258	352,132	219,220	15,981,610
Furniture, Fixtures and Equipment	3,712,613	413,999	-	4,126,612
Vehicles	5,349,909	522,775	-	5,872,684
Total Depreciable Assets	198,576,614	1,288,906	305,786	200,171,306
Less accumulated depreciation				
Land Improvements	(4,668,869)	(243,453)	-	(4,912,322)
Buildings	(86,963,634)	(2,350,029)	-	(89,313,663)
Buildings and Improvements	(1,232,821)	(627,837)	-	(1,860,658)
Furniture, Fixtures and Equipment	(2,752,486)	(177,940)	-	(2,930,426)
Vehicles	(3,145,623)	(485,465)	-	(3,631,088)
Total accumulated depreciation	(98,763,433)	(3,884,724)	-	(102,648,157)
Depreciable Capital Assets, Net of accumulated depreciation	99,813,181	(2,595,818)	305,786	97,523,149
Capital Assets, Net	$ 109,322,593	$ (2,423,557)	$ -	$ 106,899,036

Depreciation expense was charged to governmental functions as follows:

	Amount
Regular Instruction	$ 1,542,525
Special Instruction	648,375
Vocational Instruction	3,298
Other Instruction	8,189
Pupils	205,286
Instructional Staff	242,512
Board of Education	1,231
Administration	327,411
Fiscal	58,435
Business	12,879
Operations and Maintenance	401,176
Pupil Transportation	192,462
Central	20,519
Food Service Operations	157,399
Other Non-Operational Services	20,158
Extracurricular Activities	42,869
Total Depreciation Expense	$ 3,884,724

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NOTE 9 – LONG-TERM OBLIGATIONS

	Interest Rate	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds						
Refunding Bonds - Series 2013						
Term Bonds	4.919%	15,700,000	-	(1,135,000)	14,565,000	1,180,000
Bond Premium		2,580,727	-	(245,784)	2,334,943	-
Refunding Bonds - Series 2014						
Term Bonds	4.939%	14,985,000	-	(845,000)	14,140,000	890,000
Bond Premium		3,057,301	-	(244,584)	2,812,717	-
Refunding Bonds - Series 2015						
Serial Bonds	4.178%	44,715,000	-	(2,700,000)	42,015,000	3,010,000
CABs		44,987	-	-	44,987	-
CABs Premium		289,638	-	(48,273)	241,365	-
Accretion on CABs		343,028	70,613	-	413,641	-
Bond Premium		3,756,992	-	(300,559)	3,456,433	-
Total General Obligation Bonds		85,472,673	70,613	(5,519,200)	80,024,086	5,080,000
Direct Borrowings						
Certificates of Participation Bonds - Series 2017						
Serial and Term Bonds	3.200%	12,060,000	-	(760,000)	11,300,000	785,000
Bond Premium		60,109	-	(4,809)	55,300	-
Total Direct Borrowings		12,120,109	-	(764,809)	11,355,300	785,000
Net Pension Liability						
SERS		15,488,784	1,373,498	-	16,862,282	-
STRS		65,669,562	10,554,696	-	76,224,258	-
Total Net Pension Liability		81,158,346	11,928,194	-	93,086,540	-
Net OPEB Liability						
SERS		6,667,557	-	(915,642)	5,751,915	-
Total Net OPEB Liability		6,667,557	-	(915,642)	5,751,915	-
Compensated Absences		3,481,174	4,193,581	(4,194,293)	3,480,462	528,706
Capital Lease		472,880	-	(107,213)	365,667	112,597
Total Governmental Activities		$ 189,372,739	$ 16,192,388	$ (11,501,157)	$ 194,063,970	$ 6,506,303

A. Series 2003 Bonds

On March 24, 2003, the District issued general obligation bonds to provide funds for improvements to school facilities. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

This issue is comprised of both current interest bonds, par value $29,455,000, and capital appreciation bonds, par value $344,979. The interest rates on the current interest bonds range from 2.00% to 5.00%. The capital appreciation bonds matured on December 1, 2008 (approximate initial offering yield at maturity 2.86%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date.

In November 2013, the outstanding amount of these bonds were refunded by the Series 2013 Bonds.

B. Series 2005 Bonds

On April 6, 2005, the District issued general obligation bonds to provide funds for construction and improvements to school facilities in the amount of $23,950,000 with a variable interest rate from 3.00% to 5.00%. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

In October 2014, the outstanding amount of these bonds were refunded by the Series 2014 Bonds.

C. Series 2007 Bond Anticipation Notes

On November 29, 2007, the District issued bond anticipation notes in the amount of $9,540,000 to refund the callable portion of the 1997 series general obligation refunding bonds. These bond anticipation notes were subsequently purchased by Dexia Credit Local (Dexia) and a swap option was exercised obligating Dexia to pay the variable interest rate due on the notes in return for a fixed rate to be received by the District (see Note 9.I for detail).

D. Series 2008 Bonds

On July 9, 2008, the District issued general obligation bonds to provide funds for construction and improvements to school facilities. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

This issue is comprised of both current interest bonds, par value $55,935,000, and capital appreciation bonds, par value $64,988. The interest rates on the current interest bonds range from 3.00% to 5.25%. The capital appreciation bonds mature on December 1, 2016 (approximate initial offering yield at maturity 4.30%) and December 1, 2017 (approximate initial offering yield at maturity 4.42%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $2,500,000 and the accreted value at fiscal year-end was $0.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

In May 2015, $47,670,000 of the current interest bonds were refunded by the Series 2015 Bonds.

E. Series 2013 Bonds

In November 2013, the District issued $21,580,000 in general obligation refunding current interest bonds with an interest cost of 4.919% for the purpose of currently refunding the outstanding principal amount of the 2003 general obligation bonds and terminating an interest rate hedge agreement with Dexia Credit Local. The District received $25,758,320 in bond proceeds, which included a $4,178,320 premium. The bonds will be retired from the debt service fund. The incremental benefit of this refunding was $49,462. The refunding did not increase the overall debt of the District; however, since funds were needed to terminate the interest rate hedge agreement, the District lost the opportunity to capitalize on lower interest rates.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is September 1, 2030.

The following is a summary of the future debt service requirements to maturity for the 2013 series general obligation bonds:

Fiscal Year	Principal	Interest	Total
2022	$ 1,180,000	$ 687,430	$ 1,867,430
2023	1,235,000	628,033	1,863,033
2024	1,290,000	565,931	1,855,931
2025	1,345,000	501,123	1,846,123
2026	1,410,000	433,363	1,843,363
2027-2031	8,105,000	1,012,455	9,117,455
Total	$ 14,565,000	$ 3,828,335	$ 18,393,335

F. <u>Series 2014 Bonds</u>

In December 2014, the District issued $18,665,000 in general obligation refunding current interest bonds with an interest cost of 4.939% for the purpose of currently refunding the outstanding principal amount of the 2005 general obligation bonds and terminating an interest rate hedge agreement with Dexia Credit Local. The District received $23,067,514 in bond proceeds, which included a $4,402,514 premium. The bonds will be retired from the debt service fund. The District decreased its total debt service payments by $10,600 as a result of the refunding. The District also incurred an economic gain (difference between the present value of the old and new debt service payments) of $410. The refunding did not increase the overall debt of the District; however, since funds were needed to terminate the interest rate hedge agreement, the District lost the opportunity to capitalize on lower interest rates.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

The following is a summary of the future debt service requirements to maturity for the 2014 series general obligation bonds:

Fiscal Year	Principal	Interest	Total
2022	$ 890,000	$ 676,396	$ 1,566,396
2023	930,000	631,451	1,561,451
2024	980,000	584,283	1,564,283
2025	1,030,000	534,646	1,564,646
2026	1,080,000	482,540	1,562,540
2027-2031	6,265,000	1,535,906	7,800,906
2032-2033	2,965,000	129,525	3,094,525
Total	$ 14,140,000	$ 4,574,747	$ 18,714,747

G. Series 2015 Bonds

In May 2015, the District issued $47,669,987 in general obligation refunding bond anticipation notes with an interest cost of 4.178% for the purpose of currently refunding $47,670,000 of the 2008 general obligation bonds. The District received $53,480,648 in bond proceeds, which included a $5,810,661 premium. The bonds will be retired from the debt service fund. The District decreased its total debt service payments by $3,859,263 as a result of the refunding. The District also incurred an economic gain (difference between the present value of the old and new debt service payments) of $2,996,143.The refunding did not increase the overall debt of the District.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

The following is a summary of the future debt service requirements to maturity for the 2015 series general obligation bonds:

	Current Interest Bonds				Capital Appreciation Bonds		
Fiscal Year	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
2022	$ 3,010,000	$ 1,723,400	$ 4,733,400	2022	$ -	$ -	$ -
2023	2,950,000	1,574,400	4,524,400	2023	-	-	-
2024	3,100,000	1,423,150	4,523,150	2024	-	-	-
2025	3,425,000	1,276,875	4,701,875	2025	-	-	-
2026	2,750,000	1,139,350	3,889,350	2026	458,628	351,372	810,000
2027-2031	21,010,000	3,240,000	24,250,000	2027-2031	-	-	-
2032-2033	5,770,000	197,300	5,967,300	2032-2033	-	-	-
Total	$42,015,000	$10,574,475	$52,589,475	Total	$ 458,628	$ 351,372	$ 810,000

H. Series 2017 Bonds

In January 2018, the District issued $13,415,000 certificates of participation bonds with an interest cost of 3.20% for the purpose of constructing, improving, furnishing, and equipping school facilities through a ground lease agreement with Capital One Public Funding, LLC. The District received $13,487,131 in bond proceeds, which included a $72,131 premium. The bonds will be retired from the general fund.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

The following is a summary of the future debt service requirements to maturity for the 2017 series certificates of participation bonds:

Fiscal Year	Principal	Interest	Total
2022	$ 785,000	$ 358,311	$ 1,143,311
2023	810,000	332,114	1,142,114
2024	835,000	305,095	1,140,095
2025	865,000	277,172	1,142,172
2026	890,000	248,346	1,138,346
2027-2031	4,915,000	775,670	5,690,670
2032-2033	2,200,000	72,927	2,272,927
Total	$11,300,000	$2,369,635	$13,669,635

I. Refunding and Sold Options

In 2008, the District entered into an agreement with Dexia for Dexia to purchase bond anticipation notes that were or may be issued to refund a portion of the general obligation bonds discussed in Note 9.A. (2003 issue) and Note 9.B. (2005 issue). These refunding bond anticipation notes, as or if issued, bear or would bear variable interest rates based upon the Securities Industry and Financial Markets Association (SIFMA, formerly the Bond Marketing Association, BMA) Municipal Swap Index plus 29 basis points (0.29%).

Simultaneously, the District entered into options (swap options, or swaptions) which, as or if exercised, would obligate Dexia to pay the variable interest due on the notes and receive a fixed rate from the District. Dexia paid the District $2,416,000 for these swap options, which, net of fees and expenses of $899,088, resulted in $1,516,912 being deposited into the District's permanent improvement fund, a nonmajor governmental fund, to be used for various capital projects.

The notes related to $9,540,000 of the 1997 issue were issued November 29, 2007, the notes related to $21,580,000 of the 2003 issue were issued November 29, 2013, and the notes related to $18,665,000 of the 2005 issue were issued December 1, 2014.

The purpose of the interest rate swap transactions with Dexia was to or would be to hedge the exposure of the District against interest rate fluctuations arising from the variable rates borne by these bond anticipation notes. Under the swap agreement, the District is or would be the fixed rate payer, paying fixed rates ranging from approximately 5.38% to 5.45% on the 1997 issue; approximately 4.54% to 5.00% on the 2003 issue, and approximately 4.625% to 4.967% on the 2005 issue. The counterparty, Dexia, is or would be the floating rate payer, paying the actual variable rate borne by the notes. The floating rates are or would be determined in accordance with the weekly SIFMA Swap Index.

During fiscal year 2012, the District terminated the agreement related to 1997 issue through the issuance of the Series 2012 General Obligation Refunding Bonds. The proceeds of the current refunding bonds were used to currently refund the outstanding principal amounts tied to the agreements ($8,150,000 Series 2007 Bond Anticipation Notes) and terminate the interest rate hedge agreement at a net cost of $1,063,718. This refunding did not increase the overall general obligation debt of the District and resulted in a savings of $111,203.

During fiscal year 2014, the District terminated the agreement related to 2003 issue through the issuance of the Series 2013 General Obligation Refunding Bond Anticipation Notes. The proceeds of the current refunding bonds were used to currently refund the outstanding principal amounts tied to the agreements ($21,580,000 Series 2003 Bond Anticipation Notes) and terminate the interest rate hedge agreement at a net cost of $4,178,320. This refunding did not increase the overall general obligation debt of the District and the incremental benefit of this refunding was $49,462.

During fiscal year 2015, the District terminated the agreement related to 2005 issue through the issuance of the Series 2014 General Obligation Refunding Bond Anticipation Notes. The proceeds of the current refunding bonds were used to currently refund the outstanding principal amounts tied to the agreements ($18,665,000 Series 2005 Bond Anticipation Notes) and terminate the interest rate hedge agreement at a net cost of $4,402,514. This refunding did not increase the overall general obligation debt of the District and the incremental benefit of this refunding was $10,600.

J. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District’s legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at fiscal year-end, resulted in a voted debt margin of $4,961,938 and an unvoted debt margin of $895,601.

K. Net Pension/OPEB Liability

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from the employees’ service. For additional information related to the net pension liability and net OPEB liability see Note 11 and 12.

L. Compensated Absences

Compensated absences represent accumulated vacation and an estimated severance liability for employees both eligible to retire and those expected to become eligible in the future. The entire compensated absences balance is reported on the entity-wide financial statements. For governmental fund financial statements, the compensated absences are reported only to the extent they have matured and will be paid with current financial resources. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as fund liability.

The District pays obligations related to compensated absences from the fund benefitting from the employees’ service.

NOTE 10 – LEASE OBLIGATIONS

The District has entered into capital leases for copiers. The assets acquired through these capital leases had a book value of $339,989 ($566,649 cost less $226,600 accumulated depreciation) at June 30, 2021 in funtiture, fixtures, and equipment.

Principal and interest payments associated with the outstanding lease obligation is paid by the General Fund. In fiscal year 2021, the District made lease payments totaling $128,040 in principal and interest. The agreement provides for minimum annual rental payments as follows:

Fiscal Year	Principal	Interest	Total
2022	$ 112,597	$ 15,443	$ 128,040
2023	118,252	9,788	128,040
2024	124,191	3,849	128,040
2025	10,627	43	10,670
Total	$ 365,667	$ 29,123	$ 394,790

NOTE 11 - 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) represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension/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 this estimate 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.

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 all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/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 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.

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a statewide, 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 on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit 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 year of service; 2.2 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent 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 percent for plan members and 14 percent 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 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2021.

The District's contractually required contribution to SERS was $1,183,363 for fiscal year 2021. Of this amount, $110,794 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent 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 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.

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. New members 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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2021 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was $5,408,015 for fiscal year 2021. Of this amount, $795,156 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows/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 independent actuarial valuation as of that date. The District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.25494020%	0.31502259%	
Prior Measurement Date	0.25887230%	0.29695386%	
Change in Proportionate Share	-0.00393210%	0.01806873%	
Proportionate Share of the Net Pension Liability	$ 16,862,282	$ 76,224,258	$ 93,086,540
Pension Expense	$ 2,026,897	$ 12,494,569	$ 14,521,466

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

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	$ 32,754	$ 171,027	$ 203,781
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,070,412	3,706,794	4,777,206
Changes of Assumptions	-	4,091,772	4,091,772
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	43,278	6,303,070	6,346,348
District Contributions Subsequent to the Measurement Date	1,183,363	5,408,015	6,591,378
Total Deferred Outflows of Resources	$ 2,329,807	$ 19,680,678	$ 22,010,485
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ -	$ 487,401	$ 487,401
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	142,674	-	142,674
Total Deferred Inflows of Resources	$ 142,674	$ 487,401	$ 630,075

$6,591,378 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	$ (47,597)	$ 5,170,850	$ 5,123,253
2023	270,066	2,879,321	3,149,387
2024	446,172	3,306,810	3,752,982
2025	335,129	2,428,281	2,763,410
	$ 1,003,770	$ 13,785,262	$ 14,789,032

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 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. Future benefits for all current plan members were projected through 2130.

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:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent 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 investments has been determined by 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 an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target asset 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 Stocks	22.50	5.75
Non-US Stocks	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 Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). 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 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 District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 23,099,267	$ 16,862,282	$ 11,629,333

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation, are presented below:

Inflation	2.50 percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent

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

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016.

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 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 %	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent 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 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are 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 investments of 7.45 percent was applied to all periods of projected benefit payments 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 represents the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, 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 percent) or one percentage point higher (8.45 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 108,530,073	$ 76,224,258	$ 48,847,770

NOTE 12 - DEFINED BENEFIT OPEB PLANS

See Note 11 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 Annual Comprehensive 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 percent 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 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 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was $153,905, which is reported as an 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 were discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability 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):			
Current Measurement Date	0.26465900%	0.31502300%	
Prior Measurement Date	0.26513400%	0.29695400%	
Change in Proportionate Share	-0.00047500%	0.01806900%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 5,751,915	$ (5,536,523)	
OPEB Expense	$ 38,992	$ (115,075)	$ (76,083)

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	$ 75,545	$ 354,759	$ 430,304
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	64,810	194,038	258,848
Changes of Assumptions	980,501	91,392	1,071,893
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	227,006	753,042	980,048
District Contributions Subsequent to the Measurement Date	153,905	-	153,905
Total Deferred Outflows of Resources	$ 1,501,767	$ 1,393,231	$ 2,894,998
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 2,925,246	$ 1,102,798	$ 4,028,044
Changes of Assumptions	144,877	5,258,776	5,403,653
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	58,610	-	58,610
Total Deferred Inflows of Resources	$ 3,128,733	$ 6,361,574	$ 9,490,307

$153,905 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 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	$ (343,798)	$ (1,215,565)	$ (1,559,363)
2023	(339,109)	(1,084,228)	(1,423,337)
2024	(339,869)	(1,038,153)	(1,378,022)
2025	(354,972)	(1,130,644)	(1,485,616)
2026	(293,543)	(236,420)	(529,963)
Thereafter	(109,580)	(263,333)	(372,913)
	$ (1,780,871)	$ (4,968,343)	$ (6,749,214)

Actuarial Assumptions - SERS

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

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

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

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

Inflation	3.00 percent
Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate	
Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.22 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	7.00 percent - 4.75 percent
Medicare	5.25 percent - 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent 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 (expected return, net of investment expense and inflation) 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 percent, 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 time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	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 percent. The discount rate used to measure total OPEB liability prior to June 30, 2020 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no 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, 2034. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e., municipal bond rate).

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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 7,040,190	$ 5,751,915	$ 4,727,723

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 4,529,189	$ 5,751,915	$ 7,386,993

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-6.69 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	11.87 percent	4.00 percent

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 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2020 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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 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 %	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent 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 liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those 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 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate 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 percent, 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 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2020, calculated using health care cost trend rates that are one percentage point lower and 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 Liability (Asset)	$ (4,817,136)	$ (5,536,523)	$ (6,146,899)

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (6,109,011)	$ (5,536,523)	$ (4,839,150)

Benefit Term Changes since the Prior Measurement Date There were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent 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 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

NOTE 13 - RISK MANAGEMENT

A. Comprehensive

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The following is a description of the District's insurance coverage:

Coverage	Insurer	Limits of Coverage	Deductible
General liability:			
Each occurrence	Marsh & McLennan Agency	$ 1,000,000	$ -
Aggregate		2,000,000	-
Umbrella liability:			
Each occurrence	Marsh & McLennan Agency	10,000,000	-
Aggregate		10,000,000	-
Building and contents	Marsh & McLennan Agency	235,137,718	5,000
Business auto:			
Each occurrence	Marsh & McLennan Agency	1,000,000	-
Employee benefits liability:			
Each occurrence	Marsh & McLennan Agency	1,000,000	-
Aggregate		2,000,000	-

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in the amount of insurance coverage from fiscal year 2020.

B. Health Care Self-Insurance Program

The District manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health and dental coverage through Medical Mutual/Guardian, the third party administrator (TPA) of the program, which reviews and pays the claims. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of $130,000 per employee per year. The family and single premiums were $1,728.00 and $639.00 for medical and $102.07 and $81.06 for dental, respectively. The TPA charges the District a medical administration fee of $54.90 for family and $23.04 for single per employee per month and a dental administration fee of $3.90 per employee per month. The family and single premiums were $16.00 and $7.00 for vision.

A claims liability of $1,191,972 at June 30, 2021, in the internal service fund reflects an estimate of incurred but unpaid claims liability for health and dental insurance. This liability was determined in accordance with actuarially acceptable reserving standards and was certified by an accredited actuary, as required by state statute. The actuarial calculation for this amount does not identify amount due in one year; since claims paid in one year are more than four times the year end liability, the total amount has been reported as a current liability.

A summary of the changes in self-insurance claims liability, for the fiscal years ended June 30, 2021 and 2020 follows:

	2021
Claims Liability at July 1	$ 1,024,558
Incurred Claims	12,212,528
Claims Paid	(12,045,114)
Claims Liability at June 30	$ 1,191,972

C. Workers' Compensation Retrospective Rating Program

During the fiscal year, the District participated in the Comp Management Group Retrospective Rating Program, a voluntary performance based incentive program. Similar to group rating, companies are grouped together to achieve lower premiums than they could as individuals. However, in this program, employers continue to own individual premiums and the BWC calculates group retro rebates/assessments at 12, 24 and 36 months after the end of the policy. This creates an incentive for participants to control and reduce losses by practicing effective workplace safety and claims management.

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NOTE 14 – INTERFUND ACTIVITY

During the fiscal year, the District transferred $200,000, $14,414, $44,783, $570,268, and $137,990 from the General Fund to the Permanent Improvement Fund, Other Grants Fund, Classroom Facilities Maintenance Fund, Capital Projects Fund, and District Managed Student Activities Fund. Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

On an as-needed basis, the District's General Fund advances cash to other funds of the District to eliminate cash deficits. During the year, advances from the District's General Fund were made. As of June 30, 2021, receivables and payables that resulted from advance transactions were as follows:

Fund	Due to the General Fund
Other Grants	$ 71,880
District Managed Student Activities	173,305
ESSER	400,000
21st Century	25,000
Coronavirus Relief Fund	152,000
Title VI-B IDEA	187,678
Limited English Proficiency	47,604
Refugee Children School Impact Act	80,000
Title I Disadvantaged Children	240,000
Supporting Effective Instruction	30,000
Miscellaneous Federal Grants	73,750
	$ 1,481,217

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE

Unassigned fund balances at fiscal year-end included the following individual deficits:

Fund	Deficit Balance
District Managed Student Activities	($49,396)
Coronavirus Relief Fund	(985)
Title VI IDEA-B	(131,260)
Limited English Proficiency	(6,952)
Refugee Children School Impact	(28,373)
Improving Teacher Quality	(18,588)
	($235,554)

The GAAP basis deficit balances in the Other Governmental Funds are a result of the application of accounting principles generally accepted in the United States of America. The General Fund provides advances to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 16 – COMMITMENTS

Significant encumbrances as of fiscal year-end were as follows:

	Encumbrances
General Fund	$ 1,997,335
Other Governmental Funds	650,402
Total	$ 2,647,737

NOTE 17 – SET ASIDE REQUIREMENTS

The District is required by State law to annually set aside, in the General Fund, an amount based on a 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 fiscal year must be held in cash at fiscal year end. These amounts must be carried forward and used for the same purposes in future years.

The following modified cash basis information identifies the changes in the set aside balances for capital improvements:

	Capital Acquisition
Set-aside cash balance as of June 30, 2020	$ -
Current fiscal year set-aside requirement	1,335,118
Current year qualifying disbursements	(1,032,147)
Prior Year Offset from Bond Proceeds	(302,971)
Total	$ -
Balance carried forward to FY 2022	$ -
Set Aside Reserve Balance June 30, 2021	$ -

Capital Acquisition

During fiscal year 2003, the District issued $29,800,000 in capital related debt based on a building project under taken by the District. During fiscal year 2005, the District issued $23,950,000 in capital related debt for a new building project. During fiscal year 2009, the District issued $55,999,988 in capital related debt for a new building project. Those proceeds may be used as qualifying disbursements to reduce the capital acquisition to zero for future years. Therefore, the District still has $99,506,996 in qualifying disbursements that may be used to reduce the set-aside requirement for future years.

NOTE 18 – DONOR RESTRICTED ENDOWMENTS

The District's permanent funds include donor restricted endowments of $27,162. Endowments in the amount of $25,000 represent the principal portion. The amount of net appreciation in donor restricted investments that is available for expenditures by the District is $2,162 and is included as Restricted for Library Support Endowment. State law permits the District to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise.

NOTE 19 – CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure 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 General Fund or other applicable funds. However, the effects of any such disallowed claims on the overall financial position of the District at June 30, 2021, if applicable, cannot be determined at this time.

B. Litigation

The District is not currently party to legal proceedings.

C. Foundation Funding

Foundation funding is based on annualized full-time (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by the District, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2021 were finalized and determined to not be significant; therefore, these adjustments were not recorded in the accompanying financial statements.

NOTE 20 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION/FUND BALANCES

For the fiscal year ended June 30, 2021, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities,* GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61,* certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98*, The Annual Comprehensive Financial Report.*

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District reviewed its funds for proper classification, and any fund reclassifications resulted in the restatement of the District’s financial statements (see below).

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the District.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the District.

Restatement of Net Position/Fund Balances

Also during the fiscal year, the District changed accounting principles from cash basis to GAAP basis to receive a better bond rating on an upcoming bond issuance.

The implementation of GASB 84 and the change of accounting principles had the following effect on net position as reported June 30, 2020:

	Governmental Activities	Internal Service	Private-Purpose Trust	Agency Fund
Net Position, June 30, 2020	$ 74,694,636	$ 11,826,419	$ 58,222	$ 74,842
Assets	156,170,101	-	-	-
Deferred Outflows of Resources	33,422,616	-	-	-
Liabilities	(201,360,671)	(1,024,558)	-	-
Deferred Inflows of Resources	(44,610,928)	-	-	-
GASB Statement No. 84	133,064	(52,607)	(58,222)	(74,842)
Restated Net Position, June 30, 2020	$ 18,448,818	$ 10,749,254	$ -	$ -

The implementation of GASB 84 and the change of accounting principles had the following effect on fund balance as reported June 30, 2020:

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Fund Balance (Deficit), June 30, 2020	$ 46,359,236	$ 6,278,554	$ 10,230,427	$ 62,868,217
Assets	31,445,622	7,804,943	2,678,672	41,929,237
Liabilities	(8,518,266)	-	(2,136,763)	(10,655,029)
Deferred Inflows of Resources	(26,635,578)	(7,406,889)	(1,254,756)	(35,297,223)
GASB Statement No. 84	52,607	-	133,064	185,671
Restated Fund Balance (Deficit), June 30, 2020	$ 42,703,621	$ 6,676,608	$ 9,650,644	$ 59,030,873

NOTE 21 – 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. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. 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 Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021

NOTE 22 – SUBSEQUENT EVENTS

For fiscal year 2022, school district foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school scholarship and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported $3,373,258 in revenues and expenditures/expenses related to these programs. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each school 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.

In addition, on July 29, 2021, the District issued $11,300,000 in Lease Purchase bonds for the purpose of refinancing the 2018 Lease Purchase Agreement. The bonds carry an interest rate of 3.285 percent and have a maturity date of December 1, 2032.

REQUIRED SUPPLEMENTARY INFORMATION

REYNOLDSBURG CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST EIGHT FISCAL YEARS (1)

	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2549402%	0.2588723%	0.2547406%	0.2480767%	0.2499384%	0.2429349%	0.2487260%	0.2487260%
District's Proportionate Share of the Net Pension Liability	$ 16,862,282	$ 15,488,784	$ 14,589,466	$ 14,822,035	$ 18,293,185	$ 13,862,101	$ 12,587,881	$ 14,790,937
District's Covered Payroll	$ 8,957,014	$ 8,880,785	$ 8,319,163	$ 9,070,257	$ 7,507,800	$ 8,590,842	$ 7,271,602	$ 7,575,448
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.26%	174.41%	175.37%	163.41%	243.66%	161.36%	173.11%	195.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2015 is not available.

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

See accompanying notes to the required supplementary information.

REYNOLDSBURG CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST EIGHT FISCAL YEARS (1)

	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.31502259%	0.29695386%	0.28454548%	0.27169131%	0.25586011%	0.25003665%	0.25222837%	0.25222837%
District's Proportionate Share of the Net Pension Liability	$ 76,224,258	$ 65,669,562	$ 62,565,162	$ 64,540,853	$ 85,644,091	$ 69,102,817	$ 61,350,669	$ 73,080,515
District's Covered Payroll	$ 38,540,107	$ 34,863,536	$ 32,348,021	$ 32,075,621	$ 33,134,236	$ 32,173,807	$ 30,913,908	$ 33,361,269
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	197.78%	188.36%	193.41%	201.21%	258.48%	214.78%	198.46%	219.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

REYNOLDSBURG CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 1,183,363	$ 1,253,982	$ 1,198,906	$ 1,123,087	$ 1,269,836	$ 1,051,092	$ 1,132,273	$ 1,007,844	$ 1,048,442	$ 1,084,161
Contributions in Relation to the Contractually Required Contribution	$ 1,183,363	$ 1,253,982	$ 1,198,906	$ 1,123,087	$ 1,269,836	$ 1,051,092	$ 1,132,273	$ 1,007,844	$ 1,048,442	$ 1,084,161
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 8,452,593	$ 8,957,014	$ 8,880,785	$ 8,319,163	$ 9,070,257	$ 7,507,800	$ 8,590,842	$ 7,271,602	$ 7,575,448	$ 8,062,558
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%

See accompanying notes to the required supplementary information.

REYNOLDSBURG CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 5,408,015	$ 5,395,615	$ 4,880,895	$ 4,528,723	$ 4,490,587	$ 4,638,793	$ 4,504,333	$ 4,018,808	$ 4,336,965	$ 4,556,929
Contributions in Relation to the Contractually Required Contribution	$ 5,408,015	$ 5,395,615	$ 4,880,895	$ 4,528,723	$ 4,490,587	$ 4,638,793	$ 4,504,333	$ 4,018,808	$ 4,336,965	$ 4,556,929
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 38,628,679	$ 38,540,107	$ 34,863,536	$ 32,348,021	$ 32,075,621	$ 33,134,236	$ 32,173,807	$ 30,913,908	$ 33,361,269	$ 35,053,300
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

REYNOLDSBURG CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST FIVE FISCAL YEARS (1)

	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.2646590%	0.2651340%	0.2591000%	0.2517077%	0.2532281%
District's Proportionate Share of the Net OPEB Liability	$ 5,751,915	$ 6,667,557	$ 7,188,134	$ 6,755,173	$ 7,217,939
District's Covered Payroll	$ 8,957,014	$ 8,880,785	$ 8,319,163	$ 9,070,257	$ 7,507,800
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	64.22%	75.08%	86.40%	74.48%	96.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

REYNOLDSBURG CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST FIVE FISCAL YEARS (1)

	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.31502300%	0.29695400%	0.28454548%	0.27169131%	0.25586011%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (5,536,523)	$ (4,918,271)	$ (4,572,356)	$ 10,600,392	$ 13,683,465
District's Covered Payroll	$ 38,540,107	$ 34,863,536	$ 32,348,021	$ 32,075,621	$ 33,134,236
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.37%	-14.11%	-14.13%	33.05%	41.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

REYNOLDSBURG CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution (1)	$ 153,905	$ 158,043	$ 187,337	$ 178,631	$ 137,035	$ 126,827	$ 172,575	$ 65,587	$ 127,234	$ 140,307
Contributions in Relation to the Contractually Required Contribution	$ 153,905	$ 158,043	$ 187,337	$ 178,631	$ 137,035	$ 126,827	$ 172,575	$ 65,587	$ 127,234	$ 140,307
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 8,452,593	$ 8,957,014	$ 8,880,785	$ 8,319,163	$ 9,070,257	$ 7,507,800	$ 8,590,842	$ 7,271,602	$ 7,575,448	$ 8,062,558
Contributions as a Percentage of Covered Payroll	1.82%	1.76%	2.11%	2.15%	1.51%	1.69%	2.01%	0.90%	1.68%	1.74%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

REYNOLDSBURG CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,665	$ 50,532	$ 52,806
Contributions in Relation to the Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,665	$ 50,532	$ 52,806
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 38,628,679	$ 38,540,107	$ 34,863,536	$ 32,348,021	$ 32,075,621	$ 33,134,236	$ 32,173,807	$ 30,913,908	$ 33,361,269	$ 35,053,300
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.15%	0.15%

See accompanying notes to the required supplementary information.

NOTE 1 – NET PENSION LIABILITY

Changes in Assumptions - SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3.0 percent was used.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- 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.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - SERS

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

NOTE 2 – NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare

Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 5.00 percent

Medicare

Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Assumptions – STRS

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -4.93 percent to 9.62 percent initially and a 4.00 percent ultimate rate for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 8.00 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. 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. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Benefit Terms – STRS

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent 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 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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. This was subsequently extended, see above paragraph.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster			
COVID-19 School Breakfast Program	10.553	N/A	3,593
National School Lunch Program	10.555	N/A	119
National School Lunch Program - Non-Cash Assistance	10.555	N/A	299,132
COVID-19 National School Lunch Program	10.555	N/A	5,760
Summer Food Service Program for Children	10.559	N/A	1,921,633
COVID-19 Summer Food Service Program for Children	10.559	N/A	517,626
Total Child Nutrition Cluster			2,747,863
Total U.S. Department of Agriculture			**2,747,863**
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Department of Education			
COVID-19 Coronavirus Relief Fund	21.019	N/A	638,409
Passed Through City of Reynoldsburg			
COVID-19 Coronavirus Relief Fund	21.019	N/A	200,000
Total U.S. Department of Treasury			**838,409**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010A	N/A	2,252,357
Special Education Cluster:			
Special Education - Grants to States	84.027A	N/A	1,717,755
Special Education - Preschool Grants	84.173A	N/A	40,060
Total Special Education Cluster			1,757,815
Twenty-First Century Community Learning Centers	84.287C	N/A	109,330
English Language Acquisition State Grants	84.365A	N/A	199,877
Supporting Effective Instruction State Grants	84.367A	N/A	320,564
Striving Readers	84.371C	N/A	347,468
Passed Through Columbus State Community College			
Investing in Innovation (i3) Fund	84.411	N/A	45,000
Passed Through Ohio Department of Education			
Student Support and Academic Enrichment Program	84.424A	N/A	105,973
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	N/A	1,524,743
Total U.S. Department of Education			**6,663,127**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Education			
Refugee and Entrant Assistance - State Adminstered Programs	93.566	N/A	24,053
Total U.S. Department of Health and Human Services			**24,053**
Total Expenditures of Federal Awards			**$10,273,452**

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE 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 Reynoldsburg City School District (the District's) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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

Reynoldsburg City School District
Franklin County
7244 East Main Street
Reynoldsburg, Ohio 43068

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 Reynoldsburg City School District, Franklin County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 13, 2022, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, and elected to change the presentation of the financial statements to be reported in accordance with accounting principles generally accepted in the United States of America (Generally Accepted Accounting Principles - GAAP). We also noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

June 13, 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

Reynoldsburg City School District
Franklin County
7244 East Main Street
Reynoldsburg, Ohio 43068

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Reynoldsburg City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Reynoldsburg 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, Reynoldsburg City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

June 13, 2022

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN 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)?**	No
(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):**	Elementary and Secondary School Emergency Relief Fund, AL# 84.425D Coronavirus Relief Fund, AL# 21.019 Child Nutrition Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001 2019-001 2018-001 2017-001	Contrary to **Ohio Administrative Code Section 117-2-03(B)**, the District did not prepare its annual financial report in accordance with generally accepted accounting principles.	Fully Corrected	The District prepared the financial statements in FY2021 in accordance with generally accepted accounting principles.

REYNOLDSBURG CITY SCHOOL DISTRICT

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 6/16/2022

88 East Broad Street, Columbus, Ohio 43215
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