BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OHIO AUDITOR OF STATE
KEITH FABER

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

TABLE OF CONTENTS

TITLE **PAGE**

This page intentionally left blank.

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bryan City School District, Williams County, Ohio (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General fund for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2023

This page intentionally left blank.

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2022

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 19,528,831
Net position:	
Restricted for:	
Classroom facilities maintenance	563,377
Debt service	2,359,332
State funded programs	126,580
Federally funded programs	3
Food service operations	367,203
Extracurricular	352,429
Other purposes	14
Unrestricted	15,759,893
Total net position	$ 19,528,831

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Disbursements	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Governmental Activities**
Governmental activities:				
Instruction:				
Regular	$ 10,019,687	$ 398,633	$ 2,034,273	$ (7,586,781)
Special	5,245,655		1,873,514	(3,372,141)
Vocational	114,398		48,537	(65,861)
Other	31,735			(31,735)
Support services:				
Pupil	1,606,155		277,916	(1,328,239)
Instructional staff	721,749			(721,749)
Board of education	25,620			(25,620)
Administration	1,668,201		1,496	(1,666,705)
Fiscal	590,437		1,508	(588,929)
Business	62,058			(62,058)
Operations and maintenance	1,723,591	10,543	21,821	(1,691,227)
Pupil transportation	1,173,582		61,468	(1,112,114)
Central	520,517		3,600	(516,917)
services:				
Food service operations	955,974	136,573	1,090,383	270,982
Other non-instructional services	21,970		25,133	3,163
Extracurricular activities	1,060,481	354,007	36,495	(669,979)
Facilities acquisition and construction	43,937			(43,937)
Debt service:				
Principal retirement	849,070			(849,070)
Interest and fiscal charges	908,364			(908,364)
Accretion on capital appreciation bonds	50,930			(50,930)
Payment to refunded COPs escrow agent	2,654,683			(2,654,683)
Bond issuance costs	52,950			(52,950)
Total governmental activities	$ 30,101,744	$ 899,756	$ 5,476,144	(23,725,844)

General receipts:	
Property taxes levied for:	
General purposes	7,344,797
Debt service	2,031,448
Capital outlay	848,514
Special revenue	280,688
Income taxes levied for:	
General purposes	3,437,811
Grants and entitlements not restricted to specific programs	8,556,978
Investment earnings	107,010
Refunding COPs issued	2,660,000
Reduction of prior year disbursements	84,835
Sale of capital assets	582,594
Miscellaneous	67,241
Total general receipts	26,001,916
Change in net position	2,276,072
Net position at beginning of year	17,252,759
Net position at end of year	$ 19,528,831

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	$ 13,103,183	$ 2,359,332	$ 2,881,219	$ 1,185,097	$ 19,528,831
Fund balances:					
Restricted:					
Debt service		$ 2,359,332			$ 2,359,332
Classroom facilities maintenance				$ 563,377	563,377
Food service operations				367,203	367,203
Non-public schools				25,481	25,481
State funded programs				101,099	101,099
Federally funded programs				3	3
Extracurricular				352,429	352,429
Other purposes				14	14
Committed:					
Capital improvements			$ 2,881,219		2,881,219
Assigned:					
Student instruction	$ 207,285				207,285
Student and staff support	139,354				139,354
Extracurricular activities	190				190
Subsequent year's appropriations	1,305,993				1,305,993
Unassigned (deficit)	11,450,361			(224,509)	11,225,852
Total fund balances	$ 13,103,183	$ 2,359,332	$ 2,881,219	$ 1,185,097	$ 19,528,831

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Receipts:					
Property taxes	$ 7,344,797	$ 2,031,448	$ 848,514	$ 280,688	$ 10,505,447
Income taxes	3,437,811				3,437,811
Intergovernmental	9,661,219	62,944	152,984	4,114,786	13,991,933
Investment earnings	107,010			414	107,424
Tuition and fees	369,415		29,218		398,633
Extracurricular	53,430			300,577	354,007
Rental income	10,392				10,392
Charges for services				136,724	136,724
Contributions and donations	10,606			29,435	40,041
Miscellaneous	56,555		80	11,340	67,975
Total receipts	21,051,235	2,094,392	1,030,796	4,873,964	29,050,387
Disbursements:					
Current:					
Instruction:					
Regular	7,399,315		390,007	2,230,365	10,019,687
Special	4,307,951		3,622	934,082	5,245,655
Vocational	114,398				114,398
Other	31,735				31,735
Support services:					
Pupil	1,317,199			288,956	1,606,155
Instructional staff	554,519		167,230		721,749
Board of education	25,620				25,620
Administration	1,666,194		570	1,437	1,668,201
Fiscal	527,580	36,694	24,714	1,449	590,437
Business	62,058				62,058
Operations and maintenance	1,581,671		6,309	135,611	1,723,591
Pupil transportation	1,022,587		150,995		1,173,582
Central	514,533			5,984	520,517
Operation of non-instructional services:					
Food service operations				955,974	955,974
Other non-instructional services				21,970	21,970
Extracurricular activities	719,428		15,410	325,643	1,060,481
Facilities acquisition and construction			43,937		43,937
Debt service:					
Principal retirement		754,070	95,000		849,070
Interest and fiscal charges		856,753	51,611		908,364
Accretion on capital appreciation bonds		50,930			50,930
Bond issuance costs			52,950		52,950
Payment to refunded COPs escrow agent			47,633		47,633
Total disbursements	19,844,788	1,698,447	1,049,988	4,901,471	27,494,694
Excess (deficiency) of receipts over (under) disbursements	1,206,447	395,945	(19,192)	(27,507)	1,555,693
Other financing sources (uses):					
Sale of certificates of participation (COP)			2,660,000		2,660,000
Sale of capital assets			582,594		582,594
Transfers in				150,000	150,000
Transfers (out)	(150,000)				(150,000)
Advances in	100,000				100,000
Advances (out)				(100,000)	(100,000)
Payment to refunded COPs escrow agent			(2,607,050)		(2,607,050)
Reduction of prior year disbursements	84,498			337	84,835
Total other financing sources (uses)	34,498		635,544	50,337	720,379
Net change in fund balances	1,240,945	395,945	616,352	22,830	2,276,072
Fund balances at beginning of year	11,862,238	1,963,387	2,264,867	1,162,267	17,252,759
Fund balances at end of year	$ 13,103,183	$ 2,359,332	$ 2,881,219	$ 1,185,097	$ 19,528,831

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY, OHIO

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Receipts:				
Property taxes	$ 7,043,750	$ 7,387,824	$ 7,344,797	$ (43,027)
Income taxes	3,297,223	3,457,980	3,437,811	(20,169)
Intergovernmental	8,480,417	9,624,418	9,661,219	36,801
Investment earnings	170,000	87,741	107,010	19,269
Tuition and fees	1,328,000	267,640	269,948	2,308
Extracurricular	21,000	25,861	27,040	1,179
Rental income	14,000	18,043	10,392	(7,651)
Contributions and donations	6,000	10,474	10,413	(61)
Miscellaneous	3,800	56,192	56,555	363
Total receipts	20,364,190	20,936,173	20,925,185	(10,988)
Disbursements:				
Current:				
Instruction:				
Regular	11,052,716	8,458,943	7,333,134	1,125,809
Special	4,410,012	4,083,317	4,309,796	(226,479)
Vocational	114,451	114,954	114,398	556
Other	34,215	34,364	31,735	2,629
Support services:				
Pupil	473,352	1,329,032	1,315,948	13,084
Instructional staff	563,734	562,729	554,548	8,181
Board of education	30,475	39,444	26,235	13,209
Administration	1,724,078	1,709,753	1,670,840	38,913
Fiscal	541,361	544,369	527,821	16,548
Business	66,348	66,652	62,058	4,594
Operations and maintenance	1,615,353	1,656,472	1,604,330	52,142
Pupil transportation	884,216	982,529	1,036,400	(53,871)
Central	500,639	546,391	516,254	30,137
Extracurricular activities	682,432	707,088	690,008	17,080
Total disbursements	22,693,382	20,836,037	19,793,505	1,042,532
Excess (deficiency) of receipts over (under) disbursements	(2,329,192)	100,136	1,131,680	1,031,544
Other financing sources (uses):				
Refund of prior year's disbursements		84,498	84,498	
Transfers (out)	(75,000)	(150,000)	(150,000)	
Advances in			100,000	100,000
Total other financing sources (uses)	(75,000)	(65,502)	34,498	100,000
Net change in fund balance	(2,404,192)	34,634	1,166,178	1,131,544
Fund balance at beginning of year	11,571,074	11,571,074	11,571,074	
Prior year encumbrances appropriated	19,102	19,102	19,102	
Fund balance at end of year	$ 9,185,984	$ 11,624,810	$ 12,756,354	$ 1,131,544

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Bryan 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 §3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's seven instructional/support facilities staffed by 131 noncertified and 163 certified full-time teaching personnel who provide services to 1,868 students and other community members.

Reporting Entity

A. Primary Government

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. This includes general operations, food service, and student related activities of the District.

B. Component Units

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. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. 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. The District does not have any component units.

C. Jointly Governed Organizations and Purchasing Pools

The District is associated with five organizations, which are defined as jointly governed organizations and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Career Center, the Northern Buckeye Health Plan, Northwest Division of Optimal Health Initiatives (OHI), and the Northern Buckeye Health Plan Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the basic financial statements.

The District's management believes these financial statements present all activities for which the District is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District's accounting policies.

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

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial 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 statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the District that are governmental activities (primarily supported by taxes and inter-governmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the District has no business-type activities.

The statement of net position presents the cash balance of the governmental activities of the District at fiscal year end. The statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

a. Total assets, receipts, or disbursements of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and

b. Total assets, receipts, or disbursements of that individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

B. Fund Accounting

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

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

Governmental

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The District's major funds are the General Fund, Bond Retirement Fund and the Permanent Improvement Fund.

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

Bond Retirement Fund - The Bond Retirement Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Permanent Improvement Fund - The Permanent Improvement Fund is used to account for the revenues and expenditures related to capital outlay.

The other governmental funds of the District account for grants and other resources and capital projects of the District whose uses are restricted to a particular purpose.

C. Basis of Accounting

Although the Ohio Administrative Code § 117-2-03(B) requires that the District's financial report to follow generally accepted accounting principles, the District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. This is a comprehensive basis of accounting other than generally accepted accounting principles.

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

The budgetary process is prescribed by provision of the Ohio Revised Code and entails the preparation of budgetary documents within established timetable. 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 expenditures plus encumbrances at the level of control selected by the Board.

The legal level of budgetary control selected by the Board is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations below these levels are made by the District's Chief Fiscal Officer.

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Chief Fiscal Officer. 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.

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. Expenditures plus encumbrances may not legally exceed appropriations.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

E. Cash and Investments

To improve cash management, cash received by the District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments of the District’s cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During fiscal year 2022, the District invested in Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Home Loan Bank (FHLB) securities, negotiable certificates of deposit, a U.S. government treasury note, money market mutual fund, and STAR Ohio. Investments are reported at cost, except for the money market mutual fund and STAR Ohio. The District’s money market mutual fund investment is recorded at amount reported by UBS Financial at June 30, 2022.

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

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

For the fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption rates. However, 24 hours advance notice is appreciated for deposits and withdrawals of $100 million or more. STAR Ohio reserves the right to limit the transaction to $250 million per day, 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 receipts credited to the General Fund during fiscal year 2022 amounted to $107,010 which included $28,767 assigned from other District funds.

F. Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Compensated Absences

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

J. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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.

K. Long-term Obligations

These cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

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

L. Internal Activity

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

M. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants restricted to cash disbursement for specified purposes. The District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

N. Fund Balance

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

Nonspendable - The nonspendable fund balance 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" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints 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.

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the District's Board of Education. In the General Fund, assigned amounts represent intended uses established by the District Board of Education or a District official delegated by that authority by resolution or by State Statute. State statute authorizes the District's Treasurer to assign fund balance for purchases on order provide such amounts have been lawfully appropriated.

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

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classifications 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.

O. Leases

The District is the lessee in a lease related to equipment under noncancelable leases. Lease payables are not reflected under the District's cash basis of accounting. Lease disbursements are recognized when they are paid.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2022, the District has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Statement No. 87 had no effect on beginning fund balance/net position. Refer to the Summary of Significant Accounting Policies for disclosures on the District's lease activity.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the District.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

B. Compliance

Ohio Administrative Code Section 117-2-03(B) requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the District prepared its basic financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying basic financial statements omit assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The District can be fined and various other administrative remedies may be taken against the District.

C. Deficit Fund Balances

Fund balances at June 30, 2022 included the following individual fund deficits:

Nonmajor funds	Deficit
Elementary and Secondary School Emergency Relief	$ 195,872
Title VI-B	9,693
Title I	18,742
Title II-A	202

These deficit cash balances were the result of lags between disbursements made by the District and reimbursements from grantors and are allowable under Ohio Revised Code §3315.20.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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

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

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

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

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Cash on Hand

At fiscal year end, the District had $4,500 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and cash equivalents”.

B. Deposits with Financial Institutions

At June 30, 2022, the carrying amount of all District deposits was $14,528,283 and the bank balance of all District deposits was $14,550,702. Of the bank balance, $14,550,702 was covered by the FDIC.

C. Investments

As of June 30, 2022, the District had the following investments and maturities:

		Investment Maturities				
Investment type	Carrying Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FHLMC	$ 425,696	$ -	$ 425,696	$ -	$ -	$ -
FHLB	789,468	-	-	144,949	-	644,519
FNMA	500,664	-	500,664	-	-	-
US Treasury Notes	262,159	-	262,159	-	-	-
Negotiable CDs	2,550,332	1,152,124	250,183	104,970	105,671	937,384
STAR Ohio	439,243	439,243	-	-	-	-
U.S. Government money market	28,486	28,486	-	-	-	-
Total	$ 4,996,048	$ 1,619,853	$ 1,438,702	$ 249,919	$ 105,671	$ 1,581,903

The weighted average maturity of investments is 1.19 years.

Interest Rate Risk: Interest rate risk is the risk potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The federal agency securities (FHLMC, FHLB, FNMA) are rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. The negotiable certificates of deposit are not rated but are fully covered by FDIC insurance. STAR Ohio carries a rating of AAAm by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District’s investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2022:

Investment type	Carrying Value	% of Total
FHLMC	$ 425,696	8.52%
FHLB	789,468	15.80%
FNMA	500,664	10.02%
US Treasury Notes	262,159	5.25%
Negotiable CDs	2,550,332	51.05%
STAR Ohio	439,243	8.79%
U.S. Government money market	28,486	0.57%
Total	$ 4,996,048	100.00%

D. Reconciliation of Cash to the Statement of Net Position - Cash Basis

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position - cash basis as of June 30, 2022:

Cash per note	
Carrying amount of deposits	$ 14,528,283
Investments	4,996,048
Cash on hand	4,500
Total	$ 19,528,831
Cash per statement of net position - cash basis	
Governmental activities	$ 19,528,831

NOTE 5 - INTERFUND TRANSACTIONS

A. Advances for the fiscal year ended June 30, 2022, as reported on the fund statements, consist of the following:

Advances in	Advances out	Amount
Nonmajor governmental	General	$ 100,000

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The primary purpose of the advances is to cover costs in specific funds where expected funds were not received by June 30. New advances are expected to be repaid once the anticipated funds are received.

Interfund advances between governmental funds are eliminated on the government-wide financial statements; therefore, no advances are reported on the statements of activities.

B. Transfers for the fiscal year ended June 30, 2022, as reported on the fund statements, consist of the following:

Transfers in	Transfers out	Amount
Nonmajor governmental	General fund	$ 150,000

Transfers are used to move cash receipts from the fund that statute or budget required to collect them to the fund that statute or budget requires to disburse them and to use unrestricted cash receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported in the statement of activities.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien on December 31, 2020, 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 Williams County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which fiscal year 2022 taxes were collected are:

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 271,539,400	97.73	$ 299,623,490	97.85
Public utility personal	6,305,000	2.27	6,583,790	2.15
Total	$ 277,844,400	100.00	$ 306,207,280	100.00
Tax rate per $1,000 of assessed valuation	$61.55		$60.60	

NOTE 7 - INCOME TAXES

The District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The permanent tax was approved by the voters in May 2006 and was effective January 1, 2007. 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 makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax receipts in the amount of $3,437,811 were credited to the General Fund.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance at 6/30/2021	Additions	Reductions	Balance at 6/30/2022
Governmental Activities:				
Land	$ 684,640	$ -	$ -	$ 684,640
Land Improvements	6,544,741	-	-	6,544,741
Buildings and Building Improvements	60,251,415	-	-	60,251,415
Furniture, Fixtures, and Equipment	4,724,075	24,862	-	4,748,937
Vehicles	2,450,151	132,999	(251,381)	2,331,769
Total Capital Assets	$ 74,655,022	$ 157,861	$ (251,381)	$ 74,561,502

NOTE 9 – RISK MANAGEMENT

A. Comprehensive

The District maintains comprehensive insurance coverage with private carriers for general liability; property and equipment; umbrella liability coverage over employees; personal property; and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are 90 percent co insured. Settled claims have not exceeded the amount of commercial coverage in any of the past three years, and there has been no significant reduction in the amount of insurance coverages from last year.

NOTE 9 – RISK MANAGEMENT - (Continued)

B. Employee Insurance Benefits Program

The District participates in the Northern Buckeye Health Plan (NBHP) – Northwest Division of the Optimal Health Initiative (OHI) Consortium, a self-insurance pool, for insurance benefits to employees (Note 17). The District pays monthly premiums to NBHP for the benefits offered to its employees, which includes health, dental, and life insurance. NBHP is responsible for the management and operations of the program. The agreement with NBHP provides for additional assessment to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from NBHP, a participant is responsible for any claims not processed and paid and any related administrative costs.

C. Workers' Compensation Group Program

The District participates in the Northern Buckeye Health Plan (NBHP) – Northern Division of Optimal Health Initiative (OHI) Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool (Note 17). The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. The Executive Director of the NBHP coordinates the management and administration of the program.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension/net OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy – Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $513,163 for fiscal year 2022.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, 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 of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 that 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 fiscal year 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $1,586,597 for fiscal year 2022.

Net Pension Liability

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.10105880%	0.09122990%	
Proportion of the net pension liability current measurement date	0.10266360%	0.08687608%	
Change in proportionate share	0.00160480%	-0.00435382%	
Proportionate share of the net pension liability	$ 3,787,989	$ 11,107,888	$ 14,895,877

Actuarial Assumptions - SERS

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, are presented below:

Inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The most recent experience study was completed for the five-year period ended June 30, 2020.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 6,302,284	$ 3,787,989	$ 1,667,575

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement 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 Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 20,800,917	$ 11,107,888	$ 2,917,299

Changes Between Measurement Date and Reporting Date - In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 10 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $66,881.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $66,881 for fiscal year 2022.

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. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability/Asset

The net OPEB liability/asset was measured as of June 30, 2021, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.10495470%	0.09122990%	
Proportion of the net OPEB liability/asset current measurement date	0.10564580%	0.08687608%	
Change in proportionate share	0.00069110%	-0.00435382%	
Proportionate share of the net OPEB liability	$ 1,999,433	$ -	$ 1,999,433
Proportionate share of the net OPEB asset	$ -	$ (1,831,711)	$ (1,831,711)

Actuarial Assumptions - SERS

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021 are presented below:

Inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, 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, 2020.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% 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 all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is 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. The Municipal Bond Index Rate is 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

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, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,477,540	$ 1,999,433	$ 1,617,488

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,539,400	$ 1,999,433	$ 2,613,897

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Discount rate of return	7.00%		7.45%	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

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

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

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Benefit Term Changes Since the Prior Measurement Date - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,545,681	$ 1,831,711	$ 2,070,646

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,060,965	$ 1,831,711	$ 1,548,218

Changes Between the Measurement Date and the Reporting date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

NOTE 12 - LONG-TERM DEBT

Changes in long-term obligations of the District during fiscal year 2022 were as follows.

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due in One Year
School Improvement Refunding Bonds, Series 2020A:					
Term - 2.606-2.976%	$ 3,445,000	$ -	$ -	$ 3,445,000	$ -
Serial - 1.927-2.456%	1,720,000	-	-	1,720,000	-
Capital Appreciation	80,473	-	(34,070)	46,403	29,299
Accreted Interest	47,760	76,119	(50,930)	72,949	90,701
School Improvement Refunding Bonds, Series 2017:					
Term - 3.15-4.00%	8,595,000	-	-	8,595,000	-
Serial - 2.00-2.50%	240,000	-	(45,000)	195,000	45,000
Capital Appreciation	34,592	-	-	34,592	-
Accreted Interest	69,649	38,650	-	108,299	-
School Improvement Refunding Bonds, Series 2016A:					
Term - 4.00%	1,660,000	-	-	1,660,000	-
Serial - 1.25-3.00%	1,790,000	-	(50,000)	1,740,000	50,000
Capital Appreciation	19,913	-	-	19,913	-
Accreted Interest	36,331	14,598	-	50,929	-
School Improvement Refunding Bonds, Series 2016B:					
Term - 4.00%	1,860,000	-	-	1,860,000	-
Serial - 1.25-4.00%	2,245,000	-	(25,000)	2,220,000	25,000
Capital Appreciation	83,484	-	-	83,484	-
Accreted Interest	56,768	17,137	-	73,905	-
Certificates of Participation, Series 2014:					
Term - 4.25%	2,605,000	-	(2,605,000)	-	-
Serial - 1.50-4.00%	95,000	-	(95,000)	-	-
School Improvement Refunding Bonds, Series 2020B:					
Serial - 1.00-3.00%	6,375,000	-	(600,000)	5,775,000	650,000
Certificates of Participation, Series 2022:					
Serial	-	2,660,000	-	2,660,000	120,000
Total Long-Term Obligations	$ 31,058,970	$ 2,806,504	$ (3,505,000)	$ 30,360,474	$ 1,010,000

NOTE 12 - LONG-TERM DEBT - (Continued)

School Improvement Refunding Bonds, Series 2020A

Proceeds from the outstanding bonds were used to retire 2014B bond issues. The bonds were issued on February 27, 2020. The bonds consisted of $1,720,000 in current interest bonds and $3,445,000 issued as term bonds and $72,949 in capital appreciation bonds. The serial bonds will mature on January 1, 2031. The term bonds which mature on July 1, 2038. The bonds are being retired through the Bond Retirement Debt Service Fund.

Series 2020A Bonds

The 2020 Serial Bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

Maturity Date (January 1)	Principal Amount	Interest Rate
2025	$ 120,000	1.927%
2026	210,000	2.022%
2027	215,000	2.072%
2028	215,000	2.156%
2029	310,000	2.256%
2030	320,000	2.356%
2031	330,000	2.456%

Mandatory Sinking Fund Redemption

The 2020 Term Bonds due July 1, 2038 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on July 1, 2033 and each January 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Maturity Date (January 1)	Principal Amount
2032	$ 430,000
2033	445,000
2034	455,000
2035	565,000
2036	15,000
2037	15,000
2038	740,000
2039	780,000

The capital appreciation bonds were issued in the aggregate original principal amount of $129,821 and mature on January 1 in the year, have the original principal amounts and mature with the accreted values at maturity, as follows:

Maturity Date (January 1)	Original Principal Amount	Accreted Value at Maturity
2023	$ 29,300	$ 120,000
2024	17,103	115,000

NOTE 12 - LONG-TERM DEBT - (Continued)

The value of the capital appreciation bonds reported at June 30, 2022 was $119,352. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of $72,949 has been included in the value. The bonds are being retired through the Bond Retirement Debt Service Fund.

School Facilities Improvement Refunding Bonds, Series 2017

Proceeds from the outstanding bonds were used to retire 2014A bond issues. The bonds were issued on December 12, 2017. The bonds consisted of $370,000 in current interest bonds and $8,595,000 issued as term bonds and $34,592 in capital appreciation bonds. The serial bonds will mature on January 1, 2026. The term bonds which mature on January 1, 2042. The bonds are being retired through the Bond Retirement Debt Service Fund.

Series 2017 Bonds

The 2017 Serial Bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

Maturity Date (January 1)	Principal Amount	Interest Rate
2023	$ 45,000	2.500%
2024	50,000	2.500%
2025	50,000	2.500%
2026	50,000	2.500%

Mandatory Sinking Fund Redemption

The 2017 Term Bonds due January 1, 2035 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on January 1, 2028 and each January 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Maturity Date (January 1)	Principal Amount
2028	$ 30,000
2029	30,000
2030	35,000
2031	35,000
2032	910,000
2033	940,000
2034	970,000

Unless otherwise called for redemption, the remaining $1,000,000 principal amount of the Bonds are due January 1, 2035 is to be paid at stated maturity.

The 2017 Term Bonds due January 1, 2040 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on January 1, 2039 at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Maturity Date (January 1)	Principal Amount
2039	$ 745,000

NOTE 12 - LONG-TERM DEBT - (Continued)

Unless otherwise called for redemption, the remaining $1,255,000 principal amount of the Bonds are due January 1, 2040 is to be paid at stated maturity.

The 2017 Term Bonds due January 1, 2042 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on January 1, 2041 at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Maturity Date (January 1)	Principal Amount
2041	$ 1,295,000

Unless otherwise called for redemption, the remaining $1,350,000 principal amount of the Bonds are due January 1, 2042 is to be paid at stated maturity.

Optional Redemption
The 2017 Term Bonds which are Current Interest Bonds maturing on or after January 1, 2035 are subject to optional redemption prior, in whole or in part on any date in any order maturity as determined by the Board of Education and by lot within a maturity, at the option of the Board of Education on or after January 1, 2027 at par plus accrued interest thereon.

The capital appreciation bonds were issued in the aggregate original principal amount of $34,592 and mature on January 1 in the year, have the original principal amounts and mature with the accreted values at maturity, as follows:

Maturity Date (January 1)	Original Principal Amount	Accreted Value at Maturity
2027	$ 34,592	$ 590,000

The value of the capital appreciation bonds reported at June 30, 2022 was $142,891. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of $108,299 has been included in the value. The bonds are being retired through the Bond Retirement Debt Service Fund.

School Facilities Improvement Refunding Bonds, Series 2016A

Proceeds from the outstanding bonds were used to retire 2016A bond issues. The bonds were issued on November 30, 2016. The bonds consisted of $3,725,000 in current interest bonds ($2,065,000 issued as current interest bonds and $1,660,000 issued as term bonds) and $19,913 in capital appreciation bonds. The serial bonds will mature on January 1, 2039. The term bonds which mature on January 1, 2037. The bonds are being retired through the Bond Retirement Debt Service Fund.

NOTE 12 - LONG-TERM DEBT - (Continued)

Series 2016A Bonds

The 2016A Serial Bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

Maturity Date (January 1)	Principal Amount	Interest Rate
2023	$ 50,000	2.000%
2024	50,000	2.000%
2025	50,000	2.000%
2038	1,150,000	3.000%
2039	440,000	3.000%

Mandatory Sinking Fund Redemption

The 2016A Term Bonds due January 1, 2037 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on January 1, 2027 and each January 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Maturity Date (January 1)	Principal Amount
2027	$ 50,000
2028	55,000
2029	55,000
2030	60,000
2031	60,000
2032	65,000
2033	65,000
2034	70,000
2035	70,000

Unless otherwise called for redemption, the remaining $1,110,000 principal amount of the Series 2016A Bonds due January 1, 2037 is to be paid at stated maturity.

Optional Redemption
The 2016A Term Bonds which are Current Interest Bonds maturing on January 1, 2037 are subject to optional redemption prior, in whole or in part on any date in any order maturity as determined by the Board of Education and by lot within a maturity, at the option of the Board of Education on or after January 1, 2025 at par plus accrued interest thereon.

The capital appreciation bonds were issued in the aggregate original principal amount of $19,913 and mature on January 1 in the years, have the original principal amounts and mature with the accreted values at maturity, as follows:

Maturity Date (January 1)	Original Principal Amount	Accreted Value at Maturity
2026	$ 6,223	$ 50,000
2036	13,690	1,090,000

NOTE 12 - LONG-TERM DEBT - (Continued)

The value of the capital appreciation bonds reported at June 30, 2022 was $70,842. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of $50,929 has been included in the value. The bonds are being retired through the Bond Retirement Debt Service Fund.

School Facilities Improvement Refunding Bonds, Series 2016B

Proceeds from the outstanding bonds were used to retire 2016B bond issues. The bonds were issued on November 30, 2016. The bonds consisted of $4,195,000 in current interest bonds ($2,335,000 issued as current interest bonds and $1,860,000 issued as term bonds) and $83,484 in capital appreciation bonds. The serial bonds will mature on December 15, 2041. The term bonds which mature on December 15, 2039. The bonds are being retired through the Bond Retirement Debt Service Fund.

Series 2016B Bonds

The 2016B Serial Bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

Maturity Date (December 15)	Principal Amount	Interest Rate
2022	$ 25,000	1.750%
2023	25,000	2.000%
2024	25,000	2.000%
2025	25,000	2.000%
2040	1,040,000	4.000%
2041	1,080,000	4.000%

Mandatory Sinking Fund Redemption

The 2016B Term Bonds due December 15, 2039 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 15, 2026 and each December 15 thereafter (excepting December 15, 2035) at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Maturity Date (December 15)	Principal Amount
2026	$ 30,000
2027	30,000
2028	30,000
2029	30,000
2030	30,000
2031	35,000
2032	35,000
2033	35,000
2034	40,000
2036	665,000
2037	10,000
2038	10,000

Unless otherwise called for redemption, the remaining $880,000 principal amount of the Series 2016B Bonds are due December 15, 2039 is to be paid at stated maturity.

NOTE 12 - LONG-TERM DEBT - (Continued)

Optional Redemption
The 2016B Term Bonds which are Current Interest Bonds maturing on December 15, 2039 are subject to optional redemption prior, in whole or in part on any date in any order maturity as determined by the Board of Education and by lot within a maturity, at the option of the Board of Education on or after December 15, 2025 at par plus accrued interest thereon.

The capital appreciation bonds were issued in the aggregate original principal amount of $83,484 and mature on December in the years, have the original principal amounts and mature with the accreted values, as follows:

Maturity Date (December 15)	Original Principal Amount	Accreted Value at Maturity
2035	$ 83,484	$ 665,000

The value of the capital appreciation bonds reported at June 30, 2022 was $157,389. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of $73,905 has been included in the value. The bonds are being retired through the Bond Retirement Debt Service Fund.

Certificates of Participation, Series 2014

Proceeds from the outstanding certificates were used for the purpose of construction, additions to and renovating and improving existing school buildings and facilities. These certificates were issued on June 4, 2014. The certificates consisted of $3,300,000 in current interest certificates ($695,000 issued as serial certificates and $2,605,000 issued as term certificates). The serial certificates will mature on December 15, 2021. The term certificates which mature on December 15, 2040. The certificates are being retired through the Bond Retirement Debt Service Fund. These certificates were refunded by the Certificates of Participation, Refunding Series 2022. There were no further obligations outstanding.

Series 2020B Refunding Bonds

During fiscal year 2021, the District issued $6,375,000 in general obligation bonds to refund $6,580,000 of the Series 2014A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance).

The issue is comprised of current interest bonds, par value $6,375,000. The interest rates on the current interest bonds range from 1.00% - 3.00%.

Interest payments on the current interest bonds are due on January 1 and July 1 of each year. The final maturity stated in the issue is January 1, 2031.

NOTE 12 - LONG-TERM DEBT - (Continued)

Certificates of Participation, Refunding Series 2022

During fiscal year 2022, the District issued $2,660,000 in certificates of participation to refund $2,605,000 of the Certificates of Participation, Series 2014. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance).

The issue is comprised of certificates of participation, par value $2,660,000. The interest rate is 2.61%.

Interest payments on the certificates are due on June 15 and December 15 of each year. The final maturity stated in the issue is December 15, 2036.

The reacquisition price exceeded the net carrying amount of the old debt by $49,683. This advance refunding was undertaken to reduce the combined total debt service payments by $538,398.

Total expenditures for interest for the above debt for the period ended June 30, 2022 was $908,364.

The scheduled payments of principal and interest on debt outstanding at June 30, 2022 are as follows:

	Serial Bonds, Term Bonds and COPS			Capital Appreciation Bonds		
Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2023	$ 890,000	$ 926,694	$ 1,816,694	$ 29,299	$ 90,701	$ 120,000
2024	925,000	899,965	1,824,965	17,104	97,896	115,000
2025	1,080,000	878,763	1,958,763	-	-	-
2026	1,115,000	855,623	1,970,623	6,223	43,777	50,000
2027	655,000	835,936	1,490,936	34,592	555,408	590,000
2028-2032	6,920,000	3,727,089	10,647,089	-	-	-
2033-2037	7,510,000	2,610,316	10,120,316	97,174	1,657,826	1,755,000
2038-2042	10,775,000	1,094,374	11,869,374	-	-	-
Total	$ 29,870,000	$ 11,828,760	$ 41,698,760	$ 184,392	$ 2,445,608	$ 2,630,000

NOTE 13 - SET-ASIDES

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

NOTE 13 - SET-ASIDES - (Continued)

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

	Capital Improvements
Set-aside balance June 30, 2021	$ -
Current year set-aside requirement	343,653
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(1,282,186)
Total	$ (938,533)
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis) and certain funds included in the General Fund as part of the GASB 54 requirements are not included in the budgetary statement.

The following table summarizes the adjustments necessary to reconcile the change in budgetary basis statements to the change in cash basis statements for the General Fund:

Net Change in Fund Balance	
Budgetary Basis	$ 1,166,178
Funds Budgeted Elsewhere	28,314
Adjustments for Encumbrances	46,453
Cash Basis	$ 1,240,945

NOTE 15 - CONTINGENCIES

A. Grants

Amounts grantor agencies pay to the School District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

B. Litigation

The District is defendant in a lawsuit. Although management cannot presently determine the outcome of the suit, they believe the resolution of the matter will not materially adversely affect the District's financial condition.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has finalized the impact of enrollment adjustments to the June 30, 2022 Foundation funding for the District. There is no effect on the financial statements.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities.

The NWOCA Assembly consists of the superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the Governing Council of two representatives from each of the six counties in which the member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Governing Council. During fiscal year 2022, the District paid $79,132 to NWOCA for various services. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (the Council) was established in 1979 to foster cooperation among educational entities located in Defiance, Fulton, Henry, Lucas, Williams and Wood Counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected board consisting of two representatives from each of the six counties in which the member educational entities are located. The Board is elected from an assembly consisting of a representative from each participating educational entity. Financial information can be obtained from the Northern Buckeye Education Council, 209 Nolan Parkway, Archbold, Ohio 43502.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

C. Four County Career Center

The Four County Career Center (Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a Board consisting of five representatives from the Northwest Ohio Educational Service Center and one representative from the participating school districts elected boards. The Career Center possesses its own budgeting and taxing authority. The degree of control exercised by the District is limited to its representation on the Board. Financial information can be obtained from the Four County Career Center, 22-900 State Route 34, Archbold, Ohio 43502.

NOTE 17 - INSURANCE POOLS

A. Employee Insurance Benefits Program

The District participates in the Northern Buckeye Health Plan – Northwest Division of the Optimal Health Initiative Consortium (OHI), a public entity shared risk pool consisting of educational entities throughout the state. The Pool is governed by OHI and its participating members. The District contributed a total of $3,192,188 to Northern Buckeye Health Plan, Northwest Division of OHI for all four plans. Financial information for the period can be obtained from the Northern Buckeye Health Plan at 201 East 5th Street, Suite 1200, Cincinnati, Ohio 45202.

B. Workers' Compensation Group Rating Plan

The District participates in a group-rating plan for workers' compensation as established under §4123.29 of the Ohio Revised Code. The Northern Buckeye Health Plan – Northwest Division of OHI Workers' Compensation Group Rating Plan (WCGRP) was established through the Ohio Health Initiatives (OHI) as a group purchasing pool. The group was formed to create a workers' compensation group rating plan which would allow employers to group together to achieve a potentially lower premium rate than they may otherwise be able to acquire as individual employers. The Optimal Health Initiatives has created a workers' compensation group rating and risk management program which will potentially reduce the workers' compensation premiums for the District.

Optimal Health Initiatives has retained Sheakley UniService as the servicing agent to perform administrative, actuarial, cost control, claims, and safety consulting services and unemployment claims services for program participants. During this fiscal year, the District paid an enrollment fee of $34 to WCGRP to cover the costs of administering the program

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Bryan and Pulaski Township entered into tax abatement agreements with various companies for the abatement of property taxes to bring jobs and economic development into the area. The agreement affects the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by $123,427 during fiscal year 2022. The District did not receive compensation for the forgone property taxes.

NOTE 19 - 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, 2021 while the national state of emergency continues. During fiscal year 2022, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The District's investment portfolio 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.

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553			
Cash Assistance				$ 107,169
National School Lunch Program	10.555			
Cash Assistance				895,820
COVID-19 Cash Assistance				53,431
Non-Cash Assistance (Food Distribution)				66,768
Total National School Lunch Program				1,016,019
Total Child Nutrition Cluster				1,123,188
COVID-19 Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649			614
Total U.S. Department of Agriculture				**1,123,802**
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Title I Grants to Local Educational Agencies	84.010			383,218
Special Education Cluster (IDEA)				
Special Education - Grants to States (IDEA, Part B)	84.027			543,427
Special Education - Preschool Grants (IDEA, Preschool)	84.173			18,335
Total Special Education Cluster (IDEA)				561,762
Improving Teacher Quality State Grants	84.367			64,058
Student Support and Academic Enrichment Program	84.424			29,889
English Language Acquisition State Grants	84.365		$ 681	681
Education Stabilization Fund:				
COVID-19 Elementary & Secondary School Emergency Relief (ESSER)	84.425D			1,953
COVID-19 Elementary & Secondary School Emergency Relief (ESSER II)	84.425D			1,576
COVID-19 Elementary & Secondary School Emergency Relief (ARP ESSER)	84.425U			2,113,580
Total Education Stabilization Fund				2,117,109
Total U.S. Department of Education			**681**	**3,156,717**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Williams County				
Community Development Block Grants/State's Program	14.228	B-D-20-1DA-4		82,000
Total U.S. Department of Housing and Urban Development				82,000
Total Expenditures of Federal Awards			**$ 681**	**$ 4,362,519**

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Bryan City School District, Williams County, Ohio (the District) under programs of the federal government for the year ended June 30, 2022. 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 – SUBRECIPIENTS

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

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

NOTE E – CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE G – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2022 to 2023 programs:

Program Title	CFDA Number	Amt. Transferred
Title I Grants to Local Educational Agencies	84.010	$ 1,642
Improving Teacher Quality State Grants	84.367	839
COVID-19 Elementary & Secondary School Emergency Relief (ARP ESSER)	84.425U	271,278

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States' *(Government Auditing Standards)*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bryan City School District, Williams County, Ohio (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 16, 2023, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion of the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2023

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bryan City School District, Williams County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Bryan City School District's major federal programs for the year ended June 30, 2022. Bryan City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, Bryan City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District 's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District 's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2023

This page intentionally left blank.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
JUNE 30, 2022

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)?**	Yes
(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)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	Education Stabilization Fund – AL #84.425 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

FINDING NUMBER 2022-001

Noncompliance

Ohio Rev. Code § 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

Ohio Admin. Code 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the District to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The District prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the District may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the District's ability to evaluate and monitor the overall financial condition of the District. To help provide the users with more meaningful financial statements, the District should prepare its annual financial statements according to generally accepted accounting principles.

Officials' Response:

See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

Nutrition Cluster Claims Reimbursement

Finding Number:	**2022-002**
CFDA Number and Title:	**<u>Child Nutrition Cluster:</u>** **CFDA # 10.553 School Breakfast Program** **CFDA # 10.555 National School Lunch Program**
Federal Award Identification Number / Year:	**2022**
Federal Agency:	**U.S. Department of Agriculture**
Compliance Requirement:	**Allowable Costs/Cost Principles**
Pass-Through Entity:	**Ohio Department of Education**
Repeat Finding from Prior Audit?	**No**

Questioned Cost and Noncompliance

2 CFR § 400.1 gives regulatory effect for the U.S. Department of Agriculture to the Office of Management and Budget guidance, as supplemented by this part. This part adopts in the OMB guidance in **subparts A through F of 2 CFR part 200**. **2 CFR § 200.430(a)** provides that costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

1. Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;
2. Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
3. Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable.

2 CFR § 200.430(i)(1) explains documentation of personnel expenses charged "to Federal awards for salaries and wages must be based on records that accurately reflect the work performed."

Furthermore, Ohio Department of Education Grants Management Guidance 2014-002, revised on June 15, 2016 and August 29, 2019, further clarifies these requirements. The type of documentation required is based on the funding source and/or cost objective:

- Semi-annual certifications are allowed when an employee's compensation is funded by only one Federal grant. An employee funded by a federal grant and the General fund would fall under this category.
- Time and effort documentation is used when an employee's compensation is funded by more than one federal grant.
- The substitute system of collecting time and effort is used when an employee's compensation is funded by more than one grant.

Due to a deficiency in internal policies and procedures over compliance, the Assistant Superintendent, who performs food service director duties, was partially paid, by contract, from the Child Nutrition Cluster funds, but the District did not obtain semi-annual certifications or other documentation to reflect the work performed for payroll and benefit expenditures. This resulted in Child Nutrition Cluster actual expenditures of $25,794 not being supported with semi-annual certifications or time sheets and will be considered a questioned cost.

Additionally, the District's Time and Effort Reporting Policy (# 6116) does not clearly outline the procedures to be followed by the District in order to comply with the requirements outlined in 2 CFR § 200.430(a) as listed above.

The District should draft, approve, and implement time and effort control policies and procedures to more clearly document and verify that all District employees who perform work for federal cost objectives complete semi-annual certifications for single source funded personnel and time and effort documentation for payroll charges for split funded personnel. The documentation should be signed by each individual employee or a supervisor who has firsthand knowledge of the information contained in the documentation.

Officials' Response:

See corrective action plan.

4. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issue related to Findings for Recovery. This did not impact our GAGAS Compliance and Controls or Single Audit Compliance and Controls reports.

FINDING NUMBER 2022-003

Finding for Recovery Partially Repaid Under Audit – Overpayment of Severance

Article VII, Section A.2.a. and Article VIII, Section J of the professional agreement between the Bryan City Board of Education and the Bryan Education Association effective July 1, 2020 through June 30, 2023, sets the limit for payment of unused sick leave of the severance pay at retirement for certified staff member to 30 percent of accrued, but unused sick leave credit up to 255 days or a maximum of 76.5 days. This agreement also allows for the payment of $1,000 for an early notification bonus in Article VIII, Section I.

Teresa Morr retired in 2022. Her severance pay should have been $34,419.03 (76.5 days at a daily rate of $436.85 and $1,000 for early notification). She received a total severance payment of $37,992.46 from the District on June 17, 2022, resulting in an overpayment of $3,573.43.

This error was due to a deficiency in procedures over monitoring severance. The District should develop procedures requiring a final review of all severance payments.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended may be issued against Teresa Morr, Kevin Schafer, District Treasurer/CFO, and his insurance company, the Schools of Ohio Risk Sharing Authority, jointly and severally, in the amount of $3,573.43, and in favor of the Bryan City School District, General Fund, in the amount of $3,573.43.

On February 22, 2023, Schools of Ohio Risk Sharing Authority issued a check to the Bryan City School District in the amount of $2,573.43 leaving an unpaid balance of $1,000.

Officials' Response:

See corrective action plan.

SUPERINTENDENT OF SCHOOLS
Mark Rairigh

TREASURER/CFO
Kevin Schafer

BRYAN CITY SCHOOLS
CREATING OPPORTUNITIES

1350 Fountain Grove Drive
Bryan, OH 43506
419-636-6973
FAX 419-633-6280

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Finding first reported in 2007. Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03 (B) for not reporting in accordance with generally accepted accounting principles.	Not corrected and reissued as Finding 2022-001 in this report.	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.

SUPERINTENDENT OF SCHOOLS
Mark Rairigh

TREASURER/CFO
Kevin Schafer

BRYAN CITY SCHOOLS
CREATING OPPORTUNITIES

1350 Fountain Grove Drive
Bryan, OH 43506
419-636-6973
FAX 419-633-6280

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2022

Finding Number:	2022-001
Planned Corrective Action:	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.
Anticipated Completion Date:	N/A
Responsible Contact Person:	Kevin Schafer, Treasurer/CFO

Finding Number:	2022-002
Planned Corrective Action:	Management will review time and effort documentation requirements with applicable employees.
Anticipated Completion Date:	2023
Responsible Contact Person:	Kevin Schafer, Treasurer/CFO

Finding Number:	2022-003
Planned Corrective Action:	Management will review severance payouts for accuracy and compliance with applicable contracts.
Anticipated Completion Date:	N/A
Responsible Contact Person:	Kevin Schafer, Treasurer/CFO

OHIO AUDITOR OF STATE
KEITH FABER

BRYAN CITY SCHOOL DISTRICT

WILLIAMS 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 3/30/2023

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