OHIO AUDITOR OF STATE
KEITH FABER

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY
JUNE 30, 2021

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LUCAS COUNTY
JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Anthony Wayne Local School District
Lucas County
9565 Bucher Road
P.O. Box 2487
Whitehouse, Ohio 43571-0486

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

January 31, 2022

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

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- In total, net position of governmental activities decreased $407,315 from $(37,258,988) to $(37,666,303) which represents an 1.09% decrease from 2020.

- General revenues accounted for $51,674,527 in revenue or 89.17% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $6,277,966 or 10.83% of all revenues. The District had total revenues of $57,952,493.

- The District had $58,359,808 in expenses related to governmental activities; only $6,277,966 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were not adequate to provide for these programs.

- The District's major governmental funds are the general fund, bond retirement fund and permanent improvement fund. The general fund had $45,875,346 in revenues and $44,912,497 in expenditures. During fiscal year 2021, the general fund's fund balance increased from $1,824,600 to $2,830,891.

- The District's bond retirement fund had $4,518,236 in revenues and $4,402,238 in expenditures. During fiscal year 2021, the District refunded $2,295,000 in general obligation bonds and is accounted for in the bond retirement fund.

- The District's permanent improvement fund had $2,571,543 in revenues and other financing sources and $2,044,834 in expenditures. During fiscal year 2021, the permanent improvement fund's fund balance increased from $3,852,450 to $4,379,159.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, bond retirement fund, permanent improvement fund and building fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

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

On the statement of net position and in the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for other governments or organizations. These activities are reported in custodial funds. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table on the following page provides a summary of the District's net position for fiscal years 2021 and 2020.

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Net Position

	Governmental Activities 2021	Governmental Activities 2020
Assets		
Current and other assets	$ 53,907,875	$ 52,609,342
Net OPEB asset	3,100,438	2,888,557
Capital assets, net	60,273,850	62,045,976
Total assets	117,282,163	117,543,875
Deferred outflows of resources		
Unamortized deferred charges on debt refunding	37,499	77,971
Pensions and OPEB	11,437,180	11,112,562
Total deferred outflows of resources	11,474,679	11,190,533
Liabilities		
Current liabilities	6,951,781	8,210,205
Long-term liabilities:		
Due within one year	2,710,535	2,601,514
Due in more than one year:		
Net pension liability	55,838,019	50,240,305
Net OPEB liability	4,291,283	4,952,810
Other amounts	53,864,714	56,407,421
Long-term liabilities	116,704,551	114,202,050
Total liabilities	123,656,332	122,412,255
Deferred inflows of resources		
Unamortized deferred charges on debt refunding	98,636	-
Property taxes and PILOTs levied for the next fiscal year	36,220,812	36,106,974
Pensions and OPEB	6,447,365	7,474,167
Total deferred inflows of resources	42,766,813	43,581,141
Net position		
Net investment in capital assets	6,309,359	4,370,018
Restricted	2,533,526	3,481,345
Unrestricted (deficit)	(46,509,188)	(45,110,351)
Total net position (deficit)	$ (37,666,303)	$ (37,258,988)

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $37,666,303. The net investment in capital assets at June 30, 2021 was $6,309,359. A portion of the District's net position, $2,533,526, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of $46,509,188

The major components of assets are equity in pooled cash and investments, property taxes receivable, and capital assets. Total assets decreased slightly from the prior year. Property taxes receivable have increased over the last several years as the District continues collections on the 3.9 mill operating levy which was passed in November 2013 and the bond levy for various construction projects which passed in November 2016. Most of this receivable, however, is offset by deferred inflows of resources since the taxes are levied to finance the next fiscal year.

At year-end, capital assets represented 51.39% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets are used to provide services to the students and are not available for future spending. The District completed its $36M construction project during fiscal year 2021.

Total assets at fiscal year-end include a net OPEB asset reported by the State Teachers Retirement System (STRS). See Note 14 for more detail.

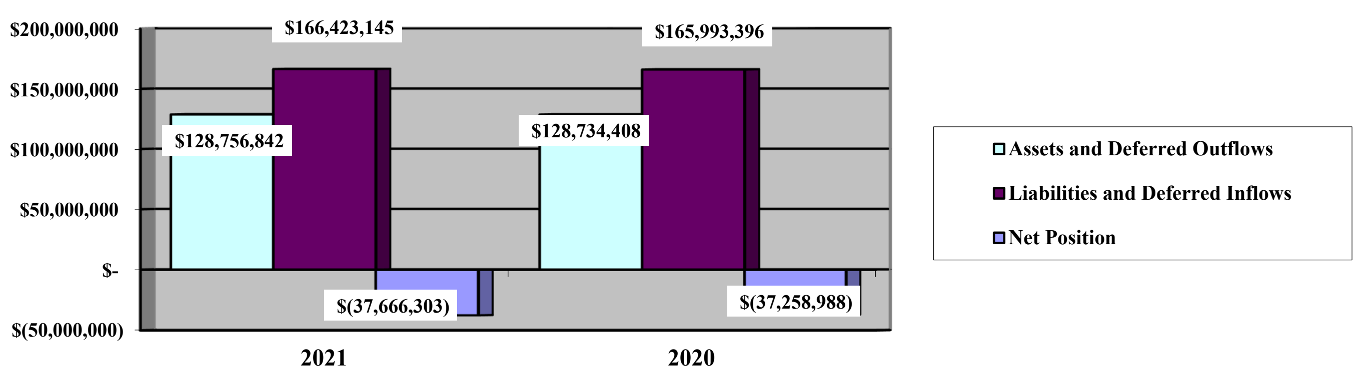
Deferred outflows of resources related to pension decreased primarily due to changes in assumptions by STRS. See Note 13 for more detail.

Current liabilities decreased from contracts payable and retainage payable outstanding at fiscal year-end related to the construction project being completed in fiscal year 2021. Long-term liabilities increased, mostly due to an increase in the net pension liability. Other long-term liabilities, consisting primarily of bonds payable, decreased as the District continues to pay off the balance of the general obligation bonds.

Deferred inflows of resources related to pension decreased primarily due to changes in assumptions by STRS. See Note 14 for more detail.

The chart below shows the District's governmental activities assets and deferred outflows, liabilities and deferred inflows and net position at June 30, 2021 and 2020.

Governmental Activities



ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

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

The table on the following page shows the change in net position for fiscal years 2021 and 2020.

Change in Net Position

	Governmental Activities 2021	Governmental Activities 2020
Revenues		
Program revenues:		
Charges for services and sales	$ 1,489,056	$ 2,690,529
Operating grants and contributions	4,736,197	3,356,949
Capital grants and contributions	52,713	180,992
General revenues:		
Property taxes	38,434,589	35,311,247
Payments in lieu of taxes	1,598,148	1,690,673
Grants and entitlements	11,117,627	10,662,793
Investment earnings	37,159	580,970
Other	487,004	92,713
Total revenues	57,952,493	54,566,866
Expenses		
Program expenses:		
Instruction:		
Regular	25,863,882	24,294,027
Special	7,074,248	7,064,250
Other	1,732,236	1,216,748
Support services:		
Pupil	3,966,774	3,779,481
Instructional staff	1,064,229	981,990
Board of education	219,322	298,442
Administration	4,415,782	4,262,989
Fiscal	1,295,253	1,197,479
Operations and maintenance	5,385,730	5,048,500
Pupil transportation	2,643,712	3,023,637
Central	202,381	252,598
Operation of non-instructional services:		
Food service operations	1,009,810	1,171,924
Other non-instructional services	463,469	435,999
Extracurricular activities	995,856	1,375,556
Interest and fiscal charges	2,027,124	2,136,541
Total expenses	58,359,808	56,540,161
Change in net position	(407,315)	(1,973,295)
Net position (deficit) at beginning of year	(37,258,988)	(35,285,693)
Net position (deficit) at end of year	$ (37,666,303)	$ (37,258,988)

Governmental Activities

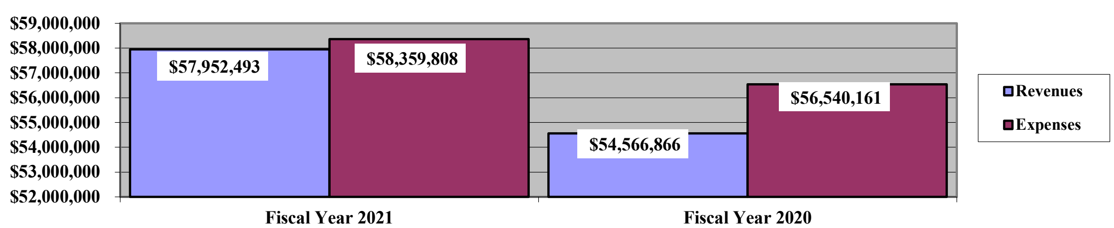
Net position of the District's governmental activities decreased $407,315. Total governmental expenses of $58,359,808 were offset by program revenues of $6,277,966 and general revenues of $51,674,527. Program revenues supported 10.76% of the total governmental expenses.

Total revenues for fiscal year 2021 were 6.20% higher than the prior year, mostly as a result an increase in operating grants and contributions, property taxes, and grants and entitlements not restricted to specific programs. Operating grants and contributions increased as a result of Elementary and Secondary School Emergency (ESSER) funding and Coronavirus Relief funding, received during fiscal 2021 in response to the COVID-19 pandemic. Property taxes increased from an increase in delinquent property taxes and assessed property valuation from new housing and commercial development within the District. Charges for services and sales and investment earnings decreased over the prior year. Charges for services and sales decreased primarily from less school lunch sales caused by building closures for COVID-19 during a portion of the school year. Investment earnings decreased from the prior year as a result of a cut in interest rates. Capital grants and contributions decreased as investments from the 2017 bond issue for the construction project were spent down during fiscal year, resulting in less funds invested and earning interest on investments.

Overall, expenses of the governmental activities increased $1,819,647 during fiscal year 2021. The primary reasons for the increase is attributed to an increase in depreciation expense and fluctuations in the benefit changes by the retirement systems, the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years.

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

Governmental Activities - Revenues and Expenses



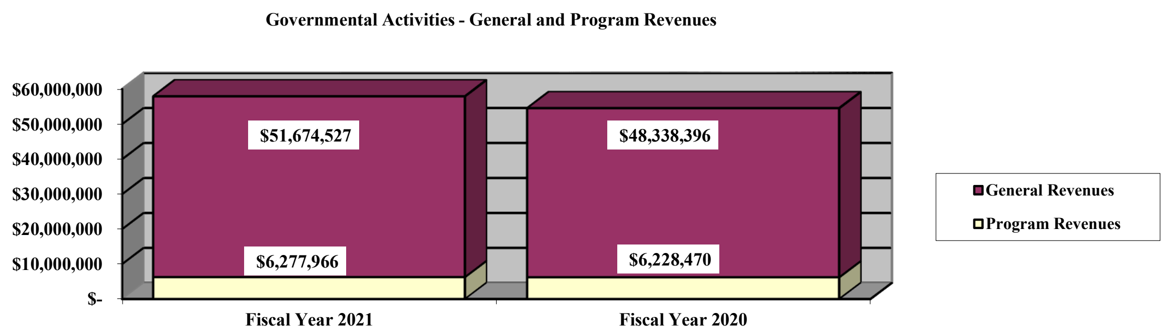
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table on the following page shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services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

Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses				
Instruction:				
Regular	$ 25,863,882	$ 24,271,597	$ 24,294,027	$ 22,623,969
Special	7,074,248	5,074,031	7,064,250	5,205,882
Other	1,732,236	1,732,236	1,216,748	1,199,626
Support services:				
Pupil	3,966,774	3,634,589	3,779,481	3,572,552
Instructional staff	1,064,229	1,061,370	981,990	980,970
Board of education	219,322	219,322	298,442	298,442
Administration	4,415,782	4,213,491	4,262,989	4,050,306
Fiscal	1,295,253	1,295,253	1,197,479	1,197,479
Operations and maintenance	5,385,730	5,122,974	5,048,500	4,908,066
Pupil transportation	2,643,712	2,513,288	3,023,637	2,979,490
Central	202,381	191,581	252,598	238,319
Operations of non-instructional services:				
Food service operations	1,009,810	101,479	1,171,924	202,378
Other non-instructional services	463,469	10,233	435,999	6,634
Extracurricular activities	995,856	613,274	1,375,556	711,037
Interest and fiscal charges	2,027,124	2,027,124	2,136,541	2,136,541
Total expenses	$ 58,359,808	$ 52,081,842	$ 56,540,161	$ 50,311,691

The dependence upon tax and other general revenues for governmental activities is apparent; 89.64% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 89.24%. The District's taxpayers and unrestricted grants, as a whole, are by far the primary support for District's students.

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



The District's Funds

The District's governmental funds reported a combined fund balance of $9,492,626, compared to last year's total of $7,949,471. The table below indicates the fund balance and the total change in fund balance as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Change
General	$ 2,830,891	$ 1,824,600	$ 1,006,291
Bond retirement	1,845,982	1,777,874	68,108
Permanent Improvement	4,379,159	3,852,450	526,709
Nonmajor governmental funds	436,594	494,547	(57,953)
Total	$ 9,492,626	$ 7,949,471	$ 1,543,155

General Fund

The District's general fund reported a fund balance of $2,830,891 at June 30, 2021, which represents a increase of $1,006,291 from the prior year. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2021 Amount	2020 Amount	Percentage Change
Revenues			
Taxes	$ 31,158,542	$ 29,300,536	6.34 %
Payments in lieu of taxes	1,523,235	1,597,885	(4.67) %
Tuition	940,223	898,691	4.62 %
Earnings on investments	35,589	587,526	(93.94) %
Intergovernmental	11,606,615	10,984,404	5.66 %
Other revenues	611,142	561,522	8.84 %
Total	$ 45,875,346	$ 43,930,564	4.43 %
Expenditures			
Instruction	$ 28,724,386	$ 27,718,965	3.63 %
Support services	15,613,060	15,595,200	0.11 %
Operation of non-instructional services	51	1,747	(97.08) %
Extracurricular activities	575,000	777,154	(26.01) %
Total	$ 44,912,497	$ 44,093,066	1.86 %

The District experienced growth in property tax, tuition, intergovernmental revenue, and other local revenues. Property tax revenue continued to increase due to collections on the operating levy passed in 2017 and due to an increase in appraised values from housing and commercial growth. Tuition revenue increased from open enrollment. Intergovernmental revenue increased from state foundation received fiscal year 2021. Other local revenues increased from a dividend received from the Bureau of Workers Compensation in December of 2020. A cut in interest rates on federal funds contributed to a decrease in earnings on investments during fiscal year 2021.

Overall expenditures were comparable to prior year, increasing by 1.86%. While the percentage change in operation of non-instructional activities was significant, the decrease of $1,696 was not. Extracurricular activities expenditures decreased from the purchase of equipment and supplies for athletics made in the prior year.

Bond Retirement Fund

The bond retirement fund is a major fund of the District. The bond retirement fund $4,518,236 revenues and made $4,402,238 in debt service payments on general obligation bonds during fiscal year 2021. The bond retirement fund also accounted for the refunding of $2,295,000 in Series 2011 refunding bonds in fiscal year 2021.

Permanent Improvement Fund

The permanent improvement fund is a major fund of the District and had $2,545,920 in revenues, $2,044,834 in expenditures, and received sale of asset proceeds of $25,623 during fiscal year 2021. The permanent improvement fund's expenditures included the purchase of property and maintenance and repairs.

General Fund Budgeting Highlights

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

During the course of fiscal year 2021, the District amended its general fund budget several times. For the general fund, original and final budget revenues and other financing sources were $43,509,369. Actual revenues and other financing sources were 45,324,889, which is $1,815,520 or 4.17% higher than the original and final budget.

General fund original appropriations (appropriated expenditures plus other financing uses) of $46,427,828 were decreased to $46,250,764 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled $45,606,962, which is $643,802 or 1.39% lower than the final budget appropriations. There were no significant variances between the actual and final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the District had $60,273,850 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The table that follows shows fiscal year 2021 balances compared to 2020.

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2021	2020
Land	$ 2,407,578	$ 2,392,578
Construction in progress	-	36,368,304
Land improvements	3,814,947	4,035,932
Building and improvements	51,619,269	17,161,337
Furniture and equipment	1,119,139	758,044
Vehicles	1,312,917	1,329,781
Total	$ 60,273,850	$ 62,045,976

The decrease in capital assets is a result of the depreciation expense of $2,421,142, disposals net of accumulated depreciation of $21,769, and capital asset additions (excluding the transfer of $36,368,304 construction in progress to capital assets being depreciated) of $670,785. See Note 9 in the notes to the basic financial statements for additional detail on the District's capital assets.

Debt Administration

At June 30, 2021, the District had $52,826,000 in general obligation bonds outstanding. Of this total, $2,355,000 is due within one year and $50,471,000 is due in greater than one year.

The following table summarizes the debt outstanding.

Outstanding Debt, at Fiscal Year End

	Governmental Activities 2021	Governmental Activities 2020
General obligation bonds:		
Current interest	$ 50,535,000	$ 55,075,000
Current interest - direct placement	2,291,000	-
Unamortized premium	1,077,354	1,320,725
Total general obligation bonds	$ 53,903,354	$ 56,395,725

At June 30, 2021, the District's overall legal debt margin was $54,222,935 and the unvoted debt margin was $1,168,922. See Note 10 in the notes to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District has continued to maintain the highest standards of service to our students, parents and community. The District is always presented with new challenges and opportunities.

The District was removed from fiscal caution by the Ohio Department of Education in December 2009, after being placed in fiscal caution in March 2007. The District accomplished this (removal) by taking advantage of attrition and reducing staff where possible and strong fiscal management. The Board of Education and administration continues to closely monitor its revenues and expenditures in accordance with its financial forecast and the Ohio Department of Education's Financial Analysis.

As the preceding information shows, the District heavily depends on its property taxpayers. At present, the local taxpayers support represents approximately 71% of the total revenues of the District. The local communities' support was last measured in November 2016 with the passage of a $44.2M bond levy for various construction projects in the District. Prior to that, in November 2013, they passed a 3.9 mill continuing operating levy that will generate nearly $4 million annually. In November 2012, the community renewed a $3 million, 3.4 mill emergency operating levy for 10 years. The emergency levy will be up for renewal in the fall of 2022 for January 2023 collections. The continued support of these issues demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their communities.

The District communicates to its residents through a monthly newsletter that is emailed to parents and posted on the District's website. We also use social media websites like Twitter and Facebook to communicate. They work to keep the taxpayers informed as they rely upon their support for the major part of its operations, and will continue to work diligently to plan expenses, staying carefully within the District's five-year financial plan. State law generally retards the growth of income generated by local levies rendering revenue relatively constant. This lack of revenue growth normally forces the District to come back to the voters from time to time and ask for additional financial support.

The District has experienced growth; the student population has grown over 700+ students since 2003. It tapered off with the slowing of new home developments, due to the economic times, however this has since changed, as has the economy. The District is seeing many new housing developments along with industrial and commercial development as well. The District also saw rapid growth in their assessed property valuation during the growth period. The District's assessed valuation has increased $411,424,234 since 2005. This increase was a result of the triennial updates of property values in the District, continued growth of new construction, primarily in the area of new homes, and Lucas County's re-valuation of property values. For the first time in years, 2009s triennial update reflected a 'sign of the times' resulting in an 11% decrease in District valuation. The valuation went from $965,854,084 in 2009 to $872,615,450 in 2011 as a result of this reduction, but then decreased to $872,184,860 in 2012. Lucas County experienced a revaluation in 2013, and their valuation suffered another loss, at $810,964,430; however, a positive trend started as their 2014 valuation rose to $824,306,330 and is currently at $1,168,921,700. We anticipate this growth pattern to continue.

The District is utilizing ESSER funds to benefit students and provide 1 to 1 technology in our buildings, as well as making them safe/clean for students and staff. We continue to work through our finances to ensure we continue to provide our students the high quality education during these different times.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mrs. Kerri L. Johnson, Treasurer, Anthony Wayne Local School District, 9565 Bucher Rd., Whitehouse, Ohio 43571.

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 14,329,868
Receivables:	
Property taxes	38,092,667
Payment in lieu of taxes	930,000
Accrued interest	23,641
Intergovernmental	398,989
Prepayments	44,774
Materials and supplies inventory	87,305
Inventory held for resale	631
Net OPEB asset	3,100,438
Capital assets:	
Nondepreciable capital assets	2,407,578
Depreciable capital assets, net	57,866,272
Capital assets, net	60,273,850
Total assets	117,282,163
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	37,499
Pension	9,942,000
OPEB	1,495,180
Total deferred outflows of resources	11,474,679
Liabilities:	
Accounts payable	167,948
Contracts payable	45,887
Accrued wages and benefits payable	5,492,797
Intergovernmental payable	1,084,406
Accrued interest payable	160,743
Long-term liabilities:	
Due within one year	2,710,535
Due in more than one year:	
Net pension liability	55,838,019
Net OPEB liability	4,291,283
Other amounts due in more than one year	53,864,714
Total liabilities	123,656,332
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	35,290,812
Payment in lieu of taxes levied for the next fiscal year	930,000
Unamortized deferred charges on debt refunding	98,636
Pension	415,361
OPEB	6,032,004
Total deferred inflows of resources	42,766,813
Net position:	
Net investment in capital assets	6,309,359
Restricted for:	
Capital projects	15,841
Debt service	1,807,963
State funded programs	111,768
Federally funded programs	1,033
Student activities	538,943
Other purposes	57,978
Unrestricted (deficit)	(46,509,188)
Total net position (deficit)	$ (37,666,303)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction:					
Regular	$ 25,863,882	$ 683,517	$ 876,415	$ 32,353	$ (24,271,597)
Special	7,074,248	244,203	1,756,014	-	(5,074,031)
Other	1,732,236	-	-	-	(1,732,236)
Support services:					
Pupil	3,966,774	29,863	302,322	-	(3,634,589)
Instructional staff	1,064,229	74	2,785	-	(1,061,370)
Board of education	219,322	-	-	-	(219,322)
Administration	4,415,782	45,151	157,140	-	(4,213,491)
Fiscal	1,295,253	-	-	-	(1,295,253)
Operations and maintenance	5,385,730	19,800	242,956	-	(5,122,974)
Pupil transportation	2,643,712	47,293	62,771	20,360	(2,513,288)
Central	202,381	-	10,800	-	(191,581)
Operation of non-instructional services:					
Food service operations	1,009,810	36,573	871,758	-	(101,479)
Other non-instructional services	463,469	-	453,236	-	(10,233)
Extracurricular activities	995,856	382,582	-	-	(613,274)
Interest and fiscal charges	2,027,124	-	-	-	(2,027,124)
Totals	$ 58,359,808	$ 1,489,056	$ 4,736,197	$ 52,713	(52,081,842)

General revenues:	
Property taxes levied for:	
General purposes	31,912,856
Debt service	4,285,108
Capital outlay	2,236,625
Payment in lieu of taxes	1,598,148
Grants and entitlements not restricted to specific programs	11,117,627
Investment earnings	37,159
Miscellaneous	487,004
Total general revenues	51,674,527
Change in net position	(407,315)
Net position (deficit) at beginning of year	(37,258,988)
Net position (deficit) at end of year	$ (37,666,303)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	$ 7,454,450	$ 1,654,382	$ 4,361,464	$ 859,572	$ 14,329,868
Receivables:					
Property taxes	31,767,290	4,206,519	2,118,858	-	38,092,667
Payment in lieu of taxes	874,200	-	55,800	-	930,000
Accrued interest	23,641	-	-	-	23,641
Interfund loans	276,374	-	-	-	276,374
Intergovernmental	14,424	-	-	384,565	398,989
Prepayments	44,124	-	-	650	44,774
Materials and supplies inventory	87,305	-	-	-	87,305
Inventory held for resale	-	-	-	631	631
Total assets	$ 40,541,808	$ 5,860,901	$ 6,536,122	$ 1,245,418	$ 54,184,249
Liabilities:					
Accounts payable	$ 132,233	-	$ 34,131	$ 1,584	$ 167,948
Contracts payable	-	-	45,887	-	45,887
Accrued wages and benefits payable	5,105,600	-	-	387,197	5,492,797
Compensated absences payable	115,312	-	-	-	115,312
Intergovernmental payable	1,013,135	-	-	71,271	1,084,406
Interfund loans payable	-	-	-	276,374	276,374
Total liabilities	6,366,280	-	80,018	736,426	7,182,724
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	29,444,970	$ 3,892,195	1,953,647	-	35,290,812
Payment in lieu of taxes levied for the next fiscal year	874,200	-	55,800	-	930,000
Delinquent property tax revenue not available	989,819	122,724	67,498	-	1,180,041
Intergovernmental revenue not available	14,424	-	-	72,398	86,822
Accrued interest not available	21,224	-	-	-	21,224
Total deferred inflows of resources	31,344,637	4,014,919	2,076,945	72,398	37,508,899
Fund balances:					
Nonspendable:					
Materials and supplies inventory	87,305	-	-	-	87,305
Prepaids	44,124	-	-	650	44,774
Unclaimed monies	21,338	-	-	-	21,338
Restricted:					
Debt service	-	1,845,982	-	-	1,845,982
Capital improvements	-	-	-	15,841	15,841
State funded programs	-	-	-	111,768	111,768
Federally funded programs	-	-	-	1,033	1,033
Student activities	-	-	-	538,943	538,943
Other purposes	-	-	-	36,640	36,640
Committed:					
Capital improvements	-	-	4,379,159	-	4,379,159
Assigned:					
Student instruction	407,116	-	-	-	407,116
Student and staff support	332,509	-	-	-	332,509
Subsequent year appropriations	346,916	-	-	-	346,916
Other purposes	1,591,583	-	-	-	1,591,583
Unassigned (deficit)	-	-	-	(268,281)	(268,281)
Total fund balances	2,830,891	1,845,982	4,379,159	436,594	9,492,626
Total liabilities, deferred inflows of resources and fund balances	$ 40,541,808	$ 5,860,901	$ 6,536,122	$ 1,245,418	$ 54,184,249

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

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

Total governmental fund balances		$ 9,492,626
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		60,273,850
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		
Property taxes receivable	$ 1,180,041	
Accrued interest receivable	21,224	
Intergovernmental receivable	86,822	
Total		1,288,087
Unamortized deferred charges on refundings are not recognized in the funds.		(61,137)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(160,743)
The net pension/OPEB assets & liability is not due and payable in the current period, therefore, the assets, liabilities and related deferred inflows and outflows of resources are not reported in governmental funds.		
Deferred outflows of resources - pension	9,942,000	
Deferred inflows of resources - pension	(415,361)	
Net pension liability	(55,838,019)	
Deferred outflows of resources - OPEB	1,495,180	
Deferred inflows of resources - OPEB	(6,032,004)	
Net OPEB asset	3,100,438	
Net OPEB liability	(4,291,283)	
Total		(52,039,049)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(52,826,000)	
Unamortized premium on general obligation bonds	(1,077,354)	
Compensated absences	(2,556,583)	
Total		(56,459,937)
Net position (deficit) of governmental activities		$ (37,666,303)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

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

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 31,158,542	$ 4,193,659	$ 2,186,328	$ -	$ 37,538,529
Intergovernmental	11,606,615	314,759	287,767	3,649,842	15,858,983
Investment Earnings	35,589	-	-	-	35,589
Tuition and fees	940,223	-	-	-	940,223
Extracurricular	57,045	-	-	388,122	445,167
Rental income	19,800	-	-	-	19,800
Charges for services	47,293	-	-	36,573	83,866
Payment in lieu of taxes	1,523,235	9,818	65,095	-	1,598,148
Miscellaneous	487,004	-	6,730	-	493,734
Total revenues	45,875,346	4,518,236	2,545,920	4,074,537	57,014,039
Expenditures:					
Current:					
Instruction:					
Regular	21,211,295	-	810,513	887,474	22,909,282
Special	5,780,855	-	-	717,172	6,498,027
Other	1,732,236	-	-	-	1,732,236
Support services:					
Pupil	3,307,460	-	-	236,189	3,543,649
Instructional staff	944,273	-	-	2,942	947,215
Board of education	217,893	-	-	-	217,893
Administration	3,792,319	-	-	159,617	3,951,936
Fiscal	1,107,340	62,838	34,595	-	1,204,773
Operations and maintenance	3,885,418	-	682,977	233,424	4,801,819
Pupil transportation	2,188,448	-	254,224	28,135	2,470,807
Central	169,909	-	-	10,800	180,709
Operation of non-instructional services:					
Food service operations	-	-	-	929,211	929,211
Other non-instructional services	51	-	9,793	453,625	463,469
Extracurricular activities	575,000	-	-	307,447	882,447
Facilities acquisition and construction	-	-	252,732	166,454	419,186
Debt service:					
Principal retirement	-	2,249,000	-	-	2,249,000
Interest and fiscal charges	-	2,052,790	-	-	2,052,790
Bond issuance cost	-	37,610	-	-	37,610
Total expenditures	44,912,497	4,402,238	2,044,834	4,132,490	55,492,059
Excess of revenue over (under) expenditures	962,849	115,998	501,086	(57,953)	1,521,980
Other financing sources (uses):					
Sale of refunding bonds	-	2,295,000	-	-	2,295,000
Sale of assets	-	-	25,623	-	25,623
Payment to refunding bond escrow agent	-	(2,342,890)	-	-	(2,342,890)
Total other financing sources (uses)	-	(47,890)	25,623	-	(22,267)
Net change in fund balances	962,849	68,108	526,709	(57,953)	1,499,713
Fund balances at beginning of year	1,824,600	1,777,874	3,852,450	494,547	7,949,471
Change in reserve for inventory	43,442	-	-	-	43,442
Fund balances at end of year	$ 2,830,891	$ 1,845,982	$ 4,379,159	$ 436,594	$ 9,492,626

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ 1,499,713
Amounts reported for governmental activities in the statement of activities because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as assets is allocated over their estimated useful lives as depreciation expense		
Capital asset additions	$ 670,785	
Current year depreciation	(2,421,142)	
Total		(1,750,357)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.		(21,769)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		43,442
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	896,060	
Earnings on investments	1,570	
Intergovernmental	29,625	
Total		927,255
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		2,249,000
Issuance of refunding bonds is recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(2,295,000)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	2,295,000	
Unamortized deferred amount on bonds refunded	(32,593)	
Unamortized premium on bonds refunded	182,435	
Deferred charges on refunding	(101,952)	
Total		2,342,890
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in more interest being reported in the statement of activities:		
Decrease in accrued interest payable	6,903	
Amortization of bond premiums	60,936	
Amortization of deferred charges	(4,563)	
Total		63,276

- (Continued)

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

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

Contractually required contributions are reported as expenditures in governmental funds however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,972,834	
OPEB	103,299	
Total		4,076,133
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(7,608,872)	
OPEB	159,853	
Total		(7,449,019)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(92,879)
Change in net position of governmental activities		$ (407,315)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 30,034,294	$ 30,034,294	$ 30,719,255	$ 684,961
Intergovernmental	11,016,869	11,016,869	11,617,204	600,335
Investment earnings	340,000	340,000	173,633	(166,367)
Tuition and fees	930,000	930,000	678,511	(251,489)
Rental income	13,000	13,000	19,800	6,800
Charges for services	78,000	78,000	47,293	(30,707)
Payment in lieu of taxes	1,015,706	1,015,706	1,015,706	-
Miscellaneous	71,500	71,500	359,583	288,083
Total revenues	43,499,369	43,499,369	44,630,985	1,131,616
Expenditures:				
Current:				
Instruction:				
Regular	21,407,147	21,325,505	21,204,533	120,972
Special	5,982,859	5,960,042	5,895,156	64,886
Other	1,750,816	1,744,139	1,743,250	889
Support services:				
Pupil	3,338,282	3,325,551	3,284,243	41,308
Instructional staff	982,862	979,114	933,144	45,970
Board of education	244,408	243,476	229,316	14,160
Administration	3,784,268	3,769,836	3,720,333	49,503
Fiscal	1,132,646	1,128,326	1,112,553	15,773
Operations and maintenance	4,041,318	4,025,905	3,870,838	155,067
Pupil transportation	2,367,030	2,358,003	2,282,985	75,018
Central	189,409	188,687	182,253	6,434
Extracurricular activities	628,202	625,806	571,984	53,822
Total expenditures	45,849,247	45,674,390	45,030,588	643,802
Excess of expenditures over revenues	(2,349,878)	(2,175,021)	(399,603)	1,775,418
Other financing sources (uses):				
Refund of prior year expenditures	-	-	103,939	103,939
Advances in	-	-	589,965	589,965
Advances (out)	(578,581)	(576,374)	(576,374)	-
Sale of assets	10,000	10,000	-	(10,000)
Total other financing sources (uses)	(568,581)	(566,374)	117,530	683,904
Net change in fund balance	(2,918,459)	(2,741,395)	(282,073)	2,459,322
Fund balance at beginning of year	4,428,465	4,428,465	4,428,465	-
Prior year encumbrances appropriated	579,872	579,872	579,872	-
Fund balance at end of year	$ 2,089,878	$ 2,266,942	$ 4,726,264	$ 2,459,322

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Custodial
Assets:	
Equity in pooled cash and investments.	$ 4,996
Net position:	
Restricted for scholarships.	$ 4,996

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

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

	Custodial
Deductions:	
Scholarships awarded	300
Change in net position	(300)
Net position at beginning of year	5,296
Net position at end of year	$ 4,996

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Anthony Wayne Local School District (the District) is located in Lucas, Wood and Fulton Counties, including all of the Villages of Whitehouse and Waterville, and portions of the City of Maumee and surrounding townships. The District serves an area of approximately 74 square miles.

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

The District currently operates 3 elementary schools, 1 middle school, 1 junior high school, and 1 comprehensive high school. The District employs 185 non-certified and 276 certified (including administrative) full-time and part-time employees to provide services to approximately 4,503 students in grades K through 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

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

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

JOINTLY GOVERNED ORGANIZATIONS

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 education entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams and Wood counties in northwestern Ohio. 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 school districts. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Financial information can be obtained from Tammy Butler, who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

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

Northwestern Ohio Educational Research Council, Inc.
The Northwestern Ohio Educational Research Council, Inc. (NOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials, and provide opportunities for training. The NOERC serves a twenty-five county area in Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., Box 456, Ashland, Ohio 44805.

Penta Career Center
The Penta Career Center (the Center) is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide vocational and special education needs of the students. The Center accepts non-tuition students from the District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the District. The District paid $263 to the Center during fiscal year 2021. Financial information can be obtained from the Penta Career Center, Carrie Herringshaw, who serves as Treasurer, at 9301 Buck Road, Perrysburg, Ohio 43551.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary funds.

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

GOVERNMENTAL FUNDS

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

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

<u>Bond Retirement Fund</u> - The bond retirement fund is used to provide for the retirement of general obligation bonds. All revenue derived from general or special levies, either with or exceeding the ten-mill limitation, which is levied for debt charges on bonds shall be paid into this fund.

<u>Permanent Improvement Fund</u> - The permanent improvement capital projects fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by ORC Chapter 5705.

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial funds account for funds collected and distributed to the Ohio High School Athletic Association (OHSAA) and scholarship funds in which District has no administrative involvement. The District did not collect or distribute any funds on behalf of OSHAA during fiscal year 2021.

C. Basis of Presentation and Measurement Focus

<u>Government-Wide Financial Statements</u> - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Interfund services provided and used are not eliminated in the process of consolidation.

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

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current deferred outflows and current liabilities and current deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

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

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 13 and 14 for deferred outflows of resources related the District's net pension liability and OPEB liability/asset. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 13 and 14 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

2. By no later than January 20, the Board-adopted budget is filed with the Lucas County Budget Commission for tax rate determination. The Lucas County Budget Commission waived the tax budget filing requirement for the fiscal year 2021.

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

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

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation total.

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

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

7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2021. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year.

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

F. Cash and Investments

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

During fiscal year 2021, investments were limited to federal agency securities, U.S. Government money market accounts, commercial paper, negotiable certificates of deposit (CDs) and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

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

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to $35,589, which includes $22,269 assigned from other District funds.

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

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

G. Inventory

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

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental activities column on the statement of net position.

J. Compensated Absences

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

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

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

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

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

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

K. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is nonspendable in the fund financial statements by an amount equal to the carrying value of the assets.

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

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

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

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

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

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

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

N. Net Position

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

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

O. Estimates

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

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

Q. Nonpublic Schools

Within the boundaries of the District, Lial Catholic operates as a private school. State legislation provides funding to this parochial school. The District receives the money and then disburses the money to the Educational Service Center of Lake Erie West. These transactions are reported as a governmental activity of the District.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District did not have any extraordinary or special items during fiscal year 2021.

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

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

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the current period.

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

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

T. Pensions/ Other Postemployment Benefits (OPEB)

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

U. Fair Market Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

Nonmajor special revenue funds	Deficit
Food service	$ 185,064
Title IV-B	52,654
Title I	22,888
Title II-A	7,025

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury 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, Government National Mortgage Association, and Student Loan Marketing 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;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. 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 $5,110 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was $6,233,765 and the bank balance of all District deposits was $6,366,110. Of the bank balance, $500,000 was covered by the FDIC, $4,090,411 was covered by the Ohio Pooled Collateral System (OPCS), and $1,775,699 was subject to custodial credit risk.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, one of the District's financial institutions was approved for a reduced collateral rate through the OPCS of 50 percent and the other financial institution was established at 102 percent. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

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

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
FHLB	$ 99,872	$ 99,872	$ -	$ -	$ -	$ -
FHLMC	395,758	-	-	-	-	395,758
Negotiable CDs	6,048,580	250,646	2,258,019	497,140	1,226,102	1,816,673
Commercial Paper	1,479,599	1,194,915	284,684	-	-	-
U.S. Government Money Market fund	10,466	10,466	-	-	-	-
Amortized Cost:						
STAR Ohio	61,714	61,714	-	-	-	-
Total	$ 8,095,989	$ 1,617,613	$ 2,542,703	$ 497,140	$ 1,226,102	$ 2,212,431

The weighted average maturity of investments is 1.46 years.

The District's investments in U.S. Government money market accounts are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLB and FHLMC), commercial paper and negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk arises because 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 District’s investments in FHLB and FHLMC securities were rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. The District’s investments in commercial paper were rated A-1 and A-1+ by Standard & Poor’s and P-1 by Moody’s Investor Services. The District’s investments in 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 investments in negotiable CDs and U.S. Government money market accounts were not rated. The negotiable CDs are covered by FDIC. The District has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Measurement/ Investment type		Measurement Value	% of Total
Fair Value:			
FHLB	$	99,872	1.23
FHLMC		395,758	4.89
Negotiable CDs		6,048,580	74.71
Commercial Paper		1,479,599	18.28
U.S. Government Money Market Fund		10,466	0.13
Amortized Cost:			
STAR Ohio		61,714	0.76
Total	$	8,095,989	100.00

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

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

Cash and investments per note		
Carrying amount of deposits	$	6,233,765
Investments		8,095,989
Cash on hand		5,110
Total	$	14,334,864
Cash and investments per statement of net position		
Governmental activities	$	14,329,868
Custodial funds		4,996
Total	$	14,334,864

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2021 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

Payable funds	Amount
Nonmajor special revenue:	
Food Service	$ 253,000
Elementary and Secondary School Emergency Relief	22,272
Title IV-A	1,102
Total	$ 276,374

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

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

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

The District receives property taxes from Lucas, Fulton and Wood Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was $1,332,501 in the general fund, $191,600 in the bond retirement fund and $97,713 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2020 was $893,214 in the general fund, $133,276 in the bond retirement fund and $66,536 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

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

	2020 Second Half Collections			2021 First Half Collections		
		Amount	Percent		Amount	Percent
Agricultural/residential and other real estate	$	1,049,584,840	92.48	$	1,075,194,360	91.98
Public utility personal		85,286,350	7.52		93,727,340	8.02
Total	$	1,134,871,190	100.00	$	1,168,921,700	100.00
Tax rate per $1,000 of assessed valuation		$72.77			$72.77	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2021 consisted of property taxes, payments in lieu of taxes, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds. Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Community Reinvestment Areas

The City of Toledo, the City of Maumee and the City of Waterville provide tax abatements through Community Reinvestment Areas (CRAs).

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

The CRA agreements entered into by the City of Toledo, the City of Maumee and the City of Waterville affect the property tax receipts collected and distributed to the District. Under these agreements, the District property taxes were reduced by $202,706 as follows:

NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS - (Continued)

CRA Program	District Taxes Abated
City of Toledo	$ 11,443
City of Maumee	155,447
City of Waterville	35,816
Total	$ 202,706

Enterprise Zones

Lucas County entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by $58,959 during fiscal year 2021.

NOTE 9 - CAPITAL ASSETS

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

	Balance 06/30/20	Additions	Deductions	Balance 06/30/21
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,392,578	$ 15,000	$ -	$ 2,407,578
Construction in progress	36,368,304	-	(36,368,304)	-
Total capital assets, not being depreciated	38,760,882	15,000	(36,368,304)	2,407,578
Capital assets, being depreciated:				
Land improvements	7,003,566	340,757	-	7,344,323
Buildings and improvements	35,245,068	35,857,597	-	71,102,665
Furniture and equipment	3,705,149	551,152	(49,378)	4,206,923
Vehicles	4,336,060	274,583	(143,453)	4,467,190
Total capital assets, being depreciated	50,289,843	37,024,089	(192,831)	87,121,101
Less: accumulated depreciation:				
Land improvements	(2,967,634)	(561,742)	-	(3,529,376)
Buildings and improvements	(18,083,731)	(1,399,665)	-	(19,483,396)
Furniture and equipment	(2,947,105)	(168,288)	27,609	(3,087,784)
Vehicles	(3,006,279)	(291,447)	143,453	(3,154,273)
Total accumulated depreciation	(27,004,749)	(2,421,142)	171,062	(29,254,829)
Governmental activities capital assets, net	$ 62,045,976	$ 34,617,947	$ (36,390,073)	$ 60,273,850

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 1,153,452
Special	217,993
Support services:	
Pupil	147,238
Instructional staff	40,450
Administration	180,685
Fiscal	24,688
Operations and maintenance	217,830
Pupil transportation	347,054
Central	7,971
Food service operations	49,093
Extracurricular activities	34,688
Total depreciation expense	$ 2,421,142

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NOTE 10 - LONG-TERM OBLIGATIONS

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

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Series 2011, refunding					
Current interest bonds	$ 2,705,000	$ -	$ (2,705,000)	$ -	$ -
Series 2011A, refunding					
Current interest bonds	4,960,000	-	(930,000)	4,030,000	965,000
Series 2015, refunding					
Current interest bonds	5,230,000	-	(325,000)	4,905,000	545,000
Series 2017A					
Current interest bonds	33,320,000	-	(375,000)	32,945,000	400,000
Series 2017A					
Current interest bonds	8,860,000	-	(205,000)	8,655,000	225,000
Series 2020 refunding					
Direct placement					
Current interest bonds	-	2,295,000	(4,000)	2,291,000	220,000
Total G.O. bonds	55,075,000	2,295,000	(4,544,000)	52,826,000	2,355,000
Other long-term obligations:					
Compensated Absences	2,613,210	479,060	(420,375)	2,671,895	355,535
Net pension liability	50,240,305	5,597,714	-	55,838,019	-
Net OPEB liability	4,952,810	-	(661,527)	4,291,283	-
Total other long-term obligations	57,806,325	6,076,774	(1,081,902)	62,801,197	355,535
Total governmental activities	$ 112,881,325	$ 8,371,774	$ (5,625,902)	$ 115,627,197	$ 2,710,535
	Add: unamortized premium on bonds			1,077,354	
	Total on statement of net position			$ 116,704,551	

B. On February 3, 2011, the District issued general obligation refunding bonds (Series 2011, refunding bonds). These bonds refunded the remaining $745,000 callable portion of the Series 2000 issue and the $4,275,000 callable portion of the Series 2001 issue. These bonds were general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduced the liability reported on the statement of net position. The source of payment was derived from a current 2.20 (average) mil bonded debt tax levy. Interest payments on the current interest bonds were due on June 1 and December 1 of each year.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

On September 3, 2020, the District issued unlimited tax general obligation refunding bonds (Series 2020, refunding bonds), to refund $2,295,000 of the outstanding Series 2011 refunding bonds. The remaining principal of $410,000 was retired on December 31, 2021.

C. On November 29, 2011, the District issued general obligation refunding bonds (Series 2011A, refunding bonds). These bonds refunded the $8,090,000 callable portion of the Series 2001, refunding issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position. The source of payment is derived from a current 2.20 (average) mil bonded debt tax levy.

This issue is comprised of current interest bonds, present value $4,030,000 at June 30, 2021. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030.

D. On September 8, 2015, the District issued $5,350,000 in general obligation refunding bonds (Series 2015, refunding bonds). These bonds refunded the $5,425,000 callable portion of the Series 2006 refunding issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position. The source of payment is derived from a current 2.20 (average) mil bonded debt tax levy.

This issue is comprised of current interest bonds, present value $4,905,000 at June 30, 2021. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030.

The net present value savings of the refunding was $628,412. The reacquisition price exceeded the net carrying amount of the old debt by $26,891. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The 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. The refunded bonds, which have an outstanding balance of $4,840,000 at June 30, 2021, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

E. On April 6, 2017, the District issued $35,068,500, in school facilities construction and improvement general obligation bonds, Series 2017A. The bonds were issued for the purpose of constructing, improving, furnishing and equipping a new Whitehouse Elementary school building, new operations building, and new athletic building, with related site improvements. At June 30, 2021, the debt issue is comprised of current interest serial bonds (par value $8,715,000) and current interest term bonds (par value $24,230,000). The interest rate on the current interest serial bonds ranges from 2.00-5.00 percent and the interest rate on the current interest term bonds ranges from 3.75-5.00 percent.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue for the current interest serial bonds and current interest term bonds is December 1, 2034 and December 2053, respectively.

The current interest term bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Current interest term bonds ($5,425,000) maturing on December 1, 2039:

Fiscal Year	Principal Amount to be Redeemed
2035	$ 1,000,000
2036	1,040,000
2037	1,085,000
2038	1,130,000
2039	1,170,000

Current interest term bonds ($3,790,000) maturing on December 1, 2042:

Fiscal Year	Principal Amount to be Redeemed
2040	$ 1,220,000
2041	1,260,000
2042	1,310,000

Current interest term bonds ($7,380,000) maturing on December 1, 2047:

Fiscal Year	Principal Amount to be Redeemed
2043	$ 1,360,000
2044	1,415,000
2045	1,475,000
2046	1,535,000
2047	1,595,000

Current interest term bonds ($8,010,000) maturing on December 1, 2053:

Fiscal Year	Principal Amount to be Redeemed
2048	$ 1,660,000
2049	1,720,000
2050	1,795,000
2051	910,000
2052	945,000
2053	980,000

F. On April 6, 2017, the District issued $9,200,000, in school facilities construction and improvement general obligation bonds, Series 2017B. The bond issue retired the $9,200,000 anticipation notes that were issued during fiscal year 2017 for the purpose of constructing, improving, furnishing and equipping a new Whitehouse Elementary school building, new operations building, and new athletic building, with related site improvements. At June 30, 2021, the debt issue is comprised of current interest serial bonds (par value $850,000) and current interest term bonds (par value $7,805,000). The interest rate on the current interest serial bonds ranges from 2.00-4.00 percent and the interest rate on the current interest term bonds ranges from 4.00-5.00 percent.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue for the current interest serial bonds and current interest term bonds is December 1, 2026 and December 2053, respectively.

The current interest term bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Current interest term bonds ($410,000) maturing on December 1, 2030:

Fiscal Year	Principal Amount to be Redeemed
2027	$ 95,000
2028	100,000
2029	105,000
2030	110,000

Current interest term bonds ($370,000) maturing on December 1, 2033:

Fiscal Year	Principal Amount to be Redeemed
2031	$ 115,000
2032	125,000
2033	130,000

Current interest term bonds ($590,000) maturing on December 1, 2037:

Fiscal Year	Principal Amount to be Redeemed
2034	$ 135,000
2035	145,000
2036	150,000
2037	160,000

Current interest term bonds ($915,000) maturing on December 1, 2042:

Fiscal Year	Principal Amount to be Redeemed
2038	$ 165,000
2039	175,000
2040	185,000
2041	190,000
2042	200,000

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Current interest term bonds ($5,520,000) maturing on December 1, 2053:

Fiscal Year	Principal Amount to be Redeemed
2043	$ 210,000
2044	220,000
2045	230,000
2046	240,000
2047	245,000
2048	255,000
2049	265,000
2050	280,000
2051	1,145,000
2052	1,190,000
2053	1,240,000

G. On September 3, 2020, the District issued $2,295,000 in general obligation refunding bonds (Series 2020, refunding bonds) through a direct placement. These bonds refunded the $2,295,000 of the Series 2011 refunding issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

This issue is comprised of current interest serial bonds, present value $2,291,000 at June 30, 2021. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030.

The net present value savings of the refunding was $230,765. The net carrying value of the old debt exceeded the reacquisition price by $101,952. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized deferred charges are reported as a deferred intflow of resources on the statement of net position. This refunding was undertaken to reduce total debt service payments over the next nine years by $320,216.

The refunding bonds issued through Key Government Finance, Inc. is considered a direct placement. Direct placements occur when the District issues a debt security directly to an investor. Direct placements have terms negotiated directly with the investor and are not offered for public sale.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

H. Principal and interest requirements to retire the District's long-term bonds are as follows:

	Current Interest Bonds			Direct Placement Current Interest Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2022	$ 2,135,000	$ 1,948,744	$ 4,083,744	$ 220,000	$ 41,875	$ 261,875
2023	2,230,000	1,875,262	4,105,262	231,000	37,546	268,546
2024	2,010,000	1,805,231	3,815,231	237,000	33,053	270,053
2025	2,085,000	1,736,663	3,821,663	217,000	28,694	245,694
2026	1,155,000	1,681,100	2,836,100	218,000	24,518	242,518
2027 - 2031	5,395,000	7,828,363	13,223,363	1,168,000	57,024	1,225,024
2032 - 2036	5,175,000	6,709,500	11,884,500	-	-	-
2037 - 2041	6,480,000	5,438,575	11,918,575	-	-	-
2042 - 2046	7,870,000	4,009,863	11,879,863	-	-	-
2047 - 2051	9,590,000	2,270,800	11,860,800	-	-	-
2052 - 2054	6,410,000	391,200	6,801,200	-	-	-
Total	$ 50,535,000	$ 35,695,301	$ 86,230,301	$ 2,291,000	$ 222,710	$ 2,513,710

I. Other Long-Term Obligations

Compensated absences will be paid from the fund from which the employee is paid which, for the District, is the general fund and the food service nonmajor governmental fund. See Note 13 for detail regarding the net pension liability and Note 14 for detail on the net OPEB liability.

J. Legal Debt Margin

The ORC provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2021, are a voted debt margin of $54,222,935 (including available funds of $1,845,982) and an unvoted debt margin of $1,168,922.

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

NOTE 11 - OTHER EMPLOYEE BENEFITS - (Continued)

Each employee earns sick leave at the rate of one and one-fourth days per month. Upon retirement, payment to certified employees is made for 32 percent of the total sick leave accumulation, up to a maximum accumulation of 86 days. Classified employees are paid for 25 percent of the first 200 accumulated days, 33 percent for each day accumulated from 201 to 245 days, and one additional day for each year of service over 20 years. If a classified employee has accumulated a total of 245 sick days or more, and that employee has taken 15 or fewer sick days during the best 4 years of the last 6 years of employment, he/she may receive severance pay for a maximum of 80 days. An employee receiving such payment must have ten full years of service in the District and must meet the retirement provisions set by STRS Ohio and SERS. Two additional days of severance will be granted if the letter is received by December 1.

B. Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance in the amount of $50,000 to certified employees. For classified employees, group term life insurance is provided in the amount of $25,000.

NOTE 12 - RISK MANAGEMENT

The District does not have a "self-insurance" fund with formalized risk management programs. The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees and natural disasters.

During fiscal year 2021, the District purchased from Governmental Underwriters of America, Inc., general liability insurance, which carried a $1 million per occurrence/$3 million annual aggregate limitation.

Fleet and property/casualty insurance are purchased through commercial carriers and traditionally funded.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has not been a significant reduction in amounts of insurance coverage from fiscal year 2021.

The District has elected to provide employee medical/surgical benefits through Paramount Healthcare, a fully funded program. The District provides dental insurance through Core Source, a fully funded program. The District also provides life insurance through Anthem Life Insurance and vision insurance through VSP.

Postemployment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the District.

WORKERS' COMPENSATION

The District uses the firm of Sheakley Uniservice, Inc. to provide administrative support for claims processing, and to assist the District in compliance with Bureau of Workers Compensation and Industrial

Commission regulations. The District purchases its workers compensation coverage from the Bureau of Workers' Compensation.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

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

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

The District's contractually required contribution to SERS was $872,060 for fiscal year 2021. Of this amount, $101,780 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

The District's contractually required contribution to STRS was $3,100,774 for fiscal year 2021. Of this amount, $551,252 is reported as intergovernmental payable.

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.19507690%	0.17440452%	
Proportion of the net pension liability current measurement date	0.19885380%	0.17641193%	
Change in proportionate share	0.00377690%	0.00200741%	
Proportionate share of the net pension liability	$ 13,152,609	$ 42,685,410	$ 55,838,019
Pension expense	$ 1,696,660	$ 5,912,212	$ 7,608,872

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 25,549	$ 95,775	$ 121,324
Net difference between projected and actual earnings on pension plan investments	834,923	2,075,796	2,910,719
Changes of assumptions	-	2,291,382	2,291,382
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	189,124	456,617	645,741
Contributions subsequent to the measurement date	872,060	3,100,774	3,972,834
Total deferred outflows of resources	$ 1,921,656	$ 8,020,344	$ 9,942,000

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 272,943	$ 272,943
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	142,418	142,418
Total deferred inflows of resources	$ -	$ 415,361	$ 415,361

$3,972,834 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ 147,216	$ 1,540,913	$ 1,688,129
2023	292,961	764,974	1,057,935
2024	348,014	1,191,044	1,539,058
2025	261,405	1,007,278	1,268,683
Total	$ 1,049,596	$ 4,504,209	$ 5,553,805

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

NOTE 13 - 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 %	1.85 %
US Equity	22.50	5.75
International Equity	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 18,017,469	$ 13,152,609	$ 9,070,900

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 60,776,593	$ 42,685,410	$ 27,354,640

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 13 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was $103,299.

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 $103,299 for fiscal year 2021, which is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.19694730%	0.17440452%	
Proportion of the net OPEB liability/asset current measurement date	0.19745220%	0.17641193%	
Change in proportionate share	0.00050490%	0.00200741%	
Proportionate share of the net OPEB liability	$ 4,291,283	$ -	$ 4,291,283
Proportionate share of the net OPEB asset	$ -	$ (3,100,438)	$ (3,100,438)
OPEB expense	$ 5,065	$ (164,918)	$ (159,853)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 56,362	$ 198,663	$ 255,025
Net difference between projected and actual earnings on OPEB plan investments	48,352	108,661	157,013
Changes of assumptions	731,515	51,179	782,694
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	123,085	74,064	197,149
Contributions subsequent to the measurement date	103,299	-	103,299
Total deferred outflows of resources	$ 1,062,613	$ 432,567	$ 1,495,180

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 2,182,417	$ 617,563	$ 2,799,980
Changes of assumptions	108,088	2,944,900	3,052,988
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	175,290	3,746	179,036
Total deferred inflows of resources	$ 2,465,795	$ 3,566,209	$ 6,032,004

$103,299 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (311,137)	$ (781,192)	$ (1,092,329)
2023	(307,641)	(707,643)	(1,015,284)
2024	(308,207)	(681,844)	(990,051)
2025	(281,900)	(671,908)	(953,808)
2026	(215,262)	(141,705)	(356,967)
Thereafter	(82,334)	(149,350)	(231,684)
Total	$ (1,506,481)	$ (3,133,642)	$ (4,640,123)

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 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 5,252,423	$ 4,291,283	$ 3,527,177

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,379,058	$ 4,291,283	$ 5,511,160

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,697,582	$ 3,100,438	$ 3,442,245

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 3,421,028	$ 3,100,438	$ 2,709,910

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

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

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

(e) Investments are reported at fair value (GAAP basis) as opposed to cost (budget basis); and,

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ (282,073)
Net adjustment for revenue accruals	425,645
Net adjustment for expenditure accruals	12,977
Net adjustment for other sources/uses	(117,530)
Funds budgeted elsewhere	421,361
Adjustment for encumbrances	502,469
GAAP basis	$ 962,849

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special trust fund, uniform school supplies fund, adult education fund, the public school support fund, and the unclaimed monies fund.

NOTE 16 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2021, if applicable, cannot be determined at this time.

B. Litigation

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

NOTE 17 - SET-ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2020	$ -
Current year set-aside requirement	790,381
Current year offsets	(2,508,013)
Total	$ (1,717,632)
Balance carried forward to fiscal year 2022	$ -
Set-aside balance June 30, 2021	$ -

NOTE 18 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General	$ 358,839
Permanent improvement	713,107
Nonmajor governmental	87,672
Total	$ 1,159,618

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

NOTE 20 - SUBSEQUENT EVENTS

For fiscal year 2022, District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school and scholarship funding will be directly funded by the State of Ohio to the respective schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the respective school. For fiscal year 2021, the District reported $1,397,057 in revenue and expenditures/expense related to these programs. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each District. The District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017
District's proportion of the net pension liability	0.19885380%	0.19507690%	0.18781060%	0.19345910%	0.19238390%
District's proportionate share of the net pension liability	$ 13,152,609	$ 11,671,793	$ 10,756,261	$ 11,558,754	$ 14,080,726
District's covered payroll	$ 6,674,157	$ 6,743,667	$ 6,380,104	$ 6,029,514	$ 6,074,771
District's proportionate share of the net pension liability as a percentage of its covered payroll	197.07%	173.08%	168.59%	191.70%	231.79%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%	62.98%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014
0.18961260%	0.18574300%	0.18574300%
$ 10,819,479	$ 9,400,347	$ 11,045,540
$ 5,708,331	$ 5,397,330	$ 5,212,558
189.54%	174.17%	211.90%
69.16%	71.70%	65.52%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017
District's proportion of the net pension liability	0.17641193%	0.17440452%	0.17518469%	0.17294305%	0.17215747%
District's proportionate share of the net pension liability	$ 42,685,410	$ 38,568,512	$ 38,519,180	$ 41,082,992	$ 57,626,295
District's covered payroll	$ 21,370,793	$ 20,571,236	$ 20,221,143	$ 19,082,029	$ 18,116,214
District's proportionate share of the net pension liability as a percentage of its covered payroll	199.74%	187.49%	190.49%	215.30%	318.09%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.30%	66.80%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014
0.16535905%	0.16151890%	0.16151890%
$ 45,700,405	$ 39,286,991	$ 46,798,407
$ 17,616,257	$ 16,502,769	$ 16,882,762
259.42%	238.06%	277.20%
72.10%	74.70%	69.30%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017
Contractually required contribution	$ 872,060	$ 934,382	$ 910,395	$ 861,314	$ 844,132
Contributions in relation to the contractually required contribution	(872,060)	(934,382)	(910,395)	(861,314)	(844,132)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,229,000	$ 6,674,157	$ 6,743,667	$ 6,380,104	$ 6,029,514
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2016		2015		2014		2013		2012
$	850,468	$	752,358	$	748,070	$	721,418	$	698,567
	(850,468)		(752,358)		(748,070)		(721,418)		(698,567)
$	-	$	-	$	-	$	-	$	-
$	6,074,771	$	5,708,331	$	5,397,330	$	5,212,558	$	5,193,807
	14.00%		13.18%		13.86%		13.84%		13.45%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017
Contractually required contribution	$ 3,064,294	$ 2,991,911	$ 2,879,973	$ 2,830,960	$ 2,671,484
Contributions in relation to the contractually required contribution	(3,064,294)	(2,991,911)	(2,879,973)	(2,830,960)	(2,671,484)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 21,887,814	$ 21,370,793	$ 20,571,236	$ 20,221,143	$ 19,082,029
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2016	2015	2014	2013	2012
	$ 2,536,270	$ 2,466,276	$ 2,145,360	$ 2,194,759	$ 2,190,649
	(2,536,270)	(2,466,276)	(2,145,360)	(2,194,759)	(2,190,649)
	$ -	$ -	$ -	$ -	$ -
	$ 18,116,214	$ 17,616,257	$ 16,502,769	$ 16,882,762	$ 16,851,146
	14.00%	14.00%	13.00%	13.00%	13.00%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.19745220%	0.19694730%	0.19026130%	0.19631960%	0.19455434%
District's proportionate share of the net OPEB liability	$ 4,291,283	$ 4,952,810	$ 5,278,362	$ 5,268,702	$ 5,545,518
District's covered payroll	$ 6,674,157	$ 6,743,667	$ 6,380,104	$ 6,029,514	$ 6,074,771
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	64.30%	73.44%	82.73%	87.38%	91.29%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability/asset	0.17641193%	0.17440452%	0.17518469%	0.17294305%	0.17215747%
District's proportionate share of the net OPEB liability/(asset)	$ (3,100,438)	$ (2,888,557)	$ (2,815,039)	$ 6,747,600	$ 9,207,026
District's covered payroll	$ 21,370,793	$ 20,571,236	$ 20,221,143	$ 19,082,029	$ 18,116,214
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.51%	14.04%	13.92%	35.36%	50.82%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.40%	176.00%	47.10%	37.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017
Contractually required contribution	$ 103,299	$ 84,762	$ 140,018	$ 133,479	$ 107,014
Contributions in relation to the contractually required contribution	(103,299)	(84,762)	(140,018)	(133,479)	(107,014)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,229,000	$ 6,674,157	$ 6,743,667	$ 6,380,104	$ 6,029,514
Contributions as a percentage of covered payroll	1.66%	1.27%	2.08%	2.09%	1.77%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016		2015		2014		2013		2012	
$	96,705	$	134,607	$	92,388	$	84,314	$	103,264
	(96,705)		(134,607)		(92,388)		(84,314)		(103,264)
$	-	$	-	$	-	$	-	$	-
$	6,074,771	$	5,708,331	$	5,397,330	$	5,212,558	$	5,193,807
	1.59%		2.36%		1.71%		1.62%		1.99%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017
Contractually required contribution	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 21,887,814	$ 21,370,793	$ 20,571,236	$ 20,221,143	$ 19,082,029
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2016	2015	2014	2013	2012
	$ -	$ -	$ 167,119	$ 168,828	$ 168,511
	-	-	(167,119)	(168,828)	(168,511)
	$ -	$ -	$ -	$ -	$ -
	$ 18,116,214	$ 17,616,257	$ 16,502,769	$ 16,882,762	$ 16,851,146
	0.00%	0.00%	1.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2021.

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Passed Through to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553		$117,537
COVID-19 School Breakfast Program	10.553		12,317
Total School Breakfast Program			129,854
National School Lunch Program:			
Cash Assistance	10.555		501,889
COVID-19 Cash Assistance	10.555		27,859
Non-Cash Assistance (Food Distribution)	10.555		76,934
Total National School Lunch Program			606,682
Total Child Nutrition Cluster			736,536
Total U.S. Department of Agriculture			**736,536**
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Department of Education			
COVID-19 Coronavirus Relief Fund	21.019		205,291
Total U.S. Department of Treasury			**205,291**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010		414,329
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027		1,080,946
Special Education - Preschool Grants	84.173	$24,729	24,729
Total Special Education Cluster (IDEA)		24,729	1,105,675
English Language Acquisition State Grant	84.365	3,187	3,187
Improving Teacher Quality State Grants	84.367		105,463
Student Support and Academic Enrichment Program	84.424		31,208
Education Stabilization Fund	84.425D		333,961
Total U.S. Department of Education		**27,916**	**1,993,823**
Total Expenditures of Federal Awards		**$27,916**	**$2,935,650**

The accompanying notes are an integral part of this schedule.

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting, except expenditures passed through to the ESC of Lake Erie West are presented on an accrual basis. 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 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, except expenditures passed through the ESC of Lake Erie West are presented on an accrual basis.

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

NOTE E – CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

NOTE G – TRANSFERS BETWEEN PROGRAM YEARS

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

Program Title	CFDA Number	Amt. Transferred	
Title I Grants to Local Educational Agencies	84.010	$	8,095
Improving Teacher Quality	84.367	$	3,280
Student Support and Academic Enrichment	84.424	$	29,550
Special Education Grants to States	84.027	$	6,845
Expanding Opportunities for Each Child NonCompetitive	84.010A	$	7,712

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Anthony Wayne Local School District
Lucas County
9565 Bucher Road
P.O. Box 2487
Whitehouse, Ohio 43571-0486

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anthony Wayne Local School District, Lucas County, Ohio (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 31, 2022, wherein we noted financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

January 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

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

Anthony Wayne Local School District
Lucas County
9565 Bucher Road
P.O. Box 2487
Whitehouse, Ohio 43571-0486

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

January 31, 2022

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	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?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

ANTHONY WAYNE LOCAL SCHOOL DISTRICT

LUCAS 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 2/15/2022

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