OHIO AUDITOR OF STATE
KEITH FABER

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY
JUNE 30, 2021

TABLE OF CONTENTS

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TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Barberton City School District
Summit County
633 Brady Avenue
Barberton, Ohio 44203

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Barberton City School District, Summit 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 17 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 Receipts and Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 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

April 28, 2022

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

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position of governmental activities decreased $5,624,898 compared to the prior year's net position.
- General revenues accounted for $45,265,184 in revenue or 72.10% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for $17,517,378 or 27.90% of total revenues of $62,782,562.
- The District had $68,407,460 in expenses related to governmental activities; only $17,517,378 of these expenses was offset by program specific revenues. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $45,265,184 were not adequate to provide for these programs.
- The District's general fund had $48,784,462 in revenues and $52,138,358 in expenditures. During fiscal year 2021, the general fund's fund balance decreased from $22,151,337 to $18,797,441.
- The bond retirement fund had $4,738,063 in revenues and $4,595,477 in expenditures. During fiscal year 2021, the bond retirement fund's fund balance increased from $2,924,746 to $3,067,332.

Using these Basic Financial Statements

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

The required supplementary information provides detailed information regarding the District's proportionate share of the net pension liability and the net other postemployment benefits (OPEB) liability/asset of the retirement systems. It also includes a ten year schedule of the District's contributions to the retirement systems to fund pension and OPEB obligations.

The District as a Whole

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

Net Position

	Governmental Activities 2021	Governmental Activities 2020
Assets		
Current and other assets	$ 47,290,436	$ 48,757,644
Net OPEB asset	3,173,012	3,042,967
Capital assets, net	98,041,606	101,529,802
Total assets	148,505,054	153,330,413
Deferred outflows of resources		
Unamortized deferred charges on debt refunding	1,831,710	2,056,666
Pension	10,679,610	10,978,709
OPEB	1,954,945	1,570,523
Total deferred outflows of resources	14,466,265	14,605,898
Liabilities		
Current liabilities	5,661,059	5,273,868
Long-term liabilities:		
Due within one year	4,186,783	3,937,562
Due in more than oe year:		
Net pension liability	56,216,334	51,612,539
Net OPEB liability	4,198,479	4,728,883
Other amounts	35,124,384	39,155,108
Long-term liabilities	99,725,980	99,434,092
Total liabilities	105,387,039	104,707,960
Deferred inflows of resources		
Property taxes levied for the next fiscal year	14,946,459	14,355,934
Payment in lieu of taxes levied for the next fiscal year	67,888	-
Pension	1,161,829	2,717,300
OPEB	5,974,850	5,096,965
Total deferred inflows of resources	22,151,026	22,170,199
Net position		
Net investment in capital assets	63,478,882	63,237,934
Restricted	6,561,553	5,932,437
Unrestricted (deficit)	(34,607,181)	(28,112,219)
Total net position	$ 35,433,254	$ 41,058,152

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

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OBEP 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 assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $35,433,254.

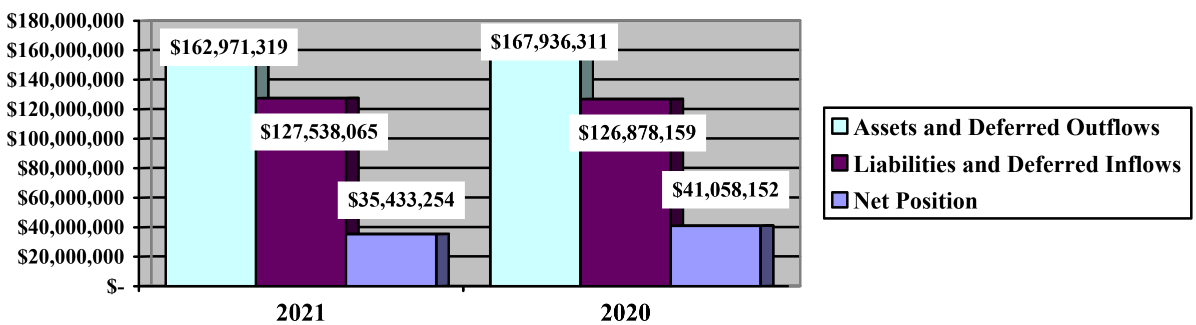
As the previous table illustrates, the most significant changes in net position were in the District's net pension liability and net OPEB liability, and the related deferred inflows/outflows of resources related to pensions. See Note 13 and Note 14 in the notes to the basic financial statements for additional information regarding these components of net position.

At year-end, capital assets represented 66.02% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The District's net investment in capital assets at June 30, 2021 was $63,478,882. Capital assets are used to provide services to the students and are not available for future spending.

A portion of the District's net position, $6,561,553, 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 $34,607,181.

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

Governmental Activities



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

Change in Net Position

	Governmental Activities 2021	Governmental Activities 2020
Revenues		
Program revenues:		
Charges for services and sales	$ 2,342,768	$ 2,874,890
Operating grants and contributions	15,110,591	12,944,966
Capital grants and contributions	64,019	-
General revenues:		
Property taxes	16,551,425	15,565,114
Payments in lieu of taxes	68,933	-
Unrestricted grants and entitlements	28,461,463	28,286,460
Investment earnings	67,352	903,838
Miscellaneous	116,011	815,022
Total revenues	62,782,562	61,390,290

- Continued

Change in Net Position (Continued)

	Governmental Activities 2021	Governmental Activities 2020
Expenses		
Program expenses:		
Instruction:		
Regular	$ 24,757,616	$ 22,595,719
Special	11,488,425	10,786,620
Vocational	1,219,331	1,265,316
Other	5,828,075	5,388,800
Support services:		
Pupil	3,454,470	3,490,649
Instructional staff	1,484,206	1,567,905
Board of education	55,958	51,916
Administration	4,373,488	4,198,161
Fiscal	733,047	730,100
Business	290,315	315,318
Operations and maintenance	5,407,696	5,678,313
Pupil transportation	2,436,898	2,132,554
Central	1,005,257	1,015,452
Operation of non-instructional services:		
Food service operations	2,191,074	2,410,544
Other non-instructional services	472,501	378,950
Extracurricular activities	1,817,944	2,172,788
Interest and fiscal charges	1,391,159	1,550,438
Total expenses	68,407,460	65,729,543
Change in net position	(5,624,898)	(4,339,253)
Net position at beginning of year	41,058,152	45,397,405
Net position at end of year	$ 35,433,254	$ 41,058,152

Governmental Activities

Net position of the District's governmental activities decreased $5,624,898. Total governmental expenses of $68,407,460 were offset by program revenues of $17,517,378 and general revenues of $45,265,184. Program revenues supported 25.61% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 71.70% of total governmental revenues. Property taxes increased during fiscal year 2021 due to Summit County conducting a reappraisal in calendar year 2020 tax year for collections in 2021. Investment earnings experience a significant decrease during the fiscal year as a result of the COVID-19 Pandemic and the Federal Reserve cutting interest rates.

In the area of program revenues, operating grants and contributions increased, which is primarily attributable to $1,071,703 and $683,326 in Elementary and Secondary School Emergency (ESSER) funding and Coronavirus Relief funding, respectively, received during fiscal 2021 in response to the COVID-19 pandemic.

The largest expense of the District is for instructional programs. Instruction expenses totaled $43,293,447 or 63.29% of total governmental expenses for fiscal year 2021.

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

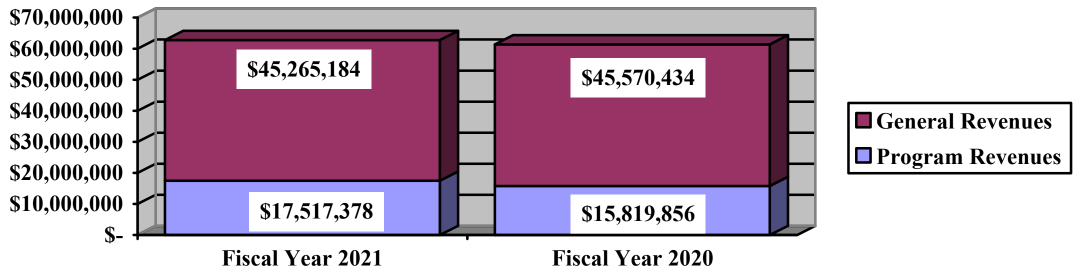
Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses				
Instruction:				
Regular	$ 24,757,616	$ 21,471,045	$ 22,595,719	$ 20,102,441
Special	11,488,425	5,568,269	10,786,620	5,574,513
Vocational	1,219,331	832,008	1,265,316	863,620
Other	5,828,075	5,471,923	5,388,800	5,164,082
Support services:				
Pupil	3,454,470	2,059,233	3,490,649	2,517,504
Instructional staff	1,484,206	617,431	1,567,905	709,895
Board of education	55,958	55,958	51,916	51,916
Administration	4,373,488	4,373,488	4,198,161	4,198,161
Fiscal	733,047	733,047	730,100	730,100
Business	290,315	290,315	315,318	315,318
Operations and maintenance	5,407,696	5,059,105	5,678,313	5,625,123
Pupil transportation	2,436,898	2,178,933	2,132,554	1,929,040
Central	1,005,257	921,768	1,015,452	985,696
Operation of non-instructional services				
Food service operations	2,191,074	475,547	2,410,544	123,329
Other non-instructional services	472,501	93,927	378,950	80,630
Extracurricular activities	1,817,944	1,625,810	2,172,788	1,714,677
Interest and fiscal charges	1,391,159	(937,725)	1,550,438	(776,358)
Total	$ 68,407,460	$ 50,890,082	$ 65,729,543	$ 49,909,687

The dependence upon taxes and other general revenues for governmental activities is apparent; 77.02% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 74.39%.

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

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $24,738,377, which is $2,857,776 less than last year's total fund balance. The table below indicates the fund balance and the change in fund balance as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Change
General	$ 18,797,441	$ 22,151,337	$ (3,353,896)
Bond retirement	3,067,332	2,924,746	142,586
Nonmajor governmental	2,873,604	2,520,070	353,534
Total	$ 24,738,377	$ 27,596,153	$ (2,857,776)

General Fund

The general fund's fund balance decreased $3,353,896 or 15.14%. The tables that follow assist in illustrating the general fund's revenues and expenditures.

	2021 Amount	2020 Amount	Percentage Change
Revenues			
Property taxes	$ 14,038,606	$ 13,395,499	4.80 %
Tuition and fees	2,198,753	2,330,467	(5.65) %
Earnings on investments	78,794	915,333	(91.39) %
Intergovernmental	32,173,195	31,851,561	1.01 %
Other revenues	295,114	1,023,286	(71.16) %
Total	$ 48,784,462	$ 49,516,146	(1.48) %

	2021 Amount	2020 Amount	Percentage Change
Expenditures			
Instruction	$ 34,656,523	$ 32,943,832	5.20 %
Support services	15,612,062	16,205,735	(3.66) %
Other non-instructional services	101,047	124,237	(18.67) %
Extracurricular activities	1,191,347	1,184,879	0.55 %
Facilities acquisition and construction	2,716	1,842,815	(99.85) %
Debt service	574,663	573,981	0.12 %
Total	$ 52,138,358	$ 52,875,479	(1.39) %

Total general fund revenues for fiscal year 2021 decreased 1.48% compared to the prior year. Property taxes increased during fiscal year 2021 due to Summit County conducting a reappraisal in calendar year 2020 tax year for collections in 2021. Earnings on investments experienced a significant decrease during the fiscal year as a result of the COVID-19 Pandemic and the Federal Reserve cutting interest rates. Other revenues decreased due to the District receiving large Bureau of Workers Compensation dividends in fiscal year 2020 that were not received in fiscal year 2021.

Total general fund expenditures for fiscal year 2021 decreased 1.39%. The major fluctuation in expenditures was primarily due to facilities acquisition and construction. The District finished various athletic facility upgrades and the construction of a new bus garage and maintenance building during fiscal year 2020. As a result, there were significantly less capital related expenditures in fiscal year 2021.

Bond Retirement Fund

The bond retirement fund is reported as a major fund for fiscal year 2021. Fund balance increased from $2,924,746 to $3,067,332 during the year as revenues of $4,738,063 exceeded expenditures of $4,595,477. Revenues primarily consist of property taxes and donations from the Barberton Community Foundation. Expenditures are mostly debt service payments on the District's general obligation bonds and County Fiscal Officer fees for administration of the property tax collections.

General Fund Budgeting Highlights

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

For the general fund, original budgeted revenues and other financing sources of $50,675,601 were decreased to $48,929,365 in the final budget. Actual revenues and other financing sources for fiscal year 2021 were $48,928,016, which were $1,349 less than the final budget.

General fund original appropriations (appropriated expenditures plus other financing uses) and final appropriations were both $53,582,001. The actual budget basis expenditures and other financing uses for fiscal year 2021 were $53,064,663, which were $517,338 less than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the District had $98,041,606 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities.

The following table shows fiscal year 2021 balances compared to 2020:

Capital Assets at June 30
(Net of Depreciation)

	2021	2020
Land	$ 16,247,923	$ 16,247,923
Land improvements	3,312,837	3,673,005
Building and improvements	77,114,326	80,061,137
Furniture and equipment	581,444	704,265
Vehicles	785,076	843,472
Total	$ 98,041,606	$ 101,529,802

Total additions to capital assets for fiscal year 2021 amounted to $81,140 and depreciation expense totaled $3,569,336. See Note 8 in the notes to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2021, the District had $33,452,187 in general obligation bonds and capital leases outstanding. Of this total, $3,829,718 is due within one year and $29,622,469 is due in greater than one year. There were no additions to long-term debt, and principal retirement for the year amounted to $3,558,709. See Note 9 in the notes to the basic financial statements for additional information on the District's debt administration.

The following table summarizes the debt outstanding at June 30, 2021 and 2020.

Outstanding Debt, at June 30

	Governmental Activities 2021	Governmental Activities 2020
General obligation bonds	$ 29,830,000	$ 32,960,000
Capital leases	3,622,187	4,050,896
Total	$ 33,452,187	$ 37,010,896

Current Financial Related Activities

The Barberton City School District currently receives 4.5 mills of inside millage. The District currently has two current expense continuing levies, one that is voted at 30.79 from 1976 and prior and a second one that was passed in 1991 at 7.8 mills. In 2019, the voters approved a substitute levy which combined two previous emergency levies together, which will collect at a maximum of 19.35 mills for a 10 year period. The District also has a bond issue that was passed in 2008 for an OFCC project to build a new middle school, elementary and renovate an existing building at 5.2 mills for 27 years. The 2008 bond issue was refunded in 2015 and 2016. In addition to the 2008 bond issue, a continuing 0.9 mill permanent improvement levy was also passed, which 0.5 mills goes toward facilities maintenance for the OFCC project and the remainder to general permanent improvements.

The District also will make the final payment on the high school project in 2022 which was done in conjunction with the Barberton Community Foundation (BCF). When the Barberton Citizens Hospital was sold in 1996 the proceeds funded the BCF. The first project funded by BCF was the construction of a new high school for Barberton City Schools. This has saved the constituents of the Barberton City School Districts over $2 million annually. The final payment was transferred to the District in November of 2021 and final bond payment will be made in 2022 as payments are transferred to the District a year in advance.

Due to the current economic climate, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years. Since the local contribution to public education continues to be based on property taxes, the recent reductions in home value reappraisals have had a negative effect on collections. The County Fiscal Officer conducted a re-appraisal of property values which became effective for calendar year 2021 property tax collections. Property values have rebounded since 2018 with the current district valuation at approximately $396 million. Even though the District's property values have gone up this has not resulted in significant increase in tax receipts due to restrictions still in place from HB 920 enacted in 1976 that restrict growth in tax revenue based on property values for school districts only. The District will continue to be prudent with tax revenue and make the best decisions possible for the students, staff and constituents of the District.

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 the Treasurer of Barberton City School District, 633 Brady Avenue, Barberton, Ohio, 44203.

BASIC
FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 28,171,181
Receivables:	
Property taxes	17,694,415
Payment in lieu of taxes	67,888
Accounts	7,587
Accrued interest	35,501
Intergovernmental	1,226,059
Prepayments	52,566
Materials and supplies inventory	20,525
Inventory held for resale	14,714
Net OPEB asset	3,173,012
Capital assets:	
Nondepreciable capital assets	16,247,923
Depreciable capital assets, net	81,793,683
Capital assets, net	98,041,606
Total assets	148,505,054
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	1,831,710
Pension	10,679,610
OPEB	1,954,945
Total deferred outflows of resources	14,466,265
Liabilities:	
Accounts payable	368,954
Accrued wages and benefits payable	3,732,299
Intergovernmental payable	1,412,736
Accrued interest payable	147,070
Long-term liabilities:	
Due within one year	4,186,783
Due in more than one year:	
Net pension liability	56,216,334
Net OPEB liability	4,198,479
Other amounts due in more than one year	35,124,384
Total liabilities	105,387,039
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	14,946,459
Payment in lieu of taxes levied for the next fiscal year	67,888
Pension	1,161,829
OPEB	5,974,850
Total deferred inflows of resources	22,151,026
Net position:	
Net investment in capital assets	63,478,882
Restricted for:	
Capital projects	327,678
Classroom facilities maintenance	1,443,688
Debt service	3,117,660
Locally funded programs	49,376
State funded programs	970,896
Federally funded programs	265,369
Food service operations	130,985
Student activities	213,354
Other purposes	42,547
Unrestricted (deficit)	(34,607,181)
Total net position	$ 35,433,254

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT 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	$ 24,757,616	$ 1,885,143	$ 1,401,428	$ -	$ (21,471,045)
Special	11,488,425	230,653	5,689,503	-	(5,568,269)
Vocational	1,219,331	44,957	342,366	-	(832,008)
Other	5,828,075	-	356,152	-	(5,471,923)
Support services:					
Pupil	3,454,470	-	1,395,237	-	(2,059,233)
Instructional staff	1,484,206	-	866,775	-	(617,431)
Board of education	55,958	-	-	-	(55,958)
Administration	4,373,488	-	-	-	(4,373,488)
Fiscal	733,047	-	-	-	(733,047)
Business	290,315	-	-	-	(290,315)
Operations and maintenance	5,407,696	-	348,591	-	(5,059,105)
Pupil transportation	2,436,898	-	193,946	64,019	(2,178,933)
Central	1,005,257	6	83,483	-	(921,768)
Operation of non-instructional services:					
Food service operations	2,191,074	57,415	1,658,112	-	(475,547)
Other non-instructional services	472,501	-	378,574	-	(93,927)
Extracurricular activities	1,817,944	124,594	67,540	-	(1,625,810)
Interest and fiscal charges	1,391,159	-	2,328,884	-	937,725
Totals	$ 68,407,460	$ 2,342,768	$ 15,110,591	$ 64,019	(50,890,082)

General revenues:	
Property taxes levied for:	
General purposes	14,169,844
Debt service	2,110,224
Classroom facilities maintenance	226,240
Capital outlay	45,117
Payments in lieu of taxes	68,933
Grants and entitlements not restricted to specific programs	28,461,463
Investment earnings	67,352
Miscellaneous	116,011
Total general revenues	45,265,184
Change in net position	(5,624,898)
Net position at beginning of year	41,058,152
Net position at end of year	$ 35,433,254

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 21,719,199	$ 2,870,636	$ 3,581,346	$ 28,171,181
Receivables:				
Property taxes	15,164,474	2,240,548	289,393	17,694,415
Payment in lieu of taxes	60,904	6,077	907	67,888
Accounts	1,587	-	6,000	7,587
Accrued interest	35,501	-	-	35,501
Interfund loans	576,000	-	-	576,000
Intergovernmental	206,723	-	1,019,336	1,226,059
Prepayments	47,182	-	5,384	52,566
Materials and supplies inventory	-	-	20,525	20,525
Inventory held for resale	-	-	14,714	14,714
Due from other funds	98,481	-	-	98,481
Total assets	$ 37,910,051	$ 5,117,261	$ 4,937,605	$ 47,964,917
Liabilities:				
Accounts payable	$ 232,893	$ -	$ 136,061	$ 368,954
Accrued wages and benefits payable	3,398,294	-	334,005	3,732,299
Compensated absences payable	71,754	-	-	71,754
Intergovernmental payable	1,251,999	-	160,737	1,412,736
Interfund loans payable	-	-	576,000	576,000
Due to other funds	-	-	98,481	98,481
Total liabilities	4,954,940	-	1,305,284	6,260,224
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	12,823,357	1,879,959	243,143	14,946,459
Payment in lieu of taxes levied for the next fiscal year	60,904	6,077	907	67,888
Delinquent property tax revenue not available	1,051,587	163,893	21,058	1,236,538
Intergovernmental revenue not available	201,429	-	493,609	695,038
Accrued interest not available	20,393	-	-	20,393
Total deferred inflows of resources	14,157,670	2,049,929	758,717	16,966,316
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	20,525	20,525
Prepaids	47,182	-	5,384	52,566
Unclaimed monies	6,209	-	-	6,209
Restricted:				
Debt service	-	3,067,332	-	3,067,332
Capital improvements	-	-	306,620	306,620
Classroom facilities maintenance	-	-	1,446,665	1,446,665
Food service operations	-	-	178,277	178,277
State funded programs	-	-	10,913	10,913
Federally funded programs	-	-	944	944
Targeted academic assistance	-	-	187,555	187,555
Extracurricular	-	-	213,324	213,324
Student wellness and success	-	-	988,653	988,653
Student scholarship	-	-	36,338	36,338
Other purposes	-	-	49,376	49,376
Assigned:				
Student instruction	183,649	-	-	183,649
Student and staff support	934,216	-	-	934,216
Extracurricular activities	35,783	-	-	35,783
Facilities acquisition and construction	17,284	-	-	17,284
Subsequent year's appropriations	757,524	-	-	757,524
Operation of non-instruction	1,778	-	-	1,778
School supplies	9,490	-	-	9,490
Other purposes	144,722	-	-	144,722
Unassigned (deficit)	16,659,604	-	(570,970)	16,088,634
Total fund balances	18,797,441	3,067,332	2,873,604	24,738,377
Total liabilities, deferred inflows and fund balances	$ 37,910,051	$ 5,117,261	$ 4,937,605	$ 47,964,917

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

Total governmental fund balances		$ 24,738,377
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.		98,041,606
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 1,236,538	
Accrued interest receivable	20,393	
Intergovernmental receivable	695,038	
Total		1,951,969
Unamortized premiums on bonds issued are not recognized in the funds.		(2,942,247)
Unamortized amounts on refundings are not recognized in the funds.		1,831,710
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(147,070)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	10,679,610	
Deferred inflows - pension	(1,161,829)	
Net pension liability	(56,216,334)	
Deferred outflows - OPEB	1,954,945	
Deferred inflows - OPEB	(5,974,850)	
Net OPEB asset	3,173,012	
Net OPEB liability	(4,198,479)	
Total		(51,743,925)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(29,830,000)	
Capital lease obligations	(3,622,187)	
Compensated absences	(2,844,979)	
Total		(36,297,166)
Net position of governmental activities		$ 35,433,254

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 14,038,606	$ 2,094,605	$ 269,212	$ 16,402,423
Intergovernmental	32,173,195	307,811	8,514,013	40,995,019
Investment earnings	78,794	-	-	78,794
Tuition and fees	2,198,753	-	-	2,198,753
Extracurricular	31,495	-	93,099	124,594
Charges for services	-	-	57,421	57,421
Contributions and donations	12,722	2,328,884	47,835	2,389,441
Payment in lieu of taxes	61,287	6,763	883	68,933
Miscellaneous	189,610	-	19,643	209,253
Total revenues	48,784,462	4,738,063	9,002,106	62,524,631
Expenditures:				
Current:				
Instruction:				
Regular	19,322,392	-	1,463,444	20,785,836
Special	8,732,122	-	2,015,122	10,747,244
Vocational	1,151,783	-	-	1,151,783
Other	5,450,226	-	364,424	5,814,650
Support services:				
Pupil	2,473,135	-	815,498	3,288,633
Instructional staff	561,596	-	786,336	1,347,932
Board of education	54,394	-	-	54,394
Administration	4,019,796	-	-	4,019,796
Fiscal	678,740	34,558	4,432	717,730
Business	278,098	-	-	278,098
Operations and maintenance	4,573,941	-	601,143	5,175,084
Pupil transportation	2,090,527	-	64,019	2,154,546
Central	881,835	-	81,565	963,400
Operation of non-instructional services:				
Food service operations	-	-	1,848,220	1,848,220
Other non-instructional services	101,047	-	342,391	443,438
Extracurricular activities	1,191,347	-	223,578	1,414,925
Facilities acquisition and construction	2,716	-	38,400	41,116
Debt service:				
Principal retirement	428,709	3,130,000	-	3,558,709
Interest and fiscal charges	145,954	1,430,919	-	1,576,873
Total expenditures	52,138,358	4,595,477	8,648,572	65,382,407
Net change in fund balances	(3,353,896)	142,586	353,534	(2,857,776)
Fund balances at beginning of year	22,151,337	2,924,746	2,520,070	27,596,153
Fund balances at end of year	$ 18,797,441	$ 3,067,332	$ 2,873,604	$ 24,738,377

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT 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		$ (2,857,776)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 81,140	
Current year depreciation	(3,569,336)	
Total		(3,488,196)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	149,002	
Tuition	(38,000)	
Earnings on investments	(11,442)	
Intergovernmental	158,371	
Total		257,931
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		3,558,709
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	15,279	
Amortization of bond premiums	395,391	
Amortization of deferred charges	(224,956)	
Total		185,714
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	4,297,907	
OPEB	132,857	
Total		4,430,764
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	(7,645,330)	
OPEB	34,129	
Total		(7,611,201)
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.		(100,843)
Change in net position of governmental activities		$ (5,624,898)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT 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	$ 14,519,143	$ 14,018,440	$ 14,018,440	$ -
Intergovernmental	33,382,423	32,231,204	32,231,204	-
Investment earnings	345,712	333,790	333,790	-
Tuition and fees	2,230,028	2,153,124	2,153,124	-
Contributions and donations	2,071	2,000	2,000	-
Payment in lieu of taxes	63,476	61,287	61,287	-
Miscellaneous	125,109	122,144	120,795	(1,349)
Total revenues	50,667,962	48,921,989	48,920,640	(1,349)
Expenditures:				
Current:				
Instruction:				
Regular	18,935,456	18,935,456	19,024,729	(89,273)
Special	8,852,297	8,852,297	8,802,877	49,420
Vocational	1,249,623	1,249,623	1,100,836	148,787
Other	4,993,563	4,993,563	5,427,573	(434,010)
Support services:				
Pupil	2,776,763	2,776,763	2,640,101	136,662
Instructional staff	648,688	648,688	571,085	77,603
Board of education	75,199	75,199	62,111	13,088
Administration	4,038,782	4,038,782	3,954,013	84,769
Fiscal	801,366	801,366	673,752	127,614
Business	346,426	346,426	288,210	58,216
Operations and maintenance	5,355,363	5,355,363	5,040,581	314,782
Pupil transportation	2,211,204	2,211,204	2,173,378	37,826
Central	912,739	912,739	895,897	16,842
Operation of non-instructional services:				
Other non-instructional services	53,128	53,128	37,882	15,246
Extracurricular activities	1,175,262	1,175,262	1,196,453	(21,191)
Facilities acquisition and construction	13,230	13,230	20,000	(6,770)
Debt service:				
Principal	422,927	422,927	428,709	(5,782)
Interest and fiscal charges	143,985	143,985	145,954	(1,969)
Total expenditures	53,006,001	53,006,001	52,484,141	521,860
Excess of revenues over (under) expenditures	(2,338,039)	(4,084,012)	(3,563,501)	520,511
Other financing sources (uses):				
Refund of prior year's receipts	-	-	(4,522)	(4,522)
Advances (out)	(576,000)	(576,000)	(576,000)	-
Sale of capital assets	7,639	7,376	7,376	-
Total other financing sources (uses)	(568,361)	(568,624)	(573,146)	(4,522)
Net change in fund balance	(2,906,400)	(4,652,636)	(4,136,647)	515,989
Fund balance at beginning of year	22,001,511	22,001,511	22,001,511	-
Prior year encumbrances appropriated	1,582,001	1,582,001	1,582,001	-
Fund balance at end of year	$ 20,677,112	$ 18,930,876	$ 19,446,865	$ 515,989

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	Custodial
Assets:	
Equity in pooled cash and investments	$ 9,214
Total assets	9,214
Net position:	
Restricted for another organization (Head Start)	9,214
Total net position	$ 9,214

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Custodial
Net position at beginning of year	$ 9,214
Net position at end of year	$ 9,214

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Barberton City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board controls the District's four instructional/support facilities staffed by 260 non-certified employees, 309 certified employees and 27 administrators who provide services to approximately 3,400 students.

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).

Within the boundaries of the District, Saint Augustine School is operated as a private school. State legislation provides funding to this private school. The District receives the money and then disburses the money as directed by the private school. The accounting for the monies is reflected in a special revenue fund of the District.

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

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

RELATED ORGANIZATION

The Barberton Public Library is a distinct subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The District is not involved in the budgeting process or operational management of the Library, nor does it subsidize or finance its operations. The selection of directors and approval of the annual budget by the District is conducted only to comply with statutory requirements. There were no related party transactions during fiscal year 2021.

JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology (NEOnet)
NEOnet was established as a jointly governed organization among sixteen school districts and the Summit County Educational Service Center that was formed July 1, 1995. NEOnet was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to improve administrative and instructional functions of member districts. NEOnet has since been restructured and organized as a council of governments (COG) under Ohio Revised Code 3301.075 and Chapter 167. The new COG is called the Metropolitan Regional Service Council. The Council serves several program functions for the nineteen school district members, such as NEOnet ITC functions and as a collaborative purchasing agent. The Council is self supporting and conducts its fiscal services in house with a licensed treasurer.

The Council employs an Executive Director who works cooperatively with a seven-member Board of Directors consisting of four superintendents, the ESC superintendent, one member of the treasurers' committee and one member of the technology committee. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors, who exercises total control over the operation of NEOnet including budgeting, appropriating, contracting and designating management. All revenues are generated from State funding and an annual fee per student to participating districts. The Metropolitan Regional Services Council and NEOnet are located at 700 Graham Rd., Cuyahoga Falls, Ohio 44221.

Four Cities Educational Compact
The Four Cities Educational Compact (Compact) is a jointly governed organization to provide for the vocational and special education needs of the students of four participating school districts. The four-member Board consists of the superintendent from each of the participating school districts. Students may attend any vocational or special education class offered by any of the four districts. If a student elects to attend a class offered by a school district other than the school district in which the student resides, the school district of residence pays an instructional fee to the school district that offered the class. Wadsworth City School District serves as the fiscal agent for this Compact, collecting and distributing payments. The committee exercises total control over the operation of the compact, including budgeting, appropriating, contracting and designating management. All revenues are generated from charges for services. Financial information can be obtained by contacting the fiscal agent at 524 Broad Street, Wadsworth, Ohio 44281.

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

PUBLIC ENTITY RISK POOL

In July 2010, the District joined together with Wadsworth City School District, Copley-Fairlawn City School District, Norton City School District, and Revere Local School District to establish a regional council of governments, organized under Chapter 167 of the Ohio Revised Code, known as the Summit Regional Health Care Consortium (SRHCC) for the purpose of promoting cooperative agreements and activities among its members in purchasing supplies and services and dealing with problems of mutual concern. The members of the SRHCC have undertaken a Health Benefits Program on a cooperative basis for the provision of certain medical, hospitalization, dental, prescription drug, vision, life, and disability income benefits for their employees and the eligible dependents of those employees, and any other health care benefits which the members may determine. As part of this agreement, each member is required to share in the program costs by making monthly payments to cover the program costs. The Treasurer of the fiscal agent (Copley-Fairlawn City School District) serves as the Treasurer of the SRHCC and is responsible for coordinating and administering the Health Benefits Program.

The Health Benefits Program is governed by the Board of Directors of the SRHCC (Board), which consists of one designee by each member school district (with at least one Superintendent designee), and the representative of the fiscal agent or designee. The fiscal agent Treasurer and program consultant shall serve as non-voting members. The SRHCC representatives and the fiscal agent treasurer's representative shall serve a two-year term of office. The officers consist of a Chairperson and Vice-Chairperson who are elected for one year terms by the Board. The fiscal agent Treasurer shall be a permanent member of the Board and shall serve as the Recording Secretary.

In the event of withdrawal, members are entitled to recover its contributions to the SRHCC, if any, along with the proportionate share of interest earned on these contributions which are not encumbered for payment of its share of program costs. Claims submitted by covered persons of a withdrawing member after the recovery of funds will be exclusively the liability of the withdrawing member. Financial information for the SRHCC can be obtained from John Wheadon, Treasurer of the Copley-Fairlawn City School District at 3797 Ridgewood Road, Copley, Ohio 44321-1665.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types. The District has no proprietary funds.

GOVERNMENTAL FUNDS

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:

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

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

Bond retirement fund - The bond retirement fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, 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

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 reports two custodial funds which are used to account for tournament monies collected on behalf of the Ohio High School Athletics Association (OHSAA) and for monies held in a fiscal agent capacity for another entity's Head Start program. The District did not collect or distribute any funds on behalf of OHSAA in fiscal year 2021.

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Custodial funds are reported using the economic resources measurement focus, in which all assets, liabilities, and deferred inflows/outflows of resources are reported.

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, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow 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.

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

See Note 13 and Note 14 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are 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. Budgetary Accounting

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

Estimated Resources - 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 and final budgeted amount in the budgetary statement reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2021.

Appropriations - Upon receipt from the County Fiscal Officer of an amended certificate of resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level for all funds for expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the legal level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, supplemental appropriations were legally enacted.

The amounts reported as the original budget expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The final budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with statutory provisions. Under Ohio law advances are not required to be budgeted.

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

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year-end may be reported as part of restricted, committed or assigned classifications of fund balance.

Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

F. Cash and Investments

To improve cash management, all cash received by the District is pooled in several bank accounts. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. 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 Farm Credit Bureau (FFCB), Federal Home Loan Bank System (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), commercial paper, negotiable CDs, U.S. Treasury obligations, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for STAR Ohio, investments are reported at fair value.

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

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is legally required to be placed in the general fund and the classroom facilities capital projects fund. Interest revenue credited to the general fund during fiscal year 2021 amounted to $78,794 which includes $15,807 assigned from other District funds.

For presentation on the 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 investments at year end is provided in Note 4.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

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

H. Inventory

Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventories of the food service fund consist of donated food, purchased food and supplies held for resale. Inventories reported on the fund financial statements are expended when used. On the government-wide financial statements, inventories are also presented at cost on a first-in, first-out basis and are expensed when used.

I. Capital Assets and Depreciation

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 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 life are not.

All reported capital assets except land 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	Estimated Lives
Land improvements	5 - 30 years
Buildings and improvements	10 - 99 years
Furniture and equipment	5 - 20 years
Vehicles	10 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans as a result of cash deficits in certain funds at fiscal year-end are classified as “due to/from other funds”. These amounts are eliminated in the governmental type activities column on the statement of net position.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefit through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to extent that it is probable that the benefits will result in termination payments. The liability is based on the District’s past experience of making termination 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.

The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term 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. Unamortized Bond Premium and Discount/Accounting Gain or Loss

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

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

On the governmental fund financial statements, bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.A.

N. Fund Balance

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

Nonspendable - The nonspendable fund balance 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.

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.

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

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

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

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

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. 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.

Q. Interfund Transactions

Interfund transfers are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of net position.

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. Neither type of transaction occurred during fiscal year 2021.

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

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

T. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
Auxiliary services	$ 1,630
Public school preschool	16,381
Elementary and secondary school emergency relief	122,184
Coronavirus relief	20,372
IDEA Part B	104,441
Title I	92,108
Miscellaneous federal grants	210,104

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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 five years 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 bills, bonds, notes, 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 obligation or security issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was $4,078,133 and the bank balance of all District deposits was $4,233,890. Of the bank balance, $250,000 was covered by the FDIC, $2,390,334 was covered by the Ohio Pooled Collateral System and $1,593,556 was exposed to custodial credit risk because this amount was uninsured and uncollateralized. 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.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by: (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2021, the District's financial institution was approved for a reduced collateral rate of 60 percent through the OPCS.

B. Investments

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

		Investment Maturities				
Investment/ Measurement 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:						
FFCB	$ 697,116	$ -	$ -	$ -	$ -	$ 697,116
FHLB	1,839,470	-	-	-	-	1,839,470
FHLMC	2,437,367	-	-	-	-	2,437,367
FNMA	1,723,712	-	-	-	1,000,010	723,702
Commercial Paper	4,883,845	4,883,845	-	-	-	-
Negotiable CDs	8,360,542	996,936	3,016,754	1,013,847	2,295,053	1,037,952
U.S. Treasury Obligations	48,244	48,244	-	-	-	-
Amortized Cost:						
STAR Ohio	4,111,966	4,111,966	-	-	-	-
Total	$ 24,102,262	$10,040,991	$ 3,016,754	$ 1,013,847	$ 3,295,063	$ 6,735,607

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The weighted average maturity of investments is 1.29 years.

The District's investments measured at fair value are valued using quoted market 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 is the possibility that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy places a five year limit on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The District's U.S. Treasury obligations and federal agency securities (FFCB, FHLB, FHLMC, and FNMA) were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The commercial paper was rated P-1 and A-1 to A-1+ by Moody's Investor Services and Standard & Poor's, respectively. The negotiable CDs were not rated. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, commercial paper and U.S. Treasury 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.

Concentration of Credit Risk: The District's investment policy places specific limits on the percentage of the District's portfolio 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:

Investment type	Measurement Value	% of Total
FFCB	$ 697,116	2.89
FHLB	1,839,470	7.63
FHLMC	2,437,367	10.11
FNMA	1,723,712	7.15
Commercial Paper	4,883,845	20.26
Negotiable CDs	8,360,542	34.70
U.S. Treasury Obligations	48,244	0.20
STAR Ohio	4,111,966	17.06
Total	$ 24,102,262	100.00

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note 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	$ 4,078,133
Investments	24,102,262
Total	$ 28,180,395
Cash and investments per statement of net position	
Governmental activities	$ 28,171,181
Custodial fund	9,214
Total	$ 28,180,395

NOTE 5 - INTERFUND TRANSACTIONS

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

Receivable fund	Payable fund	Amount
General	Nonmajor special revenue funds	$ 576,000

The primary purpose of the interfund balance is to cover costs in specific funds where revenues were not received by June 30. The interfund balance will be repaid once the anticipated revenues are received and is expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2021 are reported on the Statement of Net Position.

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

Receivable fund	Payable fund	Amount
General	Nonmajor special revenue funds	$ 98,481

The balance resulted from a negative cash balance in the public school preschool fund (a nonmajor governmental fund), the coronavirus relief fund (a nonmajor governmental fund), the IDEA, Part B fund (a nonmajor governmental fund) and the Title I fund (a nonmajor governmental fund) at fiscal year-end. The balances are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District'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.

NOTE 6 - PROPERTY TAXES - (Continued)

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 Summit County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was $1,289,530 in the general fund, $196,696 in the bond retirement fund and $25,192 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2020 was $1,269,364 in the general fund, $198,292 in the bond retirement fund and $25,342 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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	$ 328,850,740	95.24	$ 376,952,900	95.29
Public utility personal	16,426,680	4.76	18,617,070	4.71
Total	$ 345,277,420	100.00	$ 395,569,970	100.00
Tax rate per $1,000 of assessed valuation	$70.23		$67.36	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2021 consisted of property taxes, payment in lieu of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 17,694,415
Payments in lieu of taxes	67,888
Accounts	7,587
Accrued interest	35,501
Intergovernmental	1,226,059
Total governmental activities	$ 19,031,450

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

NOTE 8 - CAPITAL ASSETS

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

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 16,247,923	$ -	$ -	$ 16,247,923
Total capital assets, not being depreciated	16,247,923	-	-	16,247,923
Capital assets, being depreciated:				
Land improvements	11,299,618	-	-	11,299,618
Buildings and improvements	117,530,337	-	-	117,530,337
Furniture and equipment	5,680,552	-	-	5,680,552
Vehicles	2,528,904	81,140	(53,315)	2,556,729
Total capital assets, being depreciated	137,039,411	81,140	(53,315)	137,067,236
Less: accumulated depreciation:				
Land improvements	(7,626,613)	(360,168)	-	(7,986,781)
Buildings and improvements	(37,469,200)	(2,946,811)	-	(40,416,011)
Furniture and equipment	(4,976,287)	(122,821)	-	(5,099,108)
Vehicles	(1,685,432)	(139,536)	53,315	(1,771,653)
Total accumulated depreciation	(51,757,532)	(3,569,336)	53,315	(55,273,553)
Governmental activities capital assets, net	$ 101,529,802	$ (3,488,196)	$ -	$ 98,041,606

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 2,428,529
Special	82,178
Vocational	8,641
Support services:	
Instructional staff	92,328
Administration	81,225
Operations and maintenance	37,543
Pupil transportation	255,882
Central	13,813
Extracurricular activities	307,581
Food service operations	261,616
Total depreciation expense	$ 3,569,336

NOTE 9 - LONG-TERM OBLIGATIONS

A. Activity in the District's long-term obligations during fiscal year 2021 were as follows:

Governmental activities	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due within One Year
Bonds					
School improvements refunding, Series 2013	$ 6,320,000	$ -	$ (2,075,000)	$ 4,245,000	$ 2,160,000
School improvements refunding, Series 2015	21,160,000	-	(1,055,000)	20,105,000	1,225,000
School improvements refunding, Series 2016	5,480,000	-	-	5,480,000	-
Total bonds	32,960,000	-	(3,130,000)	29,830,000	3,385,000
Other obligations					
Compensated absences	2,744,136	559,167	(386,570)	2,916,733	357,065
Net pension liability	51,612,539	4,603,795	-	56,216,334	-
Net OPEB liability	4,728,883	-	(530,404)	4,198,479	-
Direct borrowing - capital leases	4,050,896	-	(428,709)	3,622,187	444,718
Total long-term obligations	$ 96,096,454	$ 5,162,962	$ (4,475,683)	96,783,733	$ 4,186,783
Add: Unamortized premium on bonds				2,942,247	
Total on statement of net position				$ 99,725,980	

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

B. See Note 10 for detail on the capital leases, Note 13 for detail on the net pension liability, and Note 14 for detail on the net OPEB liability.

Compensated Absences - Compensated absences will be paid from the fund from which the employee is paid, which for the District is primarily the general fund and the following nonmajor governmental funds: classroom facilities maintenance, auxiliary services, public school preschool, student wellness and success, IDEA - Part B, Title I, miscellaneous federal grants, and food service.

School Improvement Refunding Bonds (Series 2013): During fiscal year 2013, the District issued general obligation refunding bonds to advance refund the series 2005 current interest bonds. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to this bond are recorded as expenditures in the bond retirement fund.

The issuance proceeds of $17,600,115 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in substance) and accordingly has been removed from the statement of net position. At June 30, 2021, there was no defeased balance of the series 2005 current interest bonds remaining.

The reacquisition price exceeded the net carrying amount of the old debt by $582,185. This amount is amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued, and is reported as a deferred outflow of resources on the statement of net position.

This issue is comprised of current interest bonds, par value $16,290,000, with interest rates ranging from 0.55% to 4.00%. Interest payments are due on May 1 and November 1 of each year. The final maturity date stated in the issue is November 1, 2022.

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

	Current Interest Bonds		
Fiscal Year	Principal	Interest	Total
2022	$ 2,160,000	$ 126,600	$ 2,286,600
2023	2,085,000	41,700	2,126,700
Total	$ 4,245,000	$ 168,300	$ 4,413,300

School Improvement Refunding Bonds (Series 2015): During fiscal year 2015, the District issued general obligation refunding bonds to advance refund a portion of the series 2008 current interest bonds. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to this bond are recorded as expenditures in the bond retirement fund.

The issuance proceeds of $24,605,490 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in substance) and accordingly has been removed from the statement of net position. At June 30, 2021, $20,625,000 of this debt was outstanding.

The reacquisition price exceeded the net carrying amount of the old debt by $2,336,743. This amount is amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued, and is reported as a deferred outflow of resources on the statement of net position.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

This issue is comprised of current interest bonds, par value $21,215,000, with interest rates ranging from 2.00% to 5.25%. Interest payments are due on June 1 and December 1 of each year. The final maturity date stated in the issue is December 1, 2031.

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

	Current Interest Bonds		
Fiscal Year	Principal	Interest	Total
2022	$ 1,225,000	$ 945,425	$ 2,170,425
2023	1,295,000	888,050	2,183,050
2024	1,380,000	821,175	2,201,175
2025	1,550,000	747,925	2,297,925
2026	1,650,000	667,925	2,317,925
2027 - 2031	10,420,000	1,869,756	12,289,756
2032	2,585,000	42,006	2,627,006
Total	$ 20,105,000	$ 5,982,262	$ 26,087,262

<u>School Improvement Refunding Bonds (Series 2016)</u>: During fiscal year 2016, the District issued general obligation refunding bonds to advance refund a portion of the series 2008 current interest bonds. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund.

The issuance proceeds of $8,151,765 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in substance) and accordingly has been removed from the statement of net position. At June 30, 2021, $5,515,000 of this debt was outstanding.

The reacquisition price exceeded the net carrying amount of the old debt by $447,887. This amount is amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued, and is reported as a deferred outflow of resources on the statement of net position. The refunding was undertaken to reduce total debt service payments by $503,248 and resulted in an economic gain of $380,535.

This issue is comprised of current interest bonds, par value $7,500,000, with interest rates ranging from 4.00% to 4.125%. Interest payments are due on June 1 and December 1 of each year. The final maturity date stated in the issue is December 1, 2033.

The following is a summary of the future debt service requirements to maturity for the series 2016 general obligation refunding bonds:

	Current Interest Bonds		
Fiscal Year	Principal	Interest	Total
2022	$ -	$ 222,556	$ 222,556
2023	-	222,556	222,556
2024	-	222,556	222,556
2025	-	222,556	222,556
2026	-	222,556	222,556
2027 - 2031	-	1,112,780	1,112,780
2032 - 2034	5,480,000	444,590	5,924,590
Total	$ 5,480,000	$ 2,670,150	$ 8,150,150

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

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

The Ohio Revised Code further provides that when a board of education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the 9 percent limit to finance additional facilities, the State Department of Education may declare that District a "special needs" District. This permits the incurrence of additional debt based upon projected 5-year growth of the school district's assessed valuation. The District was determined to be a "special needs" District on November 14, 2007.

At June 30, 2021, the District's unvoted debt margin was $395,570.

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

In fiscal year 2019, the District entered into a $4,464,172 lease-purchase agreement with Key Government Finance (the "Lessor") to finance athletic facilities improvements and construction of a bus garage and maintenance facility. The lease meets the criteria of a capital lease as defined by GAAP, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Principal payments in fiscal year 2021 amounted to $428,709 and were paid from the general fund.

The lease is considered to be a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. In conjunction with the fiscal year 2019 lease-purchase agreement, the District and the Lessor entered into a Ground Lease agreement whereby the District has leased to the Lessor, under a Ground Lease, the Project Site and the Lessor has subleased the Project Site, and the facilities already located and/or to be constructed thereon (the "Project Facilities") back to the District under the terms of the lease-purchase agreement. The Project Site and Project Facilities are collateral for the debt as, in the event of default or "Nonappropriation of Funds", the Lessor shall have all legal and equitable rights to take possession of the Project Site and Project Facilities and/or assign the Ground Lease. The lease purchase agreement has no significant finance-related terms related to events of default, termination events, or subjective acceleration clauses except to state that there shall be no right under any circumstances to accelerate the maturities of base rent payments or otherwise declare any base rent not then past due or in default to be immediately due and payable.

The capital assets acquired under capital leases are as follows:

Land improvements	$ 772,140
Buildings and improvements	4,761,831
Less: accumulated depreciation	(323,346)
Total	$ 5,210,625

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

A liability is recorded at lease inception in the government-wide financial statements for the present value of the future minimum lease payments. The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2021:

Fiscal Year Ending June 30,	Amount
2022	$ 574,663
2023	574,663
2024	574,663
2025	574,663
2026	574,663
2027 - 2029	1,293,776
Total Minimum lease payments	4,167,091
Less: amount representing interest	(544,904)
Total	$ 3,622,187

NOTE 11 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and state laws. Classified employees earn ten to thirty days of vacation per year, depending upon length of service. Administrator employees earn twenty vacation days per year and teachers do not earn vacation time.

Teachers, administrators, and classified employees can earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred sixty-five days for certified employees, two hundred fifty-five days for year round classified employees and two hundred forty days for all other classified employees. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to a maximum established by negotiated agreements.

B. Health Care Benefits

The District provides medical, dental, vision and life insurance benefits to most employees. The premium and coverage varies with employee depending on the terms of the union contract.

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in any of the past three years.

In July 2010, the District joined the Summit Regional Health Care Consortium (SRHCC) Health Benefits Program, a public entity risk pool, to provide employee hospitalization, dental, prescription drug, vision, life, and disability benefits (see Note 2.A for detail). Premium rates are set or determined by the Board of Directors of the SRHCC. To the extent and in the manner permitted by any applicable agreements, policies, rules, regulations and laws, each member of the SRHCC may require contributions from its employees toward the cost of any benefit program being offered by the District and such contributions shall be included in the payments from the District to the fiscal agent of the SRHCC. The District pays a monthly premium to the SRHCC. Because the District is a member of the SRHCC and the SRHCC holds the reserves for Incurred But Not Reported (IBNR) claims, not the individual districts, IBNR information is not available on a district-by-district basis.

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 as 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	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 $989,549 for fiscal year 2021. Of this amount, $15,204 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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 $3,308,358 for fiscal year 2021. Of this amount, $611,764 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	0.18355340%	0.18372743%	
Proportion of the net pension liability current measurement date	0.18946730%	0.18054129%	
Change in proportionate share	0.00591390%	-0.00318614%	
Proportionate share of the net pension liability	$ 12,531,766	$ 43,684,568	$ 56,216,334
Pension expense	$ 1,910,767	$ 5,734,563	$ 7,645,330

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	$ 24,343	$ 98,017	$ 122,360
Net difference between projected and actual earnings on pension plan investments	795,512	2,124,387	2,919,899
Changes of assumptions	-	2,345,016	2,345,016
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	313,898	680,530	994,428
Contributions subsequent to the measurement date	989,549	3,308,358	4,297,907
Total deferred outflows of resources	$ 2,123,302	$ 8,556,308	$ 10,679,610

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 279,333	$ 279,333
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	882,496	882,496
Total deferred inflows of resources	$ -	$ 1,161,829	$ 1,161,829

$4,297,907 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	$ 234,034	$ 1,617,539	$ 1,851,573
2023	319,067	504,587	823,654
2024	331,586	1,153,124	1,484,710
2025	249,066	810,871	1,059,937
Total	$ 1,133,753	$ 4,086,121	$ 5,219,874

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	$ 17,166,990	$ 12,531,766	$ 8,642,726

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	$ 62,199,220	$ 43,684,568	$ 27,994,943

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 $132,857.

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 $132,857 for fiscal year 2021. Of this amount, $132,857 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 were discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

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

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

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	0.18804290%	0.18372743%	
Proportion of the net OPEB liability/asset current measurement date	0.19318210%	0.18054129%	
Change in proportionate share	0.00513920%	-0.00318614%	
Proportionate share of the net OPEB liability	$ 4,198,479	$ -	$ 4,198,479
Proportionate share of the net OPEB asset	$ -	$ (3,173,012)	$ (3,173,012)
OPEB expense	$ 123,500	$ (157,629)	$ (34,129)

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	$ 55,142	$ 203,314	$ 258,456
Net difference between projected and actual earnings on OPEB plan investments	47,308	111,206	158,514
Changes of assumptions	715,695	52,377	768,072
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	473,910	163,136	637,046
Contributions subsequent to the measurement date	132,857	-	132,857
Total deferred outflows of resources	$ 1,424,912	$ 530,033	$ 1,954,945

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 2,135,221	$ 632,020	$ 2,767,241
Changes of assumptions	105,749	3,013,834	3,119,583
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	88,026	88,026
Total deferred inflows of resources	$ 2,240,970	$ 3,733,880	$ 5,974,850

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

$132,857 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (173,585)	$ (788,326)	$ (961,911)
2023	(170,164)	(713,055)	(883,219)
2024	(170,720)	(686,653)	(857,373)
2025	(192,815)	(719,437)	(912,252)
2026	(173,654)	(142,311)	(315,965)
Thereafter	(67,977)	(154,065)	(222,042)
Total	$ (948,915)	$ (3,203,847)	$ (4,152,762)

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 1.50% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make 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, 2034 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	$ 5,138,834	$ 4,198,479	$ 3,450,899

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,305,983	$ 4,198,479	$ 5,391,975

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.

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	$ 2,760,725	$ 3,173,012	$ 3,522,819

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 3,501,105	$ 3,173,012	$ 2,773,342

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

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ (4,136,647)
Net adjustment for revenue accruals	(299,623)
Net adjustment for expenditure accruals	(377,926)
Net adjustment for other sources/uses	573,146
Funds budgeted elsewhere	(592,755)
Adjustment for encumbrances	1,479,909
GAAP basis	$ (3,353,896)

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 unclaimed monies, uniform school supplies, rotary - special services, rotary, public school support, special enterprise and internal service funds.

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.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. ODE has finalized the impact of enrollment adjustments to the June 30, 2021 foundation funding for the District. $5,294 has been recorded as an intergovernmental receivable and $90,465 as an intergovernmental payable on the basic financial statements.

NOTE 17 - 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 18 - SET-ASIDES

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

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

NOTE 18 - SET-ASIDES - (Continued)

	Capital Improvements
Set-aside balance June 30, 2020	$ -
Current year set-aside requirement	644,952
Current year offsets	(308,877)
Prior year offset from bond proceeds	(336,075)
Total	$ -
Balance carried forward to fiscal year 2022	$ -
Set-aside balance June 30, 2021	$ -

During fiscal year 2009, the District issued $34,249,993 in capital related school improvement bonds. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to $0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $28,378,856 at June 30, 2021.

NOTE 19 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are for subsequent-year expenditures and 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, net of any amounts reported as payable, were as follows:

Fund	Year-End Encumbrances
General	$ 1,075,032
Nonmajor governmental	540,951
Total	$ 1,615,983

NOTE 20 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Barberton provides tax abatements through Community Reinvestment Area and Enterprise Zone agreements. Under the agreements, various businesses receive the abatement of property taxes in exchange for bringing jobs and economic development to the City. The agreements affect the property tax receipts collected and distributed to the District. Under the agreements, the District's property taxes were reduced by $215,775 during fiscal year 2021.

NOTE 21 - SUBSEQUENT EVENT

For fiscal year 2022, District foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported $4,151,507 in revenues and expenditures/expenses related to these programs. Also, during fiscal year 2021, the District reported $1,562,764 in tuition and fees from the resident school districts which will be direct funded to the District as the educating entity in fiscal year 2022. 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.

REQUIRED SUPPLEMENTARY INFORMATION

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net pension liability	0.18946730%	0.18355340%	0.17407690%	0.16228220%
District's proportionate share of the net pension liability	$ 12,531,766	$ 10,982,322	$ 9,969,706	$ 9,696,003
District's covered payroll	$ 6,634,186	$ 6,298,170	$ 5,661,607	$ 5,367,400
District's proportionate share of the net pension liability as a percentage of its covered payroll	188.90%	174.37%	176.09%	180.65%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014	
	0.16328860%		0.15551570%		0.15302900%		0.15302900%
$	11,951,219	$	8,873,877	$	7,744,711	$	9,100,143
$	5,075,457	$	4,681,836	$	4,446,724	$	4,416,792
	235.47%		189.54%		174.17%		206.04%
	62.98%		69.16%		71.70%		65.52%

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net pension liability	0.18054129%	0.18372743%	0.18042642%	0.18394444%
District's proportionate share of the net pension liability	$ 43,684,568	$ 40,630,217	$ 39,671,719	$ 43,696,396
District's covered payroll	$ 21,693,029	$ 21,615,343	$ 20,967,586	$ 19,903,950
District's proportionate share of the net pension liability as a percentage of its covered payroll	201.38%	187.97%	189.20%	219.54%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014	
	0.17751836%		0.17719116%		0.16852908%		0.16852908%
$	59,420,746	$	48,970,454	$	40,992,105	$	48,829,527
$	19,378,143	$	18,718,050	$	17,219,015	$	18,375,592
	306.64%		261.62%		238.06%		265.73%
	66.80%		72.10%		74.70%		69.30%

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 989,549	$ 928,786	$ 850,253	$ 764,317
Contributions in relation to the contractually required contribution	(989,549)	(928,786)	(850,253)	(764,317)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,068,207	$ 6,634,186	$ 6,298,170	$ 5,661,607
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	751,436	$	710,564	$	617,066	$	616,316	$	611,284	$	643,695
	(751,436)		(710,564)		(617,066)		(616,316)		(611,284)		(643,695)
$	-	$	-	$	-	$	-	$	-	$	-
$	5,367,400	$	5,075,457	$	4,681,836	$	4,446,724	$	4,416,792	$	4,785,836
	14.00%		14.00%		13.18%		13.86%		13.84%		13.45%

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 3,308,358	$ 3,037,024	$ 3,026,148	$ 2,935,462
Contributions in relation to the contractually required contribution	(3,308,358)	(3,037,024)	(3,026,148)	(2,935,462)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 23,631,129	$ 21,693,029	$ 21,615,343	$ 20,967,586
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ 2,786,553	$ 2,712,940	$ 2,620,527	$ 2,238,472	$ 2,388,827	$ 2,661,759
(2,786,553)	(2,712,940)	(2,620,527)	(2,238,472)	(2,388,827)	(2,661,759)
$ -	$ -	$ -	$ -	$ -	$ -
$ 19,903,950	$ 19,378,143	$ 18,718,050	$ 17,219,015	$ 18,375,592	$ 20,475,069
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.19318210%	0.18804290%	0.17658540%	0.16498380%
District's proportionate share of the net OPEB liability	$ 4,198,479	$ 4,728,883	$ 4,898,956	$ 4,427,732
District's covered payroll	$ 6,634,186	$ 6,298,170	$ 5,661,607	$ 5,367,400
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	63.29%	75.08%	86.53%	82.49%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	
	0.16553695%
$	4,718,415
$	5,075,457
	92.97%
	11.49%

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net OPEB liability/asset	0.18054129%	0.18372743%	0.18042642%	0.18394444%
District's proportionate share of the net OPEB liability/(asset)	$ (3,173,012)	$ (3,042,967)	$ (2,899,268)	$ 7,176,833
District's covered payroll	$ 21,693,029	$ 21,615,343	$ 20,967,586	$ 19,903,950
District's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	(14.63%)	(14.08%)	(13.83%)	36.06%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.70%	176.00%	47.10%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017
0.17751836%
$ 9,493,728
$ 19,378,143
48.99%
37.30%

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 132,857	$ 107,892	$ 145,970	$ 124,402
Contributions in relation to the contractually required contribution	(132,857)	(107,892)	(145,970)	(124,402)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,068,207	$ 6,634,186	$ 6,298,170	$ 5,661,607
Contributions as a percentage of covered payroll	1.88%	1.63%	2.32%	2.20%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	91,330	$	84,028	$	116,702	$	84,610	$	79,917	$	105,119
	(91,330)		(84,028)		(116,702)		(84,610)		(79,917)		(105,119)
$	-	$	-	$	-	$	-	$	-	$	-
$	5,367,400	$	5,075,457	$	4,681,836	$	4,446,724	$	4,416,792	$	4,785,836
	1.70%		1.66%		2.49%		1.90%		1.81%		2.20%

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 23,631,129	$ 21,693,029	$ 21,615,343	$ 20,967,586
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	-	$	-	$	-	$	172,190	$	183,756	$	204,751
	-		-		-		(172,190)		(183,756)		(204,751)
$	-	$	-	$	-	$	-	$	-	$	-
$	19,903,950	$	19,378,143	$	18,718,050	$	17,219,015	$	18,375,592	$	20,475,069
	0.00%		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)

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 non-Medicare 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 prescription drug Medicare from (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 (6.69%) initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; and prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

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BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education				
Child Nutrition Cluster:				
COVID-19 School Breakfast Program	10.553	043539-3L70-2021	$ 40,192	$ -
School Breakfast Program	10.553	043539-3L70-2021	419,151	-
COVID-19 National School Lunch Program	10.555	043539-3L60-2021	103,282	-
National School Lunch Program	10.555	043539-3L60-2021	765,080	168,146
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	3,518	-
Total Child Nutrition Cluster			1,331,223	168,146
Total U.S. Department of Agriculture			1,331,223	168,146
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Special Education Cluster:				
Special Education - Grants to States	84.027A	043539-3M20-2020	58,665	-
Special Education - Grants to States	84.027A	043539-3M20-2021	883,262	-
IDEA 6B Restoration	84.027A	043539-3M20-2021	1,895	-
Special Education Preschool Grants	84.173A	043539-3C50-2021	19,047	-
Total Special Education Cluster			962,869	-
Title I:				
Title I Grants to Local Education Agencies	84.010A	043539-M00-2020	196,426	-
Title I Grants to Local Education Agencies	84.010A	043539-M00-2021	1,359,329	-
School Quality Improvement	84.010A	043539-M00-2021	29,501	-
School Quality Improvement	84.010A	043539-M00-2021	174,759	-
Expanding Opportunities for Each Child	84.010A	043539-M00-2021	27,615	-
Total Title I Grants to Local Education Agencies			1,787,630	-
Title II-A:				
Supporting Effective Instruction State Grant	84.367A	043539-3Y60-2019	(170)	-
Supporting Effective Instruction State Grant	84.367A	043539-3Y60-2020	6,721	-
Supporting Effective Instruction State Grant	84.367A	043539-3Y60-2021	66,170	-
Total Supporting Effective Instruction State Grant			72,721	-
Title IV-A				
Student Support and Academic Enrichment Program	84.424A	043539-3H10-2020	27,096	-
Student Support and Academic Enrichment Program	84.424A	043539-3H10-2021	191,152	-
Total Student Support and Academic Enrichment Program			218,248	-
Elementary and Secondary School Emergency Relief				
COVID-19 Education Stabilization Fund (ESSER - Round 1)	84.425D	043539-3HS0-2021	753,577	-
COVID-19 Education Stabilization Fund (ESSER - Round 2)	84.425D	043539-3HS0-2022	195,942	-
Total Elementary and Secondary School Emergency Relief			949,519	-
Comprehensive Literacy State Development Subgrant				
Striving Readers Comprehensive Literacy	84.371C	043539-3FE0-2020	180,497	-
Comprehensive Literacy State Development Subgrant	84.371C	043539-3FE0-2021	13,926	-
Total Comprehensive Literacy State Development Subgrant			194,423	-
Direct Program				
Impact Aid	84.041	N/A	17,440	-
Total U.S. Department of Education			4,202,850	-

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Department of Education				
COVID-19 Coronavirus Relief Fund	21.019	N/A	207,410	-
COVID-19 BroadbandOhio Connectivity	21.019	N/A	68,871	-
Passed Through Summit County, Ohio				
COVID-19 Coronavirus Relief Fund	21.019	N/A	384,553	-
Total U.S. Department of Treasury			660,834	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed Through State Library of Ohio				
COVID-19 CARES Act Mini Grant	45.310	N/A	2,999	-
Total Institute of Museum and Library Services			2,999	-
Total Expenditures of Federal Awards			**$ 6,197,906**	**$ 168,146**

The accompanying notes are an integral part of this schedule.

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Barberton City School District (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. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

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

Program Title	AL Number	Amt. Transferred
Title I Grants to Local Educational Agencies	84.010	$ 130,021
Expanding Opportunities for Each Child	84.010A	20
Supporting Effective Instruction State Grant	84.367A	77,673
Special Education - Grants to States	84.027	59,554
Special Education - Preschool Grant	84.173	1,008
Student Support and Academic Enrichment, Title IV-A	84.424A	21,223

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

Barberton City School District
Summit County
633 Brady Avenue
Barberton, Ohio 44203

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Barberton City School District, Summit County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements and have issued our report thereon dated April 28, 2022 wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

April 28, 2022

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 COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Barberton City School District
Summit County
633 Brady Avenue
Barberton, Ohio 44203

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Programs

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

April 28, 2022

BARBERTON CITY SCHOOL DISTRICT
SUMMIT 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):**	Special Education Cluster Elementary and Secondary School Emergency Relief
(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 AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

BARBERTON CITY SCHOOL DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/17/2022

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