OHIO AUDITOR OF STATE
KEITH FABER

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY
JUNE 30, 2021

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BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY
JUNE 30, 2021

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Bellevue City School District
Huron County
125 North Street, P.O. Box 8003
Bellevue, Ohio 44811-8003

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

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

February 28, 2022

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BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

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

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

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- In total, net position of governmental activities increased $15,686 which represents a 0.44% increase from 2020's net position.

- General revenues accounted for $22,990,862 in revenue or 82.24% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for $4,964,829 or 17.76% of total revenues of $27,955,691.

- The District had $27,940,005 in expenses related to governmental activities; only $4,964,829 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $22,990,862 were adequate to provide for these programs.

- The District's major governmental funds are the general fund and debt service fund. The general fund had $22,542,841 in revenues and $22,229,087 in expenditures and other financing uses. During fiscal year 2021, the general fund's fund balance increased $318,090 from a fund balance of $7,799,193 to $8,117,283.

- The debt service fund had $1,732,162 in revenues and other financing sources and $1,289,484 in expenditures. During fiscal year 2021, the debt service fund's fund balance increased $442,678.

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows 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 net 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

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 debt service 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 is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in an agency fund. 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

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

The 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	$ 24,446,696	$ 23,549,991
Net OPEB asset	1,495,289	1,412,793
Capital assets, net	39,371,819	40,319,389
Total assets	65,313,804	65,282,173
Deferred Outflows of Resources		
Pension	4,698,125	4,697,576
OPEB	635,976	441,195
Total deferred outflows of resources	5,334,101	5,138,771
Liabilities		
Current liabilities	2,823,038	2,624,133
Long-term liabilities:		
Due within one year	1,299,736	1,161,297
Due in more than one year:		
Net pension liability	26,545,159	24,446,068
Net OPEB liability	1,972,394	2,411,829
Other amounts	23,130,727	23,994,443
Total liabilities	55,771,054	54,637,770
Deferred Inflows of Resources		
Property taxes levied for the next fiscal year	7,621,140	8,196,844
Deferred charges on refunding	200,398	212,543
Pension	488,545	1,365,143
OPEB	2,954,973	2,412,535
Total deferred inflows of resources	11,265,056	12,187,065
Net Position		
Net investment in capital assets	19,452,051	19,537,564
Restricted	4,567,830	3,890,473
Unrestricted (deficit)	(20,408,086)	(19,831,928)
Total net position	$ 3,611,795	$ 3,596,109

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows by $3,611,795.

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

At year-end, capital assets represented 60.28% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2021, was $19,452,051. These capital assets are used to provide services to the students and are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $4,567,830, 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 $20,408,086.

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

Change in Net Position

	Governmental Activities 2021	Governmental Activities 2020
Revenues		
Program revenues:		
Charges for services and sales	$ 1,097,612	$ 1,504,323
Operating grants and contributions	3,825,245	2,692,368
Capital grants and contributions	41,972	-
General revenues:		
Property taxes	10,618,298	9,916,833
School district income taxes	1,636,913	1,478,013
Grants and entitlements	10,328,931	10,118,287
Investment earnings	123,773	249,995
Change in fair value of investments	(102,422)	218,250
Other	385,369	422,979
Total revenues	27,955,691	26,601,048

- (Continued)

Change in Net Position - (Continued)

	Governmental Activities 2021	Governmental Activities 2020
Expenses		
Program expenses:		
Instruction:		
Regular	$ 9,964,979	$ 9,768,513
Special	4,129,445	4,424,055
Vocational	444,135	447,255
Adult/continuing	8,500	8,214
Other	1,809,228	1,571,428
Support services:		
Pupil	2,312,812	2,277,939
Instructional staff	793,632	845,270
Board of education	22,372	25,013
Administration	1,638,610	1,652,383
Fiscal	381,492	372,382
Business	13,347	12,680
Operation and maintenance	2,405,319	2,345,804
Pupil transportation	1,219,680	1,282,008
Central	60,800	60,328
Operations of non-instructional services:		
Other non-instructional services	199,911	179,505
Food service operations	946,585	981,937
Extracurricular activities	983,574	953,827
Interest and fiscal charges	605,584	1,026,474
Total expenses	27,940,005	28,235,015
Change in net position	15,686	(1,633,967)
Net position at beginning of year	3,596,109	5,230,076
Net position at end of year	$ 3,611,795	$ 3,596,109

Governmental Activities

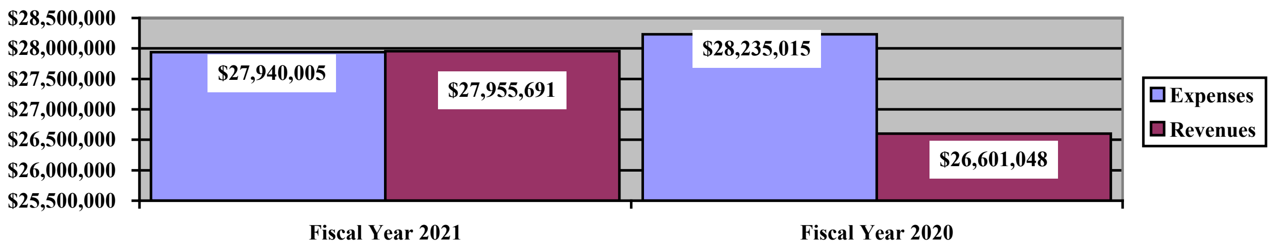
Net position of the District's governmental activities increased $15,686. Total governmental expenses of $27,940,005 were offset by program revenues of $4,964,829 and general revenues of $22,990,862. Program revenues supported 17.77% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes and grants and entitlements. These revenue sources represent 80.79% of total governmental revenue. Property taxes increased $701,465 due to fluctuations in the amount of tax collected and available for advance at fiscal year-end by the County Auditors, and an increase in collections on cash-basis. Tax advances available are recorded as revenue under GAAP. The amount of tax advance available at June 30, 2021, 2020 and 2019 were $2,161,263, $1,661,510 and $1,210,273 respectively. The amount of tax advance available at year end can vary depending on when the County Auditor distributes tax bills.

Program revenues for governmental activities consist of charges for services and sales, operating grants and contributions, and capital grants and contributions. Charges for services and sales decreased during fiscal year 2021 from extracurricular and charges for services from the food service program, related to COVID-19. Operating grants and contributions increased during fiscal year 2021 from federal funding in response to the COVID-19 pandemic, including funding from the Elementary and Secondary School Emergency Relief and Coronavirus Relief programs. Capital grants and contributions from the bus purchase program amounted to $41,972 in fiscal year 2021

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

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2021 compared to fiscal year 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

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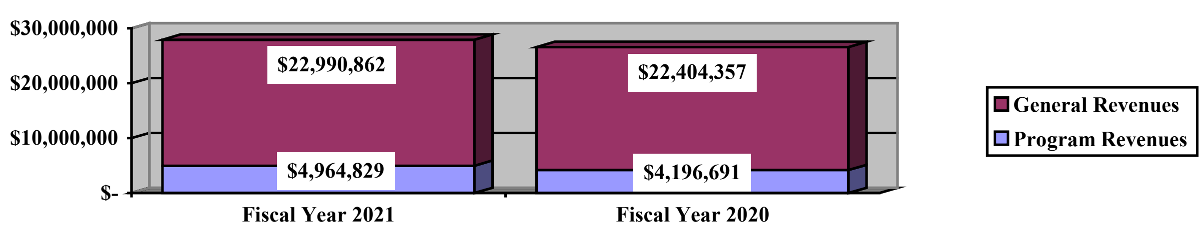
Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses				
Instruction:				
Regular	$ 9,964,979	$ 8,960,395	$ 9,768,513	$ 8,952,518
Special	4,129,445	2,522,663	4,424,055	2,859,215
Vocational	444,135	331,739	447,255	334,859
Adult/continuing	8,500	8,500	8,214	8,214
Other	1,809,228	1,809,139	1,571,428	1,571,428
Support services:				
Pupil	2,312,812	1,987,305	2,277,939	2,065,966
Instructional staff	793,632	578,273	845,270	831,792
Board of education	22,372	22,372	25,013	25,013
Administration	1,638,610	1,632,057	1,652,383	1,652,383
Fiscal	381,492	381,492	372,382	372,382
Business	13,347	13,347	12,680	12,680
Operation and maintenance	2,405,319	2,353,715	2,345,804	2,268,409
Pupil transportation	1,219,680	1,119,589	1,282,008	1,238,830
Central	60,800	60,800	60,328	60,328
Operations of non-instructional services:				
Other non-instructional services	199,911	24,716	179,505	51,579
Food service operations	946,585	(181,455)	981,937	259,217
Extracurricular activities	983,574	744,945	953,827	582,326
Interest and fiscal charges	605,584	605,584	1,026,474	891,185
Total expenses	$ 27,940,005	$ 22,975,176	$ 28,235,015	$ 24,038,324

The dependence upon tax and other general revenues for governmental activities is apparent as 83.35% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 82.23%. The District's taxpayers and grants and entitlements from the State of Ohio, are by far the primary support for District's students.

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

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $13,408,237 which is more than last year's balance of $12,136,938. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2021 and 2020.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Increase
General	$ 8,117,283	$ 7,799,193	$ 318,090
Debt service	3,608,702	3,166,024	442,678
Other governmental	1,682,252	1,171,721	510,531
Total	$ 13,408,237	$ 12,136,938	$ 1,271,299

General Fund

The District's general fund balance increased $318,090, as detailed below.

The table that follows assists in illustrating the financial activities of the general fund.

	2021 Amount	2020 Amount	Percentage Change
Revenues			
Taxes	$ 10,188,791	$ 9,375,533	8.67 %
Tuition	842,754	805,476	4.63 %
Earnings on investments	95,289	226,676	(57.96) %
Intergovernmental	11,037,367	10,867,730	1.56 %
Other revenues	378,640	690,582	(45.17) %
Total	$ 22,542,841	$ 21,965,997	2.63 %
Expenditures			
Instruction	$ 14,019,155	$ 13,629,917	2.86 %
Support services	7,395,670	7,592,813	(2.60) %
Operation of non-instructional services	1,755	53,692	(96.73) %
Extracurricular activities	620,824	548,875	13.11 %
Facilities acquisition and construction	-	13,300	(100.00) %
Debt service	108,484	109,383	(0.82) %
Total	$ 22,145,888	$ 21,947,980	0.90 %

Taxes increased due to fluctuations in the amount of property tax collected and available for advance at fiscal year-end by the County Auditors, as well as an increase in income tax revenue. Intergovernmental revenue increased in fiscal year 2021 compared to fiscal year 2020, due to budget cuts in state foundation caused by the COVID-19 pandemic in the last quarter of fiscal year 2020. Earnings on investments decreased as a result of cuts in interest rates. Other revenues decreased from a decrease in fair value of investments, extracurricular and classroom materials and fees.

Expenditures in the general fund were comparable to fiscal year 2020, increasing by 0.90% overall. Instruction expenditures increased from general increases in salaries and fringe benefits. Operation of non-instructional services decreased as a result of COVID-19. The District had no facilities acquisition and construction expenditures, as projects were put on hold due to COVID-19.

Debt Service Fund

The debt service fund's fund balance increased $442,678 in fiscal year 2021. The debt service fund had revenues and other financing sources of $1,658,963 and $73,199, respectively. The District made principal and interest payments on debt obligations of $660,000 and $624,977, respectively. The debt service fund reported a decrease in change of fair value of investments of $36,830, compared to an increase of $79,928 in the prior year, caused by a cut in interest rates in fiscal year 2021.

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 and final budgeted revenues and other financing sources were $20,480,238. Actual revenues and other financing sources for fiscal year 2021 were $22,034,008. This represents a $1,553,770 increase over final budgeted revenues and other financing sources, due largely in part to higher than anticipated property tax collections and advances in, which are not budgeted.

General fund original and final appropriations (appropriated expenditures including other financing uses) were $22,874,923. The actual budget basis expenditures and other financing uses for fiscal year 2021 totaled $22,044,475, which was $830,448 less than the final budget appropriations and other financing uses.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the District had $39,371,819 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)

	Governmental Activities	
	2021	2020
Land	$ 1,042,402	$ 1,042,402
Construction in progress	-	324,749
Land improvements	1,040,611	1,092,629
Building and improvements	35,078,544	35,424,543
Furniture and equipment	1,320,520	1,519,151
Vehicles	889,742	915,915
Total	$ 39,371,819	$ 40,319,389

Additions (net of transfers from construction in progress to buildings and improvements of $365,882) of capital assets for 2021 were $128,053. The overall decrease in capital assets of $947,570 is due to depreciation expense of $1,075,623 exceeding capital asset additions for fiscal year 2021.

See Note 9 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2021, the District had $218,724 in capital lease obligations, $361,452 in energy conservation notes, $50,000 in promissory notes, $2,405,000 in general obligation bonds for financing improvements to public library buildings, $11,390,000 in refunding bonds and $6,679,434 in school facilities construction and improvement bonds outstanding. Of this total, $951,963 is due within one year and $20,152,647 is due in greater than one year.

The following table summarizes the outstanding obligations for fiscal year 2021 compared to 2020.

Outstanding Debt, at Year End

	Governmental Activities 2021	Governmental Activities 2020
Capital lease obligations	$ 218,724	$ 305,912
Promissory note	50,000	100,000
Energy conservation notes	361,452	361,452
School facilities construction and improvement bonds	6,679,434	7,043,933
Refunding Bonds, Series 2019	11,390,000	11,550,000
Library improvement bonds	2,405,000	2,475,000
Total	$ 21,104,610	$ 21,836,297

See Note 11 to the basic financial statements for detail on the District's debt administration.

Current Financial Related Activities

The District strives to maintain the highest standards of service to the students, parents and community. This has been accomplished despite the financial challenges the local, State and national economy place on it. The District has carefully managed its general fund budget in order to optimize the dollars available for educating the students it serves and to minimize the levy millage amounts needed periodically from the community's citizens. Sound fiscal management by the Board of Education and Administration has enabled the District to maintain a positive ending cash balance.

The District closely monitors its revenues and expenditures in accordance with its financial forecast. The Board of Education and Administration continue to spend within the budgeted expenditure levels and keep a very close watch on revenue.

When our annual revenue was not keeping up with annual expenditures in 2008-09, the Administration responded with a restructuring plan that included a reduction of over 40 staff members. The Administration continues to analyze each position when retirements or resignations occur. We continue to make reductions in staff through attrition. A reduction of 0.20 FTE was made for the 2010-11 school year. A total of 4.41 positions were reduced for the 2011-12 school year, 9.5 reductions were made for the 2012-13 school year, 5.0 positions reduced for the 2013- 14 school year, 4 reductions were made for the 2014-15 school year and an additional 3.5 reductions were made for the 2015-16 school year, although 3.0 classified positions were added. Due to retirement/resignations the following the District saw a reduction of 1.0 first grade teacher for the 2016-17 school year. The 2016-17 school year also saw an addition of 1.0 kindergarten teacher, 1.0 administrator (Director of Social Work & Family/Student Engagement), 1.0 Bus Aide and increased health services nurse to 7.5 hours per day and elementary secretary from 7.5 hours to 8.0. The 2017-18 school year the district saw a reduction of 1.0 teacher, 2.0 HS Library Study Hall Monitor and teacher aide, 1.0 HS French teacher. Fiscal year 2017-18 saw the addition of 1.0 elementary guidance and .50 bus driver.

The OSFC building projects were completely closed-out in fiscal year 2017. The money from these savings are planned to be used to update the high school building. It is the intent of the administration to use the savings from the OSFC building project in conjunction with annual permanent improvement funds to pay for these updates. There is no intention to proceed with another OSFC segment for the high school. Permanent improvement funds were used to repair the roof and the paving project at the high school during the 2015-2017 school year. The District completed a renovation of the High School using both the remaining funds from the OSFC project as well as permanent improvement funds. During fiscal year 2020 roof repairs, gutter replacements and a new door project was completed at the High School using permanent improvement funds in fiscal year 2021.

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 Tammy Flicker, Treasurer, Bellevue City School District, 125 North Street, Bellevue, Ohio 44811.

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 12,078,562
Cash and investments with escrow agent	1,230,803
Receivables:	
Property taxes	10,030,840
Income taxes	619,863
Accounts	200
Accrued interest	17,724
Intergovernmental	302,515
Prepayments	39,265
Materials and supplies inventory	112,342
Inventory held for resale	14,582
Net OPEB asset	1,495,289
Capital assets:	
Nondepreciable capital assets	1,042,402
Depreciable capital assets, net	38,329,417
Capital assets, net	39,371,819
Total assets	65,313,804
Deferred outflows of resources:	
Pension	4,698,125
OPEB	635,976
Total deferred outflows of resources	5,334,101
Liabilities:	
Accounts payable	197,184
Accrued wages and benefits payable	2,076,047
Intergovernmental payable	132,484
Pension and postemployment benefits payable	363,210
Accrued interest payable	54,113
Long-term liabilities:	
Due within one year	1,299,736
Due in more than one year:	
Net pension liability	26,545,159
Net OPEB liability	1,972,394
Other amounts due in more than one year	23,130,727
Total liabilities	55,771,054
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	7,621,140
Deferred charges on refunding	200,398
Pension	488,545
OPEB	2,954,973
Total deferred inflows of resources	11,265,056
Net position:	
Net investment in capital assets	19,452,051
Restricted for:	
Capital projects	207,349
Classroom facilities maintenance	367,744
Debt service	3,119,733
State funded programs	4,618
Federally funded programs	712
Food service operations	641,372
Student activities	209,667
Other purposes	16,635
Unrestricted (deficit)	(20,408,086)
Total net position	$ 3,611,795

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BELLEVUE CITY SCHOOL DISTRICT
HURON 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	$ 9,964,979	$ 795,372	$ 209,212	$ -	$ (8,960,395)
Special	4,129,445	47,382	1,559,400	-	(2,522,663)
Vocational	444,135	-	112,396	-	(331,739)
Adult/continuing	8,500	-	-	-	(8,500)
Other	1,809,228	66	23	-	(1,809,139)
Support services:					
Pupil	2,312,812	-	325,507	-	(1,987,305)
Instructional staff	793,632	-	215,359	-	(578,273)
Board of education	22,372	-	-	-	(22,372)
Administration	1,638,610	-	6,553	-	(1,632,057)
Fiscal	381,492	-	-	-	(381,492)
Business	13,347	-	-	-	(13,347)
Operations and maintenance	2,405,319	116	51,488	-	(2,353,715)
Pupil transportation	1,219,680	-	58,119	41,972	(1,119,589)
Central	60,800	-	-	-	(60,800)
Operation of non-instructional services:					
Food service operations	946,585	46,293	1,081,747	-	181,455
Other non-instructional services	199,911	674	174,521	-	(24,716)
Extracurricular activities	983,574	207,709	30,920	-	(744,945)
Interest and fiscal charges	605,584	-	-	-	(605,584)
Totals	$ 27,940,005	$ 1,097,612	$ 3,825,245	$ 41,972	(22,975,176)

General revenues:	
Property taxes levied for:	
General purposes	8,542,093
Debt service	1,496,059
Capital outlay	452,842
Classroom facilities maintenance	127,304
Income taxes levied for:	
General purposes	1,636,913
Grants and entitlements not restricted to specific programs	10,328,931
Investment earnings	123,773
Change in fair value of investments	(102,422)
Miscellaneous	385,369
Total general revenues	22,990,862
Change in net position	15,686
Net position at beginning of year	3,596,109
Net position at end of year	$ 3,611,795

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 8,263,191	$ 2,075,352	$ 1,740,019	$ 12,078,562
Cash and investments with escrow agent	-	1,230,803	-	1,230,803
Receivables:				
Property taxes	8,200,313	1,282,152	548,375	10,030,840
Income taxes	619,863	-	-	619,863
Accounts	200	-	-	200
Accrued interest	11,933	5,791	-	17,724
Interfund loans	164,902	-	-	164,902
Intergovernmental	21,079	-	281,436	302,515
Prepayments	36,342	-	2,923	39,265
Materials and supplies inventory	107,844	-	4,498	112,342
Inventory held for resale	-	-	14,582	14,582
Total assets	$ 17,425,667	$ 4,594,098	$ 2,591,833	$ 24,611,598
Liabilities:				
Accounts payable	$ 176,001	$ -	$ 21,183	$ 197,184
Accrued wages and benefits payable	1,858,930	-	217,117	2,076,047
Compensated absences payable	220,387	-	3,463	223,850
Intergovernmental payable	129,788	-	2,696	132,484
Pension and postemployment benefits payable	330,635	-	32,575	363,210
Interfund loans payable	-	-	164,902	164,902
Total liabilities	2,715,741	-	441,936	3,157,677
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	6,265,035	945,809	410,296	7,621,140
Delinquent property tax revenue not available	200,313	34,749	13,375	248,437
Income tax revenue not available	109,533	-	-	109,533
Intergovernmental revenue not available	11,178	-	43,974	55,152
Accrued interest not available	6,584	4,838	-	11,422
Total deferred inflows of resources	6,592,643	985,396	467,645	8,045,684
Fund balances:				
Nonspendable:				
Materials and supplies inventory	107,844	-	4,498	112,342
Prepaids	36,342	-	2,923	39,265
Restricted:				
Debt service	-	3,608,702	-	3,608,702
Capital improvements	-	-	193,974	193,974
Classroom facilities maintenance	-	-	367,744	367,744
Food service operations	-	-	680,643	680,643
Non-public schools	-	-	4,618	4,618
Federally funded programs	-	-	712	712
Student activities	-	-	209,667	209,667
Other purposes	-	-	16,635	16,635
Committed:				
Capital improvements	-	-	319,323	319,323
Assigned:				
Student instruction	14,762	-	-	14,762
Student and staff support	73,866	-	-	73,866
Subsequent year appropriations	29,060	-	-	29,060
Unassigned (deficit)	7,855,409	-	(118,485)	7,736,924
Total fund balances	8,117,283	3,608,702	1,682,252	13,408,237
Total liabilities, deferred inflows and fund balances	$ 17,425,667	$ 4,594,098	$ 2,591,833	$ 24,611,598

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

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

Total governmental fund balances		$ 13,408,237
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 are not reported in the funds.		39,371,819
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 248,437	
Income taxes receivable	109,533	
Accrued interest receivable	11,422	
Intergovernmental receivable	55,152	
Total		424,544
Unamortized premiums on bonds issued are not recognized in the funds.		(1,543,191)
Unamortized amounts on refundings are not recognized in the funds		(200,398)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(54,113)
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	4,698,125	
Deferred inflows - pension	(488,545)	
Net pension liability	(26,545,159)	
Deferred outflows - OPEB	635,976	
Deferred inflows - OPEB	(2,954,973)	
Net OPEB asset	1,495,289	
Net OPEB liability	(1,972,394)	
Total		(25,131,681)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
School facilities construction and improvement bonds	(6,679,434)	
Refunding bonds, series 2019	(11,390,000)	
Library improvement bonds	(2,405,000)	
Capital lease obligation	(218,724)	
Promissory note	(50,000)	
Energy conservation notes	(361,452)	
Compensated absences	(1,558,812)	
Total		(22,663,422)
Net position of governmental activities		$ 3,611,795

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

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

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 8,520,183	$ 1,494,413	$ 579,345	$ 10,593,941
Income taxes	1,668,608	-	-	1,668,608
Intergovernmental	11,037,367	171,142	2,982,355	14,190,864
Investment earnings	95,289	30,238	440	125,967
Tuition and fees	842,754	-	-	842,754
Extracurricular	35,454	-	172,995	208,449
Charges for services	-	-	46,409	46,409
Contributions and donations	1,500	-	-	1,500
Miscellaneous	407,278	-	29,879	437,157
Change in fair value of investments	(65,592)	(36,830)	-	(102,422)
Total revenues	22,542,841	1,658,963	3,811,423	28,013,227
Expenditures:				
Current:				
Instruction:				
Regular	8,602,426	-	194,470	8,796,896
Special	3,178,804	-	745,020	3,923,824
Vocational	430,409	-	-	430,409
Adult/continuing	7,896	-	-	7,896
Other	1,799,620	-	-	1,799,620
Support services:				
Pupil	1,862,351	-	341,447	2,203,798
Instructional staff	540,868	-	213,719	754,587
Board of education	21,626	-	-	21,626
Administration	1,556,927	-	-	1,556,927
Fiscal	369,758	4,507	1,490	375,755
Business	12,701	-	-	12,701
Operations and maintenance	1,916,272	-	271,144	2,187,416
Pupil transportation	1,058,817	-	86,920	1,145,737
Central	56,350	-	-	56,350
Operation of non-instructional services:				
Food service operations	-	-	877,260	877,260
Other non-instructional services	1,755	-	191,647	193,402
Extracurricular activities	620,824	-	270,958	891,782
Facilities acquisition and construction	-	-	67,412	67,412
Debt service:				
Principal retirement	87,188	660,000	50,000	797,188
Interest and fiscal charges	21,296	624,977	-	646,273
Total expenditures	22,145,888	1,289,484	3,311,487	26,746,859
Excess of revenues over expenditures	396,953	369,479	499,936	1,266,368
Other financing sources (uses):				
Transfers in	-	73,199	10,000	83,199
Transfers (out)	(83,199)	-	-	(83,199)
Total other financing sources (uses)	(83,199)	73,199	10,000	-
Net change in fund balances	313,754	442,678	509,936	1,266,368
Fund balances at beginning of year	7,799,193	3,166,024	1,171,721	12,136,938
Change in reserve for inventory	4,336	-	595	4,931
Fund balances at end of year	$ 8,117,283	$ 3,608,702	$ 1,682,252	$ 13,408,237

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ 1,266,368
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	$ 128,053	
Current year depreciation	(1,075,623)	
Total		(947,570)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		4,931
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	24,357	
Income taxes	(31,695)	
Earnings on investments	(1,911)	
Intergovernmental	(40,013)	
Total		(49,262)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		797,188
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	1,089	
Accreted interest on capital appreciation bonds	(65,501)	
Amortization of bond premiums	92,956	
Amortization of deferred charges	12,145	
Total		40,689
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,945,149	
OPEB	62,511	
Total		2,007,660
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	(3,167,093)	
OPEB	111,763	
Total		(3,055,330)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are are not reported as expenditures in governmental funds.		
Increase in compensated absences		(48,988)
Change in net position of governmental activities		$ 15,686

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BELLEVUE CITY SCHOOL DISTRICT
HURON 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	$ 7,400,000	$ 7,400,000	$ 8,106,133	$ 706,133
Income taxes	1,400,000	1,400,000	1,548,849	148,849
Intergovernmental	10,773,456	10,773,456	10,988,270	214,814
Investment earnings	-	-	98,778	98,778
Tuition and fees	669,309	669,309	837,084	167,775
Rental income	15,000	15,000	-	(15,000)
Miscellaneous	208,473	208,473	323,813	115,340
Total revenues	20,466,238	20,466,238	21,902,927	1,436,689
Expenditures:				
Current:				
Instruction:				
Regular	10,153,635	8,580,362	8,427,753	152,609
Special	2,576,917	3,575,773	3,157,545	418,228
Vocational	597,305	465,272	428,352	36,920
Adult/continuing	-	-	7,896	(7,896)
Other	373,168	1,534,365	1,800,609	(266,244)
Support services:				
Pupil	2,113,377	1,908,506	1,859,267	49,239
Instructional staff	695,800	605,330	548,888	56,442
Board of education	26,112	24,925	21,249	3,676
Administration	1,801,546	1,579,629	1,527,662	51,967
Fiscal	468,435	393,917	361,647	32,270
Business	12,651	10,176	12,188	(2,012)
Operations and maintenance	1,860,246	2,296,369	1,951,867	344,502
Pupil transportation	1,418,712	1,190,086	1,048,333	141,753
Central	66,377	53,593	54,018	(425)
Extracurricular activities	710,642	571,620	589,101	(17,481)
Total expenditures	22,874,923	22,789,923	21,796,375	993,548
Excess (deficiency) of revenues over (under) expenditures	(2,408,685)	(2,323,685)	106,552	2,430,237
Other financing sources (uses):				
Refund of prior year's expenditures	14,000	14,000	1,281	(12,719)
Transfers (out)	-	(85,000)	(83,199)	1,801
Advances in	-	-	129,800	129,800
Advances (out)	-	-	(164,901)	(164,901)
Total other financing sources (uses)	14,000	(71,000)	(117,019)	(46,019)
Net change in fund balance	(2,394,685)	(2,394,685)	(10,467)	2,384,218
Fund balance at beginning of year	7,106,305	7,106,305	7,106,305	-
Prior year encumbrances appropriated	874,923	874,923	874,923	-
Fund balance at end of year	$ 5,586,543	$ 5,586,543	$ 7,970,761	$ 2,384,218

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	Custodial
Assets:	
Equity in pooled cash and investments	$ 16,171
Net position:	
Restricted for scholarships	$ 16,171

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

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

	Custodial
Additions:	
Earnings on investments	$ 5
Contributions and donations	140
Total additions	145
Change in net position	145
Net position at beginning of year	16,026
Net position at end of year	$ 16,171

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Bellevue City School District (the District) operates under a locally-elected, five-member Board form of government and provides educational services as authorized or mandated by State and/or federal agencies. This Board controls the District's three instructional/support facilities staffed by 92 non-certified employees and 144 certified teaching personnel to provide services to approximately 1,986 students and other community members.

The District was established in 1968 through the consolidation of existing land areas and is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

RELATED ORGANIZATION

Bellevue Public Library
The District is not involved in budgeting or management of the Bellevue Public Library facilities, nor does it subsidize or finance the operation of the library. The selection of directors and budget approval is conducted merely to comply with State code requirements.

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

JOINTLY GOVERNED ORGANIZATIONS

Bay Area Council of Governments (BACG)
The BACG is a jointly governed organization. Members of the BACG consist of various school districts representing seven counties (Ottawa, Sandusky, Seneca, Erie, Huron, Wood and Crawford). The BACG was formed for the purpose of purchasing goods and services at a lower cost. The items currently being purchased through the BACG are natural gas and insurance. The cost to the District is an administrative charge, assessed only if it participates. The BACG consists of the superintendent of each school district. The Board of Directors of the BACG consists of one elected representative of each county, the superintendent of the fiscal agent and two non-voting members (administrator and fiscal agent). Members of the Board serve two-year terms, which are staggered. During the fiscal year, the District paid $37,066 to the BACG. Financial information can be obtained by contacting the North Point Educational Service Center, Matt Bauer, who serves as Controller, 4918 Milan Rd, Sandusky, Ohio 44870.

Northern Ohio Educational Computer Association (NOECA)
The District is a participant in the Northern Ohio Educational Computer Association (NOECA), which is a computer consortium. NOECA is an association of various public school districts formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. In fiscal year 2021, the District paid $30,150 for services. The NOECA Board of Directors consists of two representatives from each county in which participating school districts are located, the chairman of each of the operating committees, and a representative from the fiscal agent. Financial information can be obtained from its fiscal agent, the North Point Educational Service Center, Matt Bauer, who serves as Controller, 4918 Milan Rd, Sandusky, Ohio 44870.

EHOVE Career Center
The EHOVE Career Center (EHOVE) is a vocational school district that is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide vocational and special education needs to its students. EHOVE accepts non-tuition students from the District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the District.

PUBLIC ENTITY RISK POOLS

Sheakley Workers' Compensation Group Rating Plan
The District participates in a group rating plan for workers' compensation as established under section 4123.29 of the Ohio Revised Code. The Sheakley Workers' Compensation Group Rating Plan (GRP) is a group purchasing pool. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Ohio School Plan
The District participates in the Ohio School Plan (the Plan), an insurance purchasing pool established under Section 2744.081 of the ORC. The Plan is an unincorporated association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen-member board consisting of superintendents, treasurers, the president of Harcum-Schuett Insurance Agency, Inc., and a member of Hyland Group, Inc. Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Schuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Hylant Administrative Services, LLC, 811 Madison Avenue, Toledo, Ohio 43624.

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

INSURANCE PURCHASING POOL

Huron-Erie School Employees Insurance Association
The Huron-Erie School Employees Insurance Association (Association) is a public entity risk pool comprised of several districts. The Association assembly consists of a superintendent or designated representative from each participating district and the program administrator. The Association is governed by a Board of Directors chosen from the general membership. The degree of control exercised by any participating district is limited to its representation on the Board. Financial information can be obtained by the North Point Educational Service Center, which serves as fiscal agent, at 4918 Milan Road, Sandusky, Ohio 44870.

B. Fund Accounting

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

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 plus deferred outflows of resources and liabilities plus deferred inflows of resources 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.

Debt service fund - The debt service fund is used to account for the accumulation of resources and payment of general obligation bond and note 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, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

FIDUCIARY FUNDS

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

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

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

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

D. Basis of Accounting

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

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants and 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 income taxes is recognized in the period in which the income is earned (See Note 7).

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, income taxes, interest, tuition, grants, student fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 13 and 14 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively.

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, income taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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 fiscal 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.

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

E. Budgets

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

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

2. By no later than January 20, the Board-adopted budget is filed with the Sandusky County Budget Commission for tax rate determination.

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District. The amounts reported in the budgetary statement reflect the amounts set forth in the first and final amended certificates of estimated resources issued for fiscal year 2021.

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

5. All funds, other than custodial funds, are legally required to be budgeted and appropriated. Short-term interfund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.

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

7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.

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

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

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 the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

F. Cash and Investments

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

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

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2021 amounted to $95,289, which includes $15,102 assigned from other District funds.

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

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

G. Inventory

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

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

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

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

H. Capital Assets

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

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

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

Description	Governmental Activities Estimated Lives
Land improvements	10 - 70 years
Buildings and improvements	5 - 70 years
Furniture and equipment	5 - 50 years
Vehicles	6 - 20 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans to cover negative fund cash balances between governmental funds are classified as "interfund loans receivable/payable" The amounts are eliminated in the governmental activities statement of net position.

J. Compensated Absences

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

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

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

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance

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

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

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

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

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

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

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

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

M. Net Position

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

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

N. Prepayments

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

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

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. Unamortized Bond Premium and Discount/Issuance Costs/ Unamortized Deferred Charges

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

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

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.A.

For advance refunding 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.

Q. Interfund Activity

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

R. Pensions/Other Postemployment Benefits (OPEB)

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

S. 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 District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2021.

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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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 Special Revenue Funds	Deficit
Vocational educational enhancement	$ 1
Student wellness and success	18,843
Elementary and secondary school emergency relief (ESSER)	43,974
IDEA, Part B	13,607
Title I	42,060

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

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

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; and,

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

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

A. Cash on hand

At fiscal year end, the District had $2,500 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

B. Cash and Investments with Escrow Agent

At fiscal year-end, $1,230,803 was on deposit with an escrow agent for monies held in relation to the District's sinking fund deposits that are required for the District's Series 2010A bonds (See Note 11.C.). These funds are included as "investments" below.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was $1,027,460. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2021, $250,068 of the District's bank balance of $1,041,128 was exposed to custodial risk as discussed below because those deposits were uninsured and uncollateralized and, while $791,060 was covered by the FDIC.

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

D. Investments

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

		Investment Maturities				
Measurement/ Investment type	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
Commercial Paper	$ 1,179,194	$ 679,711	$ 499,483	$ -	$ -	$ -
FFCB	534,058	-	-	-	-	534,058
FHLB	303,571	-	-	-	-	303,571
FHLMC	313,407	-	-	-	-	313,407
FNMA	384,921	-	-	-	-	384,921
Negotiable CDs	2,903,416	207,513	714,866	252,651	476,314	1,252,072
U.S. Government Money Market	87,713	87,713	-	-	-	-
Amortized Cost:						
STAR Ohio	6,589,296	6,589,296	-	-	-	-
Total	$ 12,295,576	$ 7,564,233	$ 1,214,349	$ 252,651	$ 476,314	$ 2,788,029

The weighted average maturity of the investments is 1.09 years.

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The investments in commercial paper were rated A-1 and P-1 by Standard & Poor's and Moody's Investor Services. The District's investments in federal securities and were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market 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 negotiable CDs were not rated and are covered by FDIC.

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 and U.S. Government money markets 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 places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2021.

Measurement/ Investment type	Measurement Amount	% of Total
Fair Value:		
Commercial Paper	$ 1,179,194	9.59
FFCB	534,058	4.34
FHLB	303,571	2.47
FHLMC	313,407	2.55
FNMA	384,921	3.13
Negotiable CDs	2,903,416	23.62
U.S. Government Money Market	87,713	0.71
Amortized Cost:		
STAR Ohio	6,589,296	53.59
Total	$ 12,295,576	100.00

E. 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	$ 1,027,460
Investments	12,295,576
Cash on hand	2,500
Total	$ 13,325,536

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Cash and investments per statement of net position	
Governmental activities	$ 13,309,365
Custodial fund	16,171
Total	$ 13,325,536

NOTE 5 - INTERFUND TRANSACTIONS

A. During fiscal year 2021, the general fund transferred $73,199 to the debt service fund (a major fund) for energy conservation note debt service payments and $10,000 to the district managed student activities fund (a nonmajor governmental fund).

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

All transfers made in fiscal year 2021 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide statement of activities.

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

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds:	
	Vocational education enhancement	$ 693
	ESSER	42,238
	IDEA, Part B	69,154
	Title I	52,817
Total interfund loans		$ 164,902

The purpose of the interfund balances is to cover costs in specific funds when revenue was not received by June 30th. 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 statement of net position.

NOTE 6 - PROPERTY TAXES

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

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 market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2021 represent the collection of calendar year 2020 taxes. Public utility real and personal property taxes received in calendar year 2020 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 Erie, Huron, Sandusky and Seneca Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was $1,734,965 in the general fund, $301,594 in the debt service fund and $124,704 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2020 was $1,320,915 in the general fund, $245,144 in the debt service fund and $94,451 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	$ 296,500,420	95.15	$ 303,002,350	94.89
Public utility personal	15,114,880	4.85	16,301,750	5.11
Total	$ 311,615,300	100.00	$ 319,304,100	100.00
Tax rate per $1,000 of assessed valuation	$42.20		$42.50	

NOTE 7 - SCHOOL DISTRICT INCOME TAX

The District maintains a five year .5% income tax through December 31, 2021 on the income of individuals and estates. The tax is to be used for normal operating expenses of the District and is credited to the general fund. Total income tax revenue credited to the general fund during fiscal year 2021 was $1,668,608.

NOTE 8 - RECEIVABLES

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

Governmental activities:	
Property taxes	$ 10,030,840
Income taxes	619,863
Accounts	200
Accrued interest	17,724
Intergovernmental	302,515
Total	$ 10,971,142

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

NOTE 9 - 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	$ 1,042,402	$ -	$ -	$ 1,042,402
Construction in progress	324,749	41,133	(365,882)	-
Total capital assets, not being depreciated	1,367,151	41,133	(365,882)	1,042,402
Capital assets, being depreciated:				
Land improvements	1,978,339	-	-	1,978,339
Buildings and improvements	42,508,059	365,882	-	42,873,941
Furniture and equipment	3,167,331	-	-	3,167,331
Vehicles	2,085,059	86,920	-	2,171,979
Total capital assets, being depreciated	49,738,788	452,802	-	50,191,590
Less: accumulated depreciation:				
Land improvements	(885,710)	(52,018)	-	(937,728)
Buildings and improvements	(7,083,516)	(711,881)	-	(7,795,397)
Furniture and equipment	(1,648,180)	(198,631)	-	(1,846,811)
Vehicles	(1,169,144)	(113,093)	-	(1,282,237)
Total accumulated depreciation	(10,786,550)	(1,075,623)	-	(11,862,173)
Governmental activities capital assets, net	$ 40,319,389	$ (581,688)	$ (365,882)	$ 39,371,819

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 660,277
Special	36,414
Other	9,116
Support services:	
Instructional staff	11,173
Administration	14,018
Operations and maintenance	145,261
Pupil transportation	113,061
Central	1,547
Extracurricular activities	63,547
Food service operations	21,209
Total depreciation expense	$ 1,075,623

NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior fiscal years, the District entered into capital leases for copier equipment and miscellaneous equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of furniture and equipment have been capitalized in the amount of $451,197. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2021 was $185,246, leaving a current book value of $265,951. A corresponding liability was recorded in the government-wide statement of net position. Principal and interest payments paid from the general fund during fiscal year 2021 were $87,188 and $21,296, respectively.

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	$ 107,583
2023	107,584
2024	24,404
Total minimum lease payments	239,571
Less: amount representing interest	(20,847)
Total	$ 218,724

NOTE 11 - LONG-TERM OBLIGATIONS

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

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amount Due in One Year
Governmental Activities:					
Library improvement bonds	$ 2,475,000	$ -	$ (70,000)	$ 2,405,000	$ 75,000
Energy conservation notes	361,452	-	-	361,452	143,500
Promissory note	100,000	-	(50,000)	50,000	50,000
General obligation bonds:					
Series 2010A	6,385,000	-	(430,000)	5,955,000	445,000
Series 2010B	658,933	65,501	-	724,434	-
Series 2019 refunding	11,550,000	-	(160,000)	11,390,000	145,000
Capital lease obligation	305,912	-	(87,188)	218,724	93,463
Net Pension liability	24,446,068	2,099,091	-	26,545,159	-
Net OPEB liability	2,411,829	-	(439,435)	1,972,394	-
Compensated absences	1,683,296	391,904	(292,538)	1,782,662	347,773
Total long-term obligations	$ 50,377,490	$ 2,556,496	$ (1,529,161)	51,404,825	$ 1,299,736
Add: unamortized premium				1,543,191	
Total on statement of net position				$ 52,948,016	

Compensated Absences - Compensated absences will be paid from the fund which the employee's salaries are paid, which for the District is primarily the general fund.

Capital Lease Obligation - The capital lease obligations will be paid from the general fund and the permanent improvement fund (a nonmajor governmental fund). See Note 10 for details.

Net Pension Liability - See Note 13 for more information on net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service.

Net OPEB Liability/Asset - See Note 14 for more information on net OPEB liability. The District pays obligations related to employee compensation from the fund benefitting from their service.

B. *Energy Conservation Notes* - In fiscal year 2010, the District issued $1,200,000 in energy conservation notes. Energy conservation notes outstanding are general obligations of the District, for which the District's full faith and credit are pledged for repayment. Accordingly, these notes are accounted for in the statement of net position. Payments of principal and interest relating to these notes are recorded as expenditures in the debt service fund.

During fiscal year 2021, no principal payments were made on the energy conservation notes. In fiscal year 2022, two principal payments totaling $143,500 will be made.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's future annual debt service requirements to maturity for the energy conservation notes:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	$ 143,500	$ 2,174	$ 145,674
2023	72,289	909	73,198
2024	72,650	546	73,196
2025	73,013	183	73,196
Total	$ 361,452	$ 3,812	$ 365,264

C. *School Facilities Construction and Improvement Bonds - Series 2010A* - On February 18, 2010, the District issued $9,400,000 of Qualified School Construction Bonds (QSCBs) to finance building construction and improvements. This issue is comprised of current interest term bonds, par value $9,400,000.

These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the statement of net position. Payments of principal and interest relating to this bond are recorded as expenditures in the debt service fund.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issues is December 1, 2026. The following is a schedule of activity for the 2010A QSCBs:

	June 30, 2020	Additions	Reductions	June 30, 2021
Current interest bonds - 2010A serial	$ 6,385,000	$ -	$ (430,000)	$ 5,955,000

For QSCBs, the District receives a direct payment subsidy from the United States Treasury equal to 100% of the lesser of the interest payments on the bonds or the federal tax credits that would otherwise have been available to the holders of the bonds. The District records this subsidy from the federal government in the debt service fund.

$3,000,000 of the QSCBs are subject to mandatory sinking fund deposits. The District is required to maintain a sinking fund account and deposit monies each December 1 into the account for payment of the bonds at maturity on December 1, 2026. During fiscal year 2021, the District made $144,449 in sinking fund deposits. The payments into the sinking fund are made through the debt service fund. On the financial statements, the fair value of the investments accumulated in the sinking fund in the amount of $1,230,803 is reported as "cash and investments with escrow agent".

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of future sinking fund deposits required to be made into the District's sinking fund account:

Fiscal Year Ending June 30,	Sinking Fund Required Deposit
2022	$ 158,508
2023	177,556
2024	197,970
2025	211,037
2026	224,869
Total	$ 969,940

The following is a summary of the future debt service requirements to maturity for the $3,000,000 portion of the QSCBs subject to the District's sinking fund account:

Fiscal Year	Current Interest Bonds - Series 2010A - Term Bonds		
Ending June 30,	Principal	Interest	Total
2022	$ 445,000	$ 40,987	$ 485,987
2023	475,000	34,088	509,088
2024	515,000	26,662	541,662
2025	525,000	18,862	543,862
2026	545,000	10,838	555,838
2027	450,000	3,376	453,376
Total	$ 2,955,000	$ 134,813	$ 3,089,813

The following is a schedule of the future debt service on the remaining portion (original issue $6,400,000) of the QSCBs:

Fiscal Year	Current Interest Bonds - Series 2010A - Bullet Maturity		
Ending June 30,	Principal	Interest	Total
2022	$ -	$ 45,000	$ 45,000
2023	-	45,000	45,000
2024	-	45,000	45,000
2025	-	45,000	45,000
2026	-	45,000	45,000
2027	3,000,000	22,500	3,022,500
Total	$ 3,000,000	$ 247,500	$ 3,247,500

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

D. *School Facilities Construction and Improvement Bonds - Series 2010B* - On March 10, 2010, the District issued Series 2010B current interest serial bonds, par value $565,000 and Series 2010B capital appreciation bonds, par value $249,991, to finance building construction and improvements. The current interest serial bonds matured in fiscal year 2018 and the interest rates ranged from .08% to 2.40%.

The 2019B Series capital appreciation bonds mature on December 1, 2029 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $1,490,000. The accreted interest at June 30, 2021 totaled $474,443.

These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the statement of net position. Payments of principal and interest relating to this bond will be recorded as an expenditure in the debt service fund.

The following is a schedule of activity for the Series 2010B bonds:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Capital appreciation bonds - 2010B	$ 249,991	$ -	$ -	$ 249,991
Capital appreciation bonds - Accreted interest	408,942	65,501	-	474,443
Total	$ 658,933	$ 65,501	$ -	$ 724,434

The following is a summary of the future debt service requirements to maturity for the Series 2010B bonds:

Fiscal Year Ending June 30,	Capital Appreciation Bonds Principal	Interest	Total
2022	$ -	$ -	$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027-2030	249,991	1,240,009	1,490,000
Total	$ 249,991	$ 1,240,009	$ 1,490,000

E. *Series 2013 Library Improvement Bonds* - In fiscal year 2014, the District issued $2,800,000 in general obligation bonds for the purpose of financing improvements to public library buildings. These bonds mature December 1, 2041. The balance of the bonds of $2,475,000 is not included in the District's calculation of net investment in capital assets because none of the proceeds were used to purchase capital assets owned by the District. The source of revenue to retire the bonds is derived from voted property tax levies recorded in the debt service fund.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity for the library improvement bonds:

Fiscal Year	Library Improvement Bonds		
Ending June 30,	Principal	Interest	Total
2022	$ 75,000	$ 106,323	$ 181,323
2023	75,000	103,113	178,113
2024	80,000	99,800	179,800
2025	85,000	96,253	181,253
2026	85,000	92,618	177,618
2027-2031	485,000	403,473	888,473
2032-2036	600,000	286,890	886,890
2037-2041	750,000	131,365	881,365
2042	170,000	3,995	173,995
Total	$ 2,405,000	$ 1,323,830	$ 3,728,830

F. *2018 Promissory Note* - In fiscal year 2018, the District entered into a $200,000 promissory note payable to finance the purchase of land from the Bellevue hospital. The cost of the property was $250,000. The District made a $50,000 payment at closing. The promissory note bears no interest rate and will mature in the fiscal year 2022. The source of revenue to retire the promissory note is derived from voted property tax levies recorded in the permanent improvement fund (a nonmajor governmental fund).

The following is a summary of the future debt service requirements to maturity for the promissory note:

Fiscal Year	Promissory Note	
Ending June 30,	Principal	Total
2022	$ 50,000	$ 50,000

G. *Refunding Bonds, Series 2019* - The District issued $11,550,000 in current refunding bonds on December 3, 2019, to refund $12,990,000 of the school facilities construction and improvement, Series 2010C BABs.

These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund (a nonmajor governmental fund). On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

The net present value of savings from the refunding was $2,211,171. The net carrying amount of the old debt exceeded the reacquisition price by $219,628. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity for the 2019 series refunding bonds:

	Current Interest - 2019 Refunding Bonds		
Fiscal Year	Principal	Interest	Total
2022	$ 145,000	$ 455,600	$ 600,600
2023	135,000	449,800	584,800
2024	95,000	444,400	539,400
2025	90,000	440,600	530,600
2026	90,000	437,000	527,000
2027 - 2031	2,720,000	2,013,600	4,733,600
2032 - 2036	5,900,000	1,168,200	7,068,200
2037 - 2040	2,215,000	134,000	2,349,000
Total	$ 11,390,000	$ 5,543,200	$ 16,933,200

H. 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 effects of these debt limitations at June 30, 2021, are a voted debt margin of $12,300,846 including available funds of $3,563,468 and an unvoted debt margin of $319,304.

NOTE 12 - RISK MANAGEMENT

A. Comprehensive

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

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are 90% coinsured. The following is a description of the District's insurance coverage:

Coverage	Insurer	Limits of Coverage	Deductible
General liability:	Ohio School Plan		
Each occurrence		$ 2,000,000	$ -
Aggregate		4,000,000	-
Building and contents	Ohio School Plan	95,052,340	1,000
Fleet:	Ohio School Plan		
Comprehensive		1,000,000	1,000
Collision		1,000,000	1,000
Umbrella liability:	Ohio School Plan		
Each occurrence		included above	-
Aggregate		included above	-

NOTE 12 - RISK MANAGEMENT - (Continued)

Settled claims have not exceeded commercial coverage in any of the past three years. There was no significant reduction in coverage from the prior fiscal year.

B. Employee Group Life, Medical, Dental, and Vision Insurance

In 1981, the District joined 14 other districts in Huron and Erie Counties and formed the Huron-Erie School Employee Insurance Association.

The Board of Trustees of the consortium, with assistance of actuarial analysis, establishes premium rates for medical, dental, and prescription drug insurance, based upon the specific plan negotiated by each member district and its employees. Premiums are placed in a Trust Fund controlled by the Board of Trustees and invested prudently to produce income which additionally benefits the consortium. The agreement of the Huron-Erie School Employee Insurance Association provides that the Huron-Erie School Employee Insurance Association will be self-sustaining through member premiums and will reinsure through commercial companies for all claims. The Huron-Erie School Employee Insurance Association retains the risk. The pool purchased stop-loss coverage from private insurance carriers to cover claims in excess of $250,000 per individual incurred anytime but paid between July 1, 2019 and June 30, 2020. Individual coverage per person is $1,000,000 during his or her lifetime. The "reserves" in the Trust Fund include monies necessary to pay the "claims run-out", should the consortium ever be dissolved. Because the consortium is organized under Internal Revenue Code 501C (9), investment income is tax exempt.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14.

C. Worker's Compensation

The District participates in the Sheakley Worker's Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 2.A.). Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 $463,007 for fiscal year 2021. Of this amount, $38,394 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The District's contractually required contribution to STRS was $1,482,142 for fiscal year 2021. Of this amount, $262,308 is reported as pension and postemployment benefits payable.

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.09329840%	0.08530126%	
Proportion of the net pension liability current measurement date	0.09008940%	0.08508051%	
Change in proportionate share	-0.00320900%	-0.00022075%	
Proportionate share of the net pension liability	$ 5,958,703	$ 20,586,456	$ 26,545,159
Pension expense	$ 605,643	$ 2,561,450	$ 3,167,093

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 11,575	$ 46,191	$ 57,766
Net difference between projected and actual earnings on pension plan investments	378,258	1,001,120	1,379,378
Changes of assumptions	-	1,105,095	1,105,095
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	210,737	210,737
Contributions subsequent to the measurement date	463,007	1,482,142	1,945,149
Total deferred outflows of resources	$ 852,840	$ 3,845,285	$ 4,698,125

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 131,638	$ 131,638
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	136,669	220,238	356,907
Total deferred inflows of resources	$ 136,669	$ 351,876	$ 488,545

$1,945,149 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (92,020)	$ 651,794	$ 559,774
2023	69,093	302,171	371,264
2024	157,665	619,533	777,198
2025	118,426	437,769	556,195
Total	$ 253,164	$ 2,011,267	$ 2,264,431

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 8,162,695	$ 5,958,703	$ 4,109,511

Actuarial Assumptions - STRS

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 29,311,529	$ 20,586,456	$ 13,192,683

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.

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 $62,511.

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 $62,511 for fiscal year 2021 and is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

	SERS	STRS	Total
Proportion of the net OPEB liability (asset) prior measurement date	0.09590580%	0.08530126%	
Proportion of the net OPEB liability (asset) current measurement date	0.09075460%	0.08508051%	
Change in proportionate share	-0.00515120%	-0.00022075%	
Proportionate share of the net OPEB liability	$ 1,972,394	$ -	$ 1,972,394
Proportionate share of the net OPEB (asset)	$ -	$ (1,495,289)	$ (1,495,289)
OPEB expense	$ (18,378)	$ (93,385)	$ (111,763)

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	$ 25,905	$ 95,813	$ 121,718
Net difference between projected and actual earnings on OPEB plan investments	22,224	52,404	74,628
Changes of assumptions	336,225	24,682	360,907
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	5,751	10,461	16,212
Contributions subsequent to the measurement date	62,511	-	62,511
Total deferred outflows of resources	$ 452,616	$ 183,360	$ 635,976

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,003,100	$ 297,841	$ 1,300,941
Changes of assumptions	49,680	1,420,273	1,469,953
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	157,282	26,797	184,079
Total deferred inflows of resources	$ 1,210,062	$ 1,744,911	$ 2,954,973

$62,511 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	$ (161,646)	$ (390,600)	$ (552,246)
2023	(160,040)	(355,129)	(515,169)
2024	(160,300)	(342,683)	(502,983)
2025	(159,159)	(334,664)	(493,823)
2026	(129,123)	(66,165)	(195,288)
Thereafter	(49,689)	(72,310)	(121,999)
Total	$ (819,957)	$ (1,561,551)	$ (2,381,508)

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,414,162	$ 1,972,394	$ 1,621,190

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,553,111	$ 1,972,394	$ 2,533,084

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB (asset)	$ (1,300,998)	$ (1,495,289)	$ (1,660,137)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB (asset)	$ (1,649,904)	$ (1,495,289)	$ (1,306,944)

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.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

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

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

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

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ (10,467)
Net adjustment for revenue accruals	610,070
Net adjustment for expenditure accruals	(406,381)
Net adjustment for other sources/uses	33,820
Funds budgeted elsewhere	(8,004)
Adjustment for encumbrances	94,716
GAAP basis	$ 313,754

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 public school support fund, the uniform school supplies fund, the special trust fund and the rotary fund.

NOTE 16 - CONTINGENCIES

A. Grants

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

NOTE 16 - CONTINGENCIES - (Continued)

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. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end. As a result of the final fiscal year 2021 FTE reviews, an immaterial intergovernmental payable was due to ODE from the District.

NOTE 17 - SET ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2020	$ -
Current year set-aside requirement	347,686
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(591,140)
Waiver granted by ODE	-
Prior year offset from bond proceeds	
Total	$ (243,454)
Balance carried forward to fiscal year 2022	$ -
Set-aside balance June 30, 2021	$ -

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirements for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

NOTE 18 - OTHER COMMITMENTS

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

Fund	Fiscal Year-End Encumbrances
General	$ 3,489
Other governmental	79,079
Total	$ 82,568

NOTE 19 - COVID 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plans in which the District participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. During fiscal year 2021, the District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

NOTE 20 - 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 $1,675,948 in revenues and expenditures/expenses related to these programs. Also, during fiscal year 2021, the District reported $605,198 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.

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BELLEVUE CITY SCHOOL DISTRICT
HURON 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	0.09008940%	0.09329840%	0.09460320%	0.09302670%
District's proportionate share of the net pension liability	$ 5,958,703	$ 5,582,207	$ 5,418,100	$ 5,558,140
District's covered payroll	$ 3,104,836	$ 3,162,874	$ 3,060,185	$ 3,092,750
District's proportionate share of the net pension liability as a percentage of its covered payroll	191.92%	176.49%	177.05%	179.72%
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
0.09251610%	0.09349540%	0.09313500%	0.09313500%
$ 6,771,325	$ 5,334,938	$ 4,713,509	$ 5,538,440
$ 2,906,271	$ 2,814,697	$ 2,706,328	$ 2,734,176
232.99%	189.54%	174.17%	202.56%
62.98%	69.16%	71.70%	65.52%

BELLEVUE CITY SCHOOL DISTRICT
HURON 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	0.08508051%	0.08530126%	0.08312251%	0.08419601%
District's proportionate share of the net pension liability	$ 20,586,456	$ 18,863,861	$ 18,276,774	$ 20,000,943
District's covered payroll	$ 10,333,600	$ 9,913,614	$ 8,462,514	$ 9,295,943
District's proportionate share of the net pension liability as a percentage of its covered payroll	199.22%	190.28%	215.97%	215.16%
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
0.08423906%	0.08411520%	0.08449167%	0.08449167%
$ 28,197,353	$ 23,246,981	$ 20,551,298	$ 24,480,572
$ 8,866,579	$ 8,985,729	$ 8,632,715	$ 8,762,092
318.02%	258.71%	238.06%	279.39%
66.80%	72.10%	74.70%	69.30%

BELLEVUE CITY SCHOOL DISTRICT
HURON 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	$ 463,007	$ 434,677	$ 426,988	$ 413,125
Contributions in relation to the contractually required contribution	(463,007)	(434,677)	(426,988)	(413,125)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,307,193	$ 3,104,836	$ 3,162,874	$ 3,060,185
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	
$	432,985	$	406,878	$	370,977	$	375,097	$	378,410	$	377,214
	(432,985)		(406,878)		(370,977)		(375,097)		(378,410)		(377,214)
$	-	$	-	$	-	$	-	$	-	$	-
$	3,092,750	$	2,906,271	$	2,814,697	$	2,706,328	$	2,734,176	$	2,804,565
	14.00%		14.00%		13.18%		13.86%		13.84%		13.45%

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	**2020**	**2019**	**2018**
Contractually required contribution	$ 1,482,142	$ 1,446,704	$ 1,387,906	$ 1,184,752
Contributions in relation to the contractually required contribution	(1,482,142)	(1,446,704)	(1,387,906)	(1,184,752)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,586,729	$ 10,333,600	$ 9,913,614	$ 8,462,514
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ 1,301,432	$ 1,241,321	$ 1,258,002	$ 1,122,253	$ 1,139,072	$ 1,175,337
(1,301,432)	(1,241,321)	(1,258,002)	(1,122,253)	(1,139,072)	(1,175,337)
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,295,943	$ 8,866,579	$ 8,985,729	$ 8,632,715	$ 8,762,092	$ 9,041,054
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

BELLEVUE CITY SCHOOL DISTRICT
HURON 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	0.09075460%	0.09590580%	0.09622030%	0.09437480%
District's proportionate share of the net OPEB liability	$ 1,972,394	$ 2,411,829	$ 2,669,411	$ 2,532,772
District's covered payroll	$ 3,104,836	$ 3,162,874	$ 3,060,185	$ 3,092,750
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	63.53%	76.25%	87.23%	81.89%
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
0.09390289%
$ 2,676,580
$ 2,906,271
92.10%
11.49%

BELLEVUE CITY SCHOOL DISTRICT
HURON 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	0.08508051%	0.08530126%	0.08312251%	0.08419601%
District's proportionate share of the net OPEB liability/(asset)	$ (1,495,289)	$ (1,412,793)	$ (1,335,694)	$ 3,285,018
District's covered payroll	$ 10,333,600	$ 9,913,614	$ 8,462,514	$ 9,295,943
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.47%	14.25%	15.78%	35.34%
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
0.08423906%
$ 4,505,127
$ 8,866,579
50.81%
37.33%

BELLEVUE CITY SCHOOL DISTRICT
HURON 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	$ 62,511	$ 45,386	$ 82,353	$ 52,726
Contributions in relation to the contractually required contribution	(62,511)	(45,386)	(82,353)	(52,726)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,307,193	$ 3,104,836	$ 3,162,874	$ 3,060,185
Contributions as a percentage of covered payroll	1.89%	1.46%	2.60%	1.72%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ 51,317	$ 48,150	$ 70,381	$ 51,595	$ 46,429	$ 57,239
(51,317)	(48,150)	(70,381)	(51,595)	(46,429)	(57,239)
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,092,750	$ 2,906,271	$ 2,814,697	$ 2,706,328	$ 2,734,176	$ 2,804,565
1.66%	1.66%	2.50%	1.91%	1.70%	2.04%

BELLEVUE CITY SCHOOL DISTRICT
HURON 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	$ 10,586,729	$ 10,333,600	$ 9,913,614	$ 8,462,514
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
$ -	$ -	$ -	$ 88,560	$ 87,621	$ 90,411
-	-	-	(88,560)	(87,621)	(90,411)
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,295,943	$ 8,866,579	$ 8,985,729	$ 8,632,715	$ 8,762,092	$ 9,041,054
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 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.

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

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE		
Passed Through Ohio Department of Education		
Child Nutrition Cluster:		
School Breakfast Program		
Cash Assistance	10.553	$ 171,715
COVID-19 Cash Assistance	10.553	34,906
Total School Breakfast Program		206,621
National School Lunch Program		
Cash Assistance	10.555	522,524
COVID-19 Cash Assistance	10.555	76,908
Non-Cash Assistance (Food Distribution)	10.555	71,523
Total National School Lunch Program		670,955
Total Child Nutrition Cluster		877,576
Total U.S. Department of Agriculture		**877,576**
U.S. DEPARTMENT OF TREASURY		
Passed Through Ohio Department of Education		
COVID-19 Coronavirus Relief Fund	21.019	109,716
Total U.S. Department of Treasury		**109,716**
U.S. DEPARTMENT OF EDUCATION		
Passed Through Ohio Department of Education		
Special Education Cluster (IDEA):		
Special Education - Grant to States	84.027	424,541
Special Education - Preschool Grants	84.173	11,443
Total Special Education Cluster (IDEA)		435,984
Title I Grants to Local Educational Agencies	84.010	317,273
Student Support and Academic Enrichment Program	84.424	23,688
COVID-19 Education Stabilization Fund		
Elementary and Secondary School Emergency Relief Fund I	84.425D	247,771
Total U.S. Department of Education		**1,024,716**
Total Expenditures of Federal Awards		**$ 2,012,008**

The accompanying notes are an integral part of this schedule.

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY

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

NOTE A - BASIS OF PRESENTATION

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. 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 benefitted from the use of those donated food commodities.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

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

Program Title	CFDA Number	Amt. Transferred
Title I Grants to Local Educational Agencies	84.010	$ 329

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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*

Bellevue City School District
Huron County
125 North Street, P.O. Box 8003
Bellevue, Ohio 44811-8003

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 Bellevue City School District, Huron County, Ohio (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Bellevue City School District
Huron County
125 North Street, P.O. Box 8003
Bellevue, Ohio 44811-8003

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Bellevue City School District, Huron County, Ohio's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Bellevue 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 each of 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 each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

February 28, 2022

BELLEVUE CITY SCHOOL DISTRICT
HURON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Child Nutrition Cluster Education Stabilization Fund CFDA #84.425D
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

BELLEVUE CITY SCHOOL DISTRICT

HURON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/15/2022

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