



OHIO AUDITOR OF STATE  
**KEITH FABER**





**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bryan City School District, Williams County, Ohio (the District), as of and for the year ended June 30, 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 the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for 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.

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Efficient • Effective • Transparent

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash 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 cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

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

***Emphasis of Matters***

As discussed in Note 3 to the financial statements, during 2021, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, "*Fiduciary Activities*". We did not modify our opinion regarding this 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***

***Supplementary Information***

Our audit was conducted to opine on the 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 schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 7, 2022

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**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS  
JUNE 30, 2021

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	<u>\$ 17,252,759</u>
<b>Net position:</b>	
Restricted for:	
Classroom facilities maintenance	\$ 407,114
Debt service	1,963,387
State funded programs	361,373
Federally funded programs	9,359
Food service operations	45,921
Student activities	338,852
Other purposes	1,811
Unrestricted	<u>14,124,942</u>
Total net position	<u>\$ 17,252,759</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

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

	<u>Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Position Governmental Activities</u>
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 10,500,595	\$ 1,021,241	\$ 1,408,137	\$ 23,240	\$ (8,047,977)
Special	5,519,289	148,476	1,957,472		(3,413,341)
Vocational	109,051		39,968		(69,083)
Adult/continuing	950				(950)
Other	14,869				(14,869)
Support services:					
Pupil	1,558,008		852,624		(705,384)
Instructional staff	847,572		6,052		(841,520)
Board of education	16,275				(16,275)
Administration	1,798,700		175,493		(1,623,207)
Fiscal	578,495		1,786		(576,709)
Business	52,800				(52,800)
Operations and maintenance	1,648,951	147,577	1,774		(1,499,600)
Pupil transportation	1,074,282		23,451	43,795	(1,007,036)
Central	469,809		3,600		(466,209)
Operation of non-instructional services:					
Food service operations	845,620	121,964	660,679		(62,977)
Other non-instructional services	23,683		28,371		4,688
Extracurricular activities	877,160	255,458	24,749		(596,953)
Facilities acquisition and construction	42,204				(42,204)
Debt service:					
Principal retirement	829,348				(829,348)
Interest and fiscal charges	939,495				(939,495)
Accretion on capital appreciation bonds	25,652				(25,652)
Payment to refunded bond escrow agent	6,701,804				(6,701,804)
Bond issuance costs	107,690				(107,690)
<b>Total governmental activities</b>	<u>\$ 34,582,302</u>	<u>\$ 1,694,716</u>	<u>\$ 5,184,156</u>	<u>\$ 67,035</u>	<u>(27,636,395)</u>
			<b>General receipts:</b>		
			Property taxes levied for:		
			General purposes		7,124,576
			Debt service		2,021,000
			Capital outlay		1,086,878
			Income taxes levied for:		
			General purposes		3,214,287
			Grants and entitlements not restricted to specific programs		7,897,014
			Investment earnings		375,535
			Refunding bonds issued		6,375,000
			Premium on refunding bonds issued		434,500
			Reduction of prior year disbursements		70,636
			Sale of capital assets		17,365
			Miscellaneous		34,813
			<b>Total general receipts</b>		<u>28,651,604</u>
			Change in net position		1,015,209
			<b>Net position at beginning of year (restated)</b>		<u>16,237,550</u>
			<b>Net position at end of year</b>		<u>\$ 17,252,759</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	<b>General</b>	<b>Bond Retirement</b>	<b>Permanent Improvement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$ 11,862,238	\$ 1,963,387	\$ 2,264,867	\$ 1,162,267	\$ 17,252,759
<b>Fund balances:</b>					
Restricted:					
Debt service		\$ 1,963,387			\$ 1,963,387
Classroom facilities maintenance				\$ 407,114	407,114
Food service operations				45,921	45,921
Non-public schools				22,843	22,843
State funded programs				338,530	338,530
Federally funded programs				9,359	9,359
Extracurricular				340,663	340,663
Committed:					
Capital improvements			\$ 2,264,867		2,264,867
Assigned:					
Student instruction	\$ 174,601				174,601
Student and staff support	116,563				116,563
Subsequent year's appropriations	2,385,090				2,385,090
Unassigned (deficit)	9,185,984			(2,163)	9,183,821
<b>Total fund balances</b>	<b>\$ 11,862,238</b>	<b>\$ 1,963,387</b>	<b>\$ 2,264,867</b>	<b>\$ 1,162,267</b>	<b>\$ 17,252,759</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts:</b>					
Property taxes	\$ 7,124,576	\$ 2,021,000	\$ 1,086,878		\$ 10,232,454
Income taxes	3,214,287				3,214,287
Intergovernmental	8,921,081	65,647	145,500	\$ 3,963,321	13,095,549
Investment earnings	375,503			157	375,660
Tuition and fees	1,135,855		33,862		1,169,717
Extracurricular	43,427			212,031	255,458
Rental income	147,283				147,283
Charges for services				122,258	122,258
Contributions and donations	30,850		100	17,454	48,404
Miscellaneous	3,963		23,140	11,837	38,940
Total receipts	<u>20,996,825</u>	<u>2,086,647</u>	<u>1,289,480</u>	<u>4,327,058</u>	<u>28,700,010</u>
<b>Disbursements:</b>					
Current:					
Instruction:					
Regular	8,849,080		194,861	1,456,654	10,500,595
Special	4,739,040		627	779,622	5,519,289
Vocational	109,051				109,051
Adult/continuing	950				950
Other	14,869				14,869
Support services:					
Pupil	450,881		3,975	1,103,152	1,558,008
Instructional staff	406,979		434,178	6,415	847,572
Board of education	16,275				16,275
Administration	1,613,475		1,485	183,740	1,798,700
Fiscal	515,991	36,691	22,340	3,473	578,495
Business	52,800				52,800
Operations and maintenance	1,508,351		6,445	134,155	1,648,951
Pupil transportation	883,188		147,299	43,795	1,074,282
Central	462,329			7,480	469,809
Operation of non-instructional services:					
Food service operations				845,620	845,620
Other non-instructional services				23,683	23,683
Extracurricular activities	625,617		8,759	242,784	877,160
Facilities acquisition and construction			42,204		42,204
Debt service:					
Principal retirement		734,348	95,000		829,348
Interest and fiscal charges		835,085	104,410		939,495
Accretion on capital appreciation bonds		25,652			25,652
Bond issuance costs		107,690			107,690
Total disbursements	<u>20,248,876</u>	<u>1,739,466</u>	<u>1,061,583</u>	<u>4,830,573</u>	<u>27,880,498</u>
Excess (deficiency) of receipts over (under) disbursements	<u>747,949</u>	<u>347,181</u>	<u>227,897</u>	<u>(503,515)</u>	<u>819,512</u>
<b>Other financing sources (uses):</b>					
Premium on bonds		434,500			434,500
Sale of bonds		6,375,000			6,375,000
Sale of capital assets			17,365		17,365
Transfers in		29,660			29,660
Transfers (out)				(29,660)	(29,660)
Advances in				100,000	100,000
Advances (out)	(100,000)				(100,000)
Payment to refunded bond escrow agent		(6,701,804)			(6,701,804)
Reduction of prior year disbursements	66,822	3	3,111	700	70,636
Total other financing sources (uses)	<u>(33,178)</u>	<u>137,359</u>	<u>20,476</u>	<u>71,040</u>	<u>195,697</u>
Net change in fund balances	714,771	484,540	248,373	(432,475)	1,015,209
<b>Fund balances at beginning of year (restated)</b>	<u>11,147,467</u>	<u>1,478,847</u>	<u>2,016,494</u>	<u>1,594,742</u>	<u>16,237,550</u>
<b>Fund balances at end of year</b>	<u>\$ 11,862,238</u>	<u>\$ 1,963,387</u>	<u>\$ 2,264,867</u>	<u>\$ 1,162,267</u>	<u>\$ 17,252,759</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts:</b>				
Property taxes	\$ 6,900,000	\$ 7,124,514	\$ 7,124,576	\$ 62
Income taxes	3,386,000	3,386,000	3,214,287	(171,713)
Intergovernmental	8,088,917	8,922,525	8,921,081	(1,444)
Investment earnings	-	360,886	375,503	14,617
Tuition and fees	925,000	1,005,811	1,034,327	28,516
Extracurricular	26,385	26,385	21,430	(4,955)
Rental income	15,000	122,514	147,283	24,769
Contributions and donations	6,000	34,880	29,848	(5,032)
Miscellaneous	10,250	5,502	3,963	(1,539)
Total receipts	<u>19,357,552</u>	<u>20,989,017</u>	<u>20,872,298</u>	<u>(116,719)</u>
<b>Disbursements:</b>				
Current:				
Instruction:				
Regular	10,080,898	10,309,698	8,826,663	1,483,035
Special	4,415,499	4,416,203	4,739,040	(322,837)
Vocational	101,030	100,987	109,051	(8,064)
Adult/continuing			950	(950)
Other	39,698	41,668	14,869	26,799
Support services:				
Pupil	1,432,201	459,916	450,881	9,035
Instructional staff	506,785	417,636	406,979	10,657
Board of education	21,863	22,377	16,475	5,902
Administration	1,720,581	1,656,483	1,615,143	41,340
Fiscal	497,193	532,827	516,144	16,683
Business	71,000	71,000	52,800	18,200
Operations and maintenance	1,526,040	1,533,136	1,515,054	18,082
Pupil transportation	876,135	889,289	892,055	(2,766)
Central	455,783	477,942	462,785	15,157
Extracurricular activities	634,445	652,174	605,639	46,535
Total disbursements	<u>22,379,151</u>	<u>21,581,336</u>	<u>20,224,528</u>	<u>1,356,808</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(3,021,599)</u>	<u>(592,319)</u>	<u>647,770</u>	<u>1,240,089</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's disbursements	5,000	65,794	66,702	908
Advances (out)		(100,000)	(100,000)	
Total other financing sources (uses)	<u>5,000</u>	<u>(34,206)</u>	<u>(33,298)</u>	<u>908</u>
Net change in fund balance	(3,016,599)	(626,525)	614,472	1,240,997
<b>Fund balance at beginning of year</b>	10,919,223	10,919,223	10,919,223	
<b>Prior year encumbrances appropriated</b>	37,379	37,379	37,379	
<b>Fund balance at end of year</b>	<u>\$ 7,940,003</u>	<u>\$ 10,330,077</u>	<u>\$ 11,571,074</u>	<u>\$ 1,240,997</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Bryan City School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by §3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's seven instructional/support facilities staffed by 128 noncertified and 177 certified full-time teaching personnel who provide services to 1,947 students and other community members.

*Reporting Entity*

**A. Primary Government**

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

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District, and are significant in amount to the District. The District does not have any component units.

**C. Jointly Governed Organizations and Purchasing Pools**

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

**A. Basis of Presentation**

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

*Government-Wide Financial Statements*

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

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

*Fund Financial Statements*

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

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

- a. Total assets, receipts, or disbursements of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, receipts, or disbursements of that individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

**B. Fund Accounting**

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

*Governmental*

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

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

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

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

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

**C. Basis of Accounting**

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

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

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

**D. Budgetary Process**

The budgetary process is prescribed by provision of the Ohio Revised Code and entails the preparation of budgetary documents within established timetable. All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board.

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



**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

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

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

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

**E. Cash and Investments**

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

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

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

During fiscal year 2021, the District invested in federal agency securities, negotiable certificates of deposit, and STAR Ohio. Investments are reported at cost, except for 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 their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during fiscal year 2021 amounted to \$375,503 which included \$123,109 assigned from other District funds.

**F. Inventory and Prepaid Items**

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

**G. Capital Assets**

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

**H. Compensated Absences**

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

**I. Employer Contributions to Cost-Sharing Pension Plans**

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

**J. Pensions/Other Postemployment Benefits (OPEB)**

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

**K. Long-term Obligations**

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

**L. Internal Activity**

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

**M. Net Position**

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

**N. Fund Balance**

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

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

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

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

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

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

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles/Restatement of Fund Balances/Restatement of Net Position**

For fiscal year 2021, the District has implemented GASB Statement No. 84 "*Fiduciary Activities*", GASB Statement No. 90 "*Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*" and has applied GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*" GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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

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

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. The District reviewed its agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District's financial statements.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

A fund cash balance restatement is required in order to implement GASB Statement No 84. The June 30, 2020, fund cash balances have been restated as follows:

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Fund cash balance					
previously reported	\$ 11,147,467	\$ 1,478,847	\$ 2,016,494	\$ 1,513,745	\$ 16,156,553
GASB Statement No. 84	-	-	-	80,997	80,997
Restated fund cash balance					
at June 30, 2020	<u>\$ 11,147,467</u>	<u>\$ 1,478,847</u>	<u>\$ 2,016,494</u>	<u>\$ 1,594,742</u>	<u>\$ 16,237,550</u>

A net cash position restatement is required in order to implement GASB Statement No 84. The governmental activities at June 30, 2020 have been restated as follows:

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

	Governmental Activities
Net cash position	
as previously reported	\$ 16,156,553
GASB Statement No. 84	80,997
Restated net cash position	
at June 30, 2020	\$ 16,237,550

Related to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. At June 30, 2020, agency funds reported assets and liabilities of \$80,997.

**B. Compliance**

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

**C. Deficit Fund Balances**

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

<u>Nonmajor funds</u>	<u>Deficit</u>
Miscellaneous federal grants	\$ 2,163

The General Fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. These deficit cash balances resulted from a lag between disbursements made by the District and reimbursements from grantors and are allowable under Ohio Revised Code §3315.20.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Deposits with Financial Institutions**

At June 30, 2021, the carrying amount of all District deposits was \$12,331,591 and the bank balance of all District deposits was \$12,436,566. All of the District's bank balance was covered by FDIC.

**C. Investments**

The fair value of these investments is not materially different than measurement value. As of June 30, 2021, the District had the following investments and maturities:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
FHLMC	\$ 425,700	\$ -	\$ -	\$ -	\$ 425,700	\$ -
FNMA	500,664	-	-	-	-	500,664
Negotiable CDs	3,552,284	1,309,859	421,769	1,152,123	250,183	418,350
STAR Ohio	438,020	438,020	-	-	-	-
Total	<u>\$ 4,916,668</u>	<u>\$ 1,747,879</u>	<u>\$ 421,769</u>	<u>\$ 1,152,123</u>	<u>\$ 675,883</u>	<u>\$ 919,014</u>

The weighted average maturity of investments is 1.15 years.

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

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

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the 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:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
FHLMC	\$ 425,700	8.66%
FNMA	500,664	10.18%
Negotiable CDs	3,552,284	72.25%
STAR Ohio	438,020	8.91%
Total	<u>\$ 4,916,668</u>	<u>100.00%</u>

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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 - cash basis as of June 30, 2021:

<u>Cash per note</u>	
Carrying amount of deposits	\$ 12,331,591
Investments	4,916,668
Cash on hand	4,500
Total	\$ 17,252,759
 <u>Cash per statement of net position - cash basis</u>	
Governmental activities	\$ 17,252,759

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Advances for the fiscal year ended June 30, 2021, as reported on the fund statements, consist of the following:

<u>Advances in</u>	<u>Advances out</u>	<u>Amount</u>
Nonmajor governmental	General	\$ 100,000

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

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

B. Transfers for the fiscal year ended June 30, 2021, as reported on the fund statements, consist of the following:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
Bond retirement fund	Nonmajor governmental	\$ 29,660

Transfers are used to move cash receipts from the fund that statute or budget required to collect them to the fund that statute or budget requires to disburse them and to use unrestricted cash receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. The transfer of \$29,660 from the classroom facilities fund (a nonmajor governmental fund) to the bond retirement fund was a residual equity transfer to close out various programs.

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



**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenues received in calendar year 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 tangible personal property taxes received in calendar year 2021 became a lien on December 31, 2019, were levied after April 1, 2020, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Williams County. The County Auditor 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 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

	2020 Second Half Collections		2021 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 270,959,370	97.75	\$ 271,539,400	97.73
Public utility personal	<u>6,248,350</u>	<u>2.25</u>	<u>6,305,000</u>	<u>2.27</u>
Total	<u>\$ 277,207,720</u>	<u>100.00</u>	<u>\$ 277,844,400</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$61.25		\$61.55	

**NOTE 7 - INCOME TAXES**

The District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The permanent tax was approved by the voters in May 2006 and was effective January 1, 2007. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax receipts in the amount of \$3,214,287 were credited to the General Fund.

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 8 - CAPITAL ASSETS**

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

	Balance at 6/30/2020	Additions	Reductions	Balance at 6/30/2021
Governmental Activities:				
Land	\$ 684,640	\$ -	\$ -	\$ 684,640
Land Improvements	6,544,741	-	-	6,544,741
Buildings and Building Improvements	60,251,415	-	-	60,251,415
Furniture, Fixtures, and Equipment	4,688,733	35,342	-	4,724,075
Vehicles	2,254,994	195,157	-	2,450,151
Total Capital Assets	<u>\$ 74,424,523</u>	<u>\$ 230,499</u>	<u>\$ -</u>	<u>\$ 74,655,022</u>

**NOTE 9 – RISK MANAGEMENT**

**A. Comprehensive**

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

**B. Employee Insurance Benefits Program**

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

**C. Workers’ Compensation Group Program**

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

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability/Asset***

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

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

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

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

***Plan Description - School Employees Retirement System (SERS)***

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

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%. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$479,679 for fiscal year 2021.

***Plan Description - State Teachers Retirement System (STRS)***

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

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

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate is deposited into the member's DC account 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 at age 50 and after termination of employment.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,516,565 for fiscal year 2021.

***Net Pension Liability***

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.

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.09839590%	0.09077470%	
Proportion of the net pension liability current measurement date	<u>0.10105880%</u>	<u>0.09122990%</u>	
Change in proportionate share	<u>0.00266290%</u>	<u>0.00045520%</u>	
Proportionate share of the net pension liability	\$ 6,684,242	\$ 22,074,390	\$ 28,758,632

***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:

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)

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.

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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

**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.

	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 9,156,595	\$ 6,684,242	\$ 4,609,890

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

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

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
Discount rate of return	7.45%
Payroll increases	3.00%
Cost-of-living adjustments	0.00%

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.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
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	<u>100.00 %</u>	

\*\*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. 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.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*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	\$ 31,430,088	\$ 22,074,390	\$ 14,146,215

**NOTE 11 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Liability/Asset*

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

*Plan Description - School Employees Retirement System (SERS)*

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://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 fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% 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 \$67,833.

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 \$67,833 for fiscal year 2021.

***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](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients 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.

***Net OPEB Liability/Asset***

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:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.10061590%	0.09077470%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.10495470%</u>	<u>0.09122990%</u>	
Change in proportionate share	<u>0.00433880%</u>	<u>0.00045520%</u>	
Proportionate share of the net OPEB liability	\$ 2,281,009	\$ -	\$ 2,281,009
Proportionate share of the net OPEB asset	\$ -	\$ (1,603,365)	\$ (1,603,365)

***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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

Inflation	3.00%
Wage increases	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:	
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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - 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 Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	<u>100.00 %</u>	

**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. 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	\$ 2,791,898	\$ 2,281,009

  

	1% Decrease	Current Trend Rate	1% Increase
	District's proportionate share of the net OPEB liability	\$ 1,796,121	\$ 2,281,009

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - 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 June 30, 2020, actuarial valuation are presented below:

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%	
Discount rate of return	7.45%	
Health care cost trends	Initial	Ultimate
Medical		
Pre-Medicare	5.00%	4.00%
Medicare	-6.69%	4.00%
Prescription Drug		
Pre-Medicare	6.50%	4.00%
Medicare	11.87%	4.00%

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality 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.

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

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:

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
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	<u>100.00 %</u>	

\*\*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 as of June 30, 2020. 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	District's proportionate share of the net OPEB asset	\$ 1,395,031	\$ 1,603,365

  

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	District's proportionate share of the net OPEB asset	\$ 1,769,155	\$ 1,603,365

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 12 - LONG-TERM DEBT**

Changes in long-term obligations of the District during fiscal year 2021 were as follows. Accreted interest amounts at June 30, 2020 have been restated.

	Restated Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due in One Year
School Improvement Refunding Bonds, Series 2020A:					
Term - 2.606-2.976%	\$ 3,445,000	\$ -	\$ -	\$ 3,445,000	\$ -
Serial - 1.927-2.456%	1,720,000	-	-	1,720,000	-
Capital Appreciation	129,821	-	(49,348)	80,473	34,070
Accreted Interest	-	73,412	(25,652)	47,760	50,930
School Improvement Refunding Bonds, Series 2017:					
Term - 3.15-4.00%	8,595,000	-	-	8,595,000	-
Serial - 2.00-2.50%	285,000	-	(45,000)	240,000	45,000
Capital Appreciation	34,592	-	-	34,592	-
Accreted Interest	41,470	28,179	-	69,649	-
School Improvement Refunding Bonds, Series 2016A:					
Term - 4.00%	1,660,000	-	-	1,660,000	-
Serial - 1.25-3.00%	1,835,000	-	(45,000)	1,790,000	50,000
Capital Appreciation	19,913	-	-	19,913	-
Accreted Interest	24,742	11,589	-	36,331	-
School Improvement Refunding Bonds, Series 2016B:					
Term - 4.00%	1,860,000	-	-	1,860,000	-
Serial - 1.25-4.00%	2,270,000	-	(25,000)	2,245,000	25,000
Capital Appreciation	83,484	-	-	83,484	-
Accreted Interest	41,496	15,272	-	56,768	-
School Improvement Bonds, Series 2014A:					
Serial - 1.50-4.50%	7,120,000	-	(7,120,000)	-	-
School Improvement Bonds, Series 2014B:					
Serial - 1.50-4.50%	30,000	-	(30,000)	-	-
Certificates of Participation, Series 2014:					
Term - 4.25%	2,605,000	-	-	2,605,000	-
Serial - 1.50-4.00%	190,000	-	(95,000)	95,000	95,000
School Improvement Refunding Bonds, Series 2020B:					
Serial - 1.00-3.00%	-	6,375,000	-	6,375,000	600,000
<b>Total Long-Term Obligations</b>	<b>\$ 31,990,518</b>	<b>\$6,503,452</b>	<b>\$ (7,435,000)</b>	<b>\$ 31,058,970</b>	<b>\$ 900,000</b>

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 12 - LONG-TERM DEBT - (Continued)**

**School Improvement Refunding Bonds, Series 2020A**

Proceeds from the outstanding bonds were used to retire 2014B bond issues. The bonds were issued on February 27, 2020. The bonds consisted of \$1,720,000 in current interest bonds and \$3,445,000 issued as term bonds and \$129,821 in capital appreciation bonds. The serial bonds will mature on January 1, 2031. The term bonds which mature on July 1, 2038. The bonds are being retired through the Bond Retirement Debt Service Fund.

**Series 2020A Bonds**

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

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

**Mandatory Sinking Fund Redemption**

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

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

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

Maturity Date (January 1)	Original Principal Amount	Accreted Value at Maturity
2022	\$ 34,070	\$ 85,000
2023	29,300	120,000
2024	17,103	115,000



**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 12 - LONG-TERM DEBT - (Continued)**

The value of the capital appreciation bonds reported at June 30, 2021 was \$128,233. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of \$47,760 has been included in the value. The bonds are being retired through the Bond Retirement Debt Service Fund.

**School Facilities Improvement Refunding Bonds, Series 2017**

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

**Series 2017 Bonds**

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

Maturity Date (January 1)	Principal Amount	Interest Rate
2022	\$ 45,000	2.500%
2023	45,000	2.500%
2024	50,000	2.500%
2025	50,000	2.500%
2026	50,000	2.500%

**Mandatory Sinking Fund Redemption**

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

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

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

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

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

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 12 - LONG-TERM DEBT - (Continued)**

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

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

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

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

Optional Redemption

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

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

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

The value of the capital appreciation bonds reported at June 30, 2021 was \$104,241. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of \$69,649 has been included in the value. The bonds are being retired through the Bond Retirement Debt Service Fund.

**School Facilities Improvement Refunding Bonds, Series 2016A**

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

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 12 - LONG-TERM DEBT - (Continued)**

**Series 2016A Bonds**

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

<u>Maturity Date</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2022	\$ 50,000	1.750%
2023	50,000	2.000%
2024	50,000	2.000%
2025	50,000	2.000%
2038	1,150,000	3.000%
2039	440,000	3.000%

**Mandatory Sinking Fund Redemption**

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

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

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

Optional Redemption

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

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

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

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 12 - LONG-TERM DEBT - (Continued)**

The value of the capital appreciation bonds reported at June 30, 2021 was \$56,244. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of \$36,331 has been included in the value. The bonds are being retired through the Bond Retirement Debt Service Fund.

**School Facilities Improvement Refunding Bonds, Series 2016B**

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

**Series 2016B Bonds**

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

Maturity Date (December 15)	Principal Amount	Interest Rate
2021	\$ 25,000	1.500%
2022	25,000	1.750%
2023	25,000	2.000%
2024	25,000	2.000%
2025	25,000	2.000%
2040	1,040,000	4.000%
2041	1,080,000	4.000%

**Mandatory Sinking Fund Redemption**

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

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

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

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 12 - LONG-TERM DEBT - (Continued)**

Optional Redemption

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

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

<u>Maturity Date</u> <u>(December 15)</u>	<u>Original</u> <u>Principal</u> <u>Amount</u>	<u>Accreted</u> <u>Value at</u> <u>Maturity</u>
2035	\$ 83,484	\$ 665,000

The value of the capital appreciation bonds reported at June 30, 2021 was \$140,252. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of \$56,768 has been included in the value. The bonds are being retired through the Bond Retirement Debt Service Fund.

**School Facilities Improvement Bonds, Series 2014A**

Proceeds from the outstanding bonds were used for the purpose of construction, additions to and renovating and improving existing school buildings and facilities. These bonds were issued on February 12, 2014. The bonds consisted of \$22,300,000 in current interest bonds (\$13,840,000 issued as serial bonds and \$8,460,000 issued as term bonds). \$6,580,000 of these bonds were refunded during fiscal year 2021 by the Series 2020B Refunding Bonds. At June 30, 2021, there were no further obligations outstanding.

**School Facilities Improvement Bonds, Series 2014B**

Proceeds from the outstanding bonds were used for the purpose of construction, additions to and renovating and improving existing school buildings and facilities. These bonds were issued on March 13, 2014. The bonds consisted of \$9,800,000 in current interest bonds (\$5,160,000 issued as serial bonds and \$4,640,000 issued as term bonds). The serial and term bonds were paid off with the 2020 School Improvement Refunding Bond Issue. At June 30, 2021, there were no further obligations outstanding.

**Certificates of Participation, Series 2014**

Proceeds from the outstanding certificates were used for the purpose of construction, additions to and renovating and improving existing school buildings and facilities. These certificates were issued on June 4, 2014. The certificates consisted of \$3,300,000 in current interest certificates (\$695,000 issued as serial certificates and \$2,605,000 issued as term certificates). The serial certificates will mature on December 15, 2021. The term certificates which mature on December 15, 2040. The certificates are being retired through the Bond Retirement Debt Service Fund.

The serial certificates bear interest payable at the rates per year and will mature in the principal amounts and on the following dates:

<u>Maturity Date</u> <u>(December 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2021	\$ 95,000	2.750%

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - LONG-TERM DEBT - (Continued)**

**Mandatory Sinking Fund Redemption**

The term certificates maturing December 15, 2023 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2022 and each December 15 thereafter (with the balance of \$100,000 to be paid at state maturity on December 15, 2023) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2022	\$ 95,000

The term certificates maturing December 15, 2025 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2024 and each December 15 thereafter (with the balance of \$105,000 to be paid at state maturity on December 15, 2025) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2024	\$ 105,000

The term certificates maturing December 15, 2027 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2026 and each December 15 thereafter (with the balance of \$115,000 to be paid at state maturity on December 15, 2027) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2026	\$ 110,000

The term certificates maturing December 15, 2029 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2028 and each December 15 thereafter (with the balance of \$125,000 to be paid at state maturity on December 15, 2029) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2028	\$ 120,000

The term certificates maturing December 15, 2031 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2030 and each December 15 thereafter (with the balance of \$135,000 to be paid at state maturity on December 15, 2031) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2030	\$ 130,000

The term certificates maturing December 15, 2033 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2032 and each December 15 thereafter (with the balance of \$145,000 to be paid at state maturity on December 15, 2033) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2032	\$ 140,000

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - LONG-TERM DEBT - (Continued)**

The term certificates maturing December 15, 2035 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2034 and each December 15 thereafter (with the balance of \$155,000 to be paid at state maturity on December 15, 2035) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2034	\$ 150,000

The term certificates maturing December 15, 2038 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2036 and each December 15 thereafter (with the balance of \$175,000 to be paid at state maturity on December 15, 2038) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2036	\$ 160,000
2037	170,000

The term certificates maturing December 15, 2040 will be subject to mandatory sinking fund redemption in part by lot on December 15, 2039 and each December 15 thereafter (with the balance of \$190,000 to be paid at state maturity on December 15, 2040) at 100% of the principal amount so redeemed plus accrued interest to the date of redemption in the amounts set forth below:

Maturity Date <u>(December 15)</u>	Principal <u>Amount</u>
2039	\$ 180,000

Optional Redemption

The certificates maturing on or after December 15, 2023 are subject to redemption, in whole or in part, prior to their stated maturity, after the exercise by the District of its option to purchase the Project, as provided in the Lease, on any Payment Date on and after December 15, 2021 at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption.

**Series 2020B Refunding Bonds**

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

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

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

The reacquisition price exceeded the net carrying amount of the old debt by \$121,810. This advance refunding was undertaken to reduce the combined total debt service payments by \$904,094 and resulted in an economic gain of \$853,724.

**BRYAN CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 12 - LONG-TERM DEBT - (Continued)**

Total expenditures for interest for the above debt for the period ended June 30, 2021 was \$939,495.

The scheduled payments of principal and interest on debt outstanding at June 30, 2021 are as follows:

Year Ending June 30,	Serial Bonds, Term Bonds and COPS			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 815,000	\$ 958,670	\$ 1,773,670	\$ 34,070	\$ 50,930	\$ 85,000
2023	865,000	947,219	1,812,219	29,299	90,701	120,000
2024	875,000	931,888	1,806,888	17,104	97,896	115,000
2025	1,025,000	911,132	1,936,132	-	-	-
2026	1,065,000	887,903	1,952,903	6,223	43,777	50,000
2027-2031	5,675,000	4,064,263	9,739,263	34,592	555,408	590,000
2032-2036	6,870,000	3,004,057	9,874,057	97,174	1,657,826	1,755,000
2037-2041	11,010,000	1,576,790	12,586,790	-	-	-
2042	2,430,000	48,600	2,478,600	-	-	-
Total	<u>\$ 30,630,000</u>	<u>\$ 13,330,522</u>	<u>\$ 43,960,522</u>	<u>\$ 218,462</u>	<u>\$ 2,496,538</u>	<u>\$ 2,715,000</u>

**NOTE 13 - SET-ASIDES**

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

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	359,636
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(1,232,378)
Waiver granted by ODE	-
Total	<u>\$ (872,742)</u>
Balance carried forward to fiscal year 2022	<u>\$ -</u>
Set-aside balance June 30, 2021	<u>\$ -</u>



**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 14 - BUDGETARY BASIS OF ACCOUNTING**

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

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

Fund Cash Balance	
Cash Basis	\$ 11,862,238
Funds Budgeted Elsewhere	(272,062)
Adjustments for Encumbrances	<u>(19,102)</u>
Budgetary Basis	<u>\$ 11,571,074</u>

**NOTE 15 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**C. Foundation Funding**

In fiscal year 2021, District foundation funding was 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 of the date of this report, ODE has finalized the impact of enrollment adjustments for fiscal year 2021 foundation funding for the District. There is no effect on the financial statements.

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Northwest Ohio Computer Association**

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

The NWOCA Assembly consists of a superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the Governing Council of two representatives from each of the six counties in which the member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Governing Council. During fiscal year 2021, the District paid \$89,762 to NWOCA for various services. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

**B. Northern Buckeye Education Council**

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

**C. Four County Career Center**

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

**NOTE 17 - INSURANCE POOLS**

**A. Employee Insurance Benefits Program**

The District participates in the Northern Buckeye Health Plan – Northwest Division of the Optimal Health Initiative Consortium (OHI), a public entity shared risk pool consisting of educational entities throughout the state. The Pool is governed by OHI and its participating members. The District contributed a total of \$3,213,719 to Northern Buckeye Health Plan, Northwest Division of OHI for all three plans. Financial information for the period can be obtained from the Northern Buckeye Health Plan at 201 East 5th Street, Suite 1200, Cincinnati, Ohio 45202.

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 17 - INSURANCE POOLS - (Continued)**

**B. Workers' Compensation Group Rating Plan**

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

Optimal Health Initiatives has retained Sheakley UniService as the servicing agent to perform administrative, actuarial, cost control, claims, and safety consulting services and unemployment claims services for program participants.

**NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Bryan and Pulaski Township entered into tax abatement agreements with various companies for the abatement of property taxes to bring jobs and economic development into the area. The agreement affects the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by \$154,812 during fiscal year 2021. The District did not receive compensation for the forgone property taxes.

**NOTE 19 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 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 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**

- A. 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 \$626,145 in revenues and expenditures/expenses related to these programs. Also during fiscal year 2021, the District reported \$683,655 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.
- B. On September 13, 2021, the District accepted an offer from Community Hospitals and Wellness Center in the amount of \$500,000 for the purchase of the former high school property.

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Provided Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
<u>Child Nutrition Cluster:</u>			
School Breakfast Program	10.553		\$67,293
Cash Assistance			8,188
COVID-19 - Cash Assistance			<u>75,481</u>
Total School Breakfast Program			
National School Lunch Program	10.555		
Cash Assistance			515,237
COVID-19 Cash Assistance			63,250
Non-Cash Assistance (Food Distribution)			<u>57,589</u>
Total School Lunch Program			<u>636,076</u>
Total Child Nutrition Cluster			<u>711,557</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>711,557</u></b>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Department of Education</i>			
COVID-19 Coronavirus Relief Fund - Rural and Small Town School Districts	21.019		<u>100,512</u>
<b>Total U.S. Department of Treasury</b>			<b><u>100,512</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010		313,822
<u>Special Education Cluster (IDEA):</u>			
Special Education - Grants to States (IDEA, Part B)	84.027		470,036
Special Education - Preschool Grants (IDEA, Preschool)	84.173		<u>14,441</u>
Total Special Education Cluster (IDEA)			484,477
Improving Teacher Quality State Grants	84.367		50,658
Student Support and Academic Enrichment Program	84.424		26,686
English Language Acquisition State Grants	84.365	\$1,593	1,593
<u>Education Stabilization Fund:</u>			
COVID-19 Elementary & Secondary School Emergency Relief (ESSER I)	84.425D		281,500
COVID-19 Elementary & Secondary School Emergency Relief (ESSER II)	84.425D		<u>1,114,247</u>
Total Education Stabilization Fund			<u>1,395,747</u>
<b>Total U.S. Department of Education</b>		<b><u>1,593</u></b>	<b><u>2,272,983</u></b>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$1,593</u></b>	<b><u>\$3,085,052</u></b>

*The accompanying notes are an integral part of this schedule.*

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS 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 Bryan City School District, Williams 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 – SUBRECIPIENTS**

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

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

**NOTE E – CHILD NUTRITION CLUSTER**

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

**NOTE F – FOOD DONATION PROGRAM**

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

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY**

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

**NOTE G – TRANSFERS BETWEEN PROGRAM YEARS**

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

<b><u>Program Title</u></b>	<b><u>CFDA Number</u></b>	<b><u>Amt. Transferred</u></b>
Title I Grants to Local Educational Agencies	84.010	\$ 7,082
Supporting Effective Instruction State Grans	84.367	17
Student Support and Academic Enrichment Program	84.424	3

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bryan City School District, Williams County, Ohio (the District) as of and for the year ended June 30, 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 April 7, 2022, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. In addition, we also 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2021-001.

***District's Response to Finding***

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

April 7, 2022





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

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

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

To the Board of Education:

***Report on Compliance for the Major Federal Program***

We have audited Bryan City School District, Williams 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 Bryan City School District's major federal program for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on the Major Federal Program***

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

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the 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's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

April 7, 2022

**BRYAN CITY SCHOOL DISTRICT  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2021**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

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

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

**FINDING NUMBER 2021-001**

**Noncompliance**

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

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

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

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

**Officials' Response:**

See Corrective Action Plan.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**SUPERINTENDENT OF SCHOOLS**  
Mark Rairigh

**TREASURER/CFO**  
Kevin Schafer

# BRYAN CITY SCHOOLS

CREATING OPPORTUNITIES



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

**BOARD OF EDUCATION**

Scott Benedict  
Ben Camarillo  
Debra Opdycke  
Dustin Schlachter  
Mike Stockman

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

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Finding first reported in 2007. Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03 (B) for not reporting in accordance with generally accepted accounting principles.	Not corrected and reissued as Finding 2021-001 in this report.	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.
2020-002	Finding first reported in 2018. Material weakness for financial statement reporting errors.	Corrective action taken and finding is fully corrected.	

**SUPERINTENDENT OF SCHOOLS**  
Mark Rairigh

**TREASURER/CFO**  
Kevin Schafer

# **BRYAN CITY SCHOOLS**

CREATING OPPORTUNITIES



1350 Fountain Grove Drive  
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**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**JUNE 30, 2021**

<b>Finding Number:</b>	2021-001
<b>Planned Corrective Action:</b>	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.
<b>Anticipated Completion Date:</b>	N/A
<b>Responsible Contact Person:</b>	Kevin Schafer, Treasurer/CFO

# OHIO AUDITOR OF STATE KEITH FABER



**BRYAN CITY SCHOOL DISTRICT**

**WILLIAMS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/5/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)