OHIO AUDITOR OF STATE
KEITH FABER

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

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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, 2020, 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.

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, 2020, 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 Matter

As discussed in Note 20 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 Information

We applied no procedures to management's discussion and analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2021, 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

March 11, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

The discussion and analysis of the financial performance of Bryan City School District (the District) provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2020 are as follows:

In total, net position decreased $337,776.

General receipts accounted for $28,413,445, or 87 percent of all receipts. Program specific receipts in the form of charges for services and sales and operating grants and contributions accounted for $4,349,287 or 13 percent of total receipts of $32,762,732.

The District's major funds included the General fund, the Bond Retirement fund, and the Permanent Improvement fund. The General fund had $21,130,680 in receipts and other financing sources and $22,768,462 in disbursements and other financing uses. The General fund's balance decreased $1,637,782 from the prior fiscal year.

The Bond Retirement fund had $7,608,330 in receipts and other financing sources and $7,259,249 in disbursements and other financing uses. The Bond Retirement fund's balance increased $349,081from the prior fiscal year.

The Permanent Improvement fund had $1,316,823 in receipts and other financing sources and $964,712 in disbursements and other financing uses. The Permanent Improvement fund's balance increased $352,111 from the prior fiscal year.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds, with all other non-major funds presented in total in a single column.

For the District, the General fund is by far the most significant fund. The General fund, the Bond Retirement fund and the Permanent Improvement fund are the three major funds.

Reporting the District as a Whole

Statement of Net Position and Statement of Activities

The statement of net position and the statement of activities, both reported on the cash basis, reflect how the District performed financially during fiscal year 2020. These statements are reported on a cash basis of accounting which reflects receipts and disbursements when cash in received or disbursed.

These statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader whether the financial position of the District, as a whole, has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the cash basis statement of net position and the statement of activities, the District discloses a single type of activity, its governmental activities which includes all of the District's programs and services are reported here including instruction, support services, non-instructional services, and extracurricular activities. These services are primarily funded by property tax receipts and from intergovernmental receipts, including federal and state grants and other shared receipts.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. While the District uses many funds to account for its multitude of financial transactions, the fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General fund, the Bond Retirement fund, and the Permanent Improvement fund. While the District uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal yearend for spending in future periods. These funds are reported using the cash basis of accounting. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the District's programs. These funds use the cash basis of accounting.

The District as a Whole

Table 1 provides a summary of the District's net position for fiscal year 2020 compared to fiscal year 2019 on a cash basis.

Table 1
Net Position
Governmental Activities

	2020	2019
Assets:		
Current and Other Assets	$16,156,553	$16,494,329
Net Position:		
Restricted for Debt Service	$1,478,847	$1,129,766
Restricted for Capital Outlay	36,649	104,676
Restricted for Other Purposes	1,484,117	810,255
Unrestricted	13,156,940	14,449,632
Total	$16,156,553	$16,494,329

As mentioned previously, net position of governmental activities decreased $337,776 or approximately 2 percent during 2020. The District's cut in state support.

Table 2 reflects the changes in net position for fiscal year 2020 compared to fiscal year 2019.

Table 2
Change in Net Position
Governmental Activities

	2020	2019
Receipts:		
Program Receipts:		
Charges for Services and Sales	$1,894,996	$1,968,877
Operating Grants and Contributions	2,454,291	3,125,322
Total Program Receipts	4,349,287	5,094,199
General Receipts:		
Property Taxes	10,074,626	9,757,200
Income Taxes	3,385,691	3,386,644
Grants and Entitlements	8,921,963	8,480,136
Gifts and Donations	16,593	43,404
Investment Earnings	326,042	379,450
Miscellaneous	34,126	15,884
Refunding Bonds Issued	5,294,821	
Premium on Refunding Bonds Issued	245,793	
Proceeds from Sale of Capital Assets		9,083
Refund of Prior Year Disbursements	113,790	66,674
Total General Receipts	28,413,445	22,138,475
Total Receipts	32,762,732	27,232,674
Disbursements:		
Instruction	16,094,459	15,603,618
Support Services:		
Pupils	1,494,225	1,367,831
Instructional Staff	646,146	508,637
Board of Education	25,157	23,690
Administration	1,821,517	1,780,471
Fiscal	662,031	500,529
Business	71,115	79,439
Operation and Maintenance of Plant	1,644,908	1,693,214
Pupil Transportation	874,026	1,299,713
Central	497,745	428,687
Non-Instructional Services	819,175	905,939
Extracurricular Activities	869,340	978,798
Capital Outlay	159,395	1,001,778
Debt Service:		
Principal	755,000	730,000
Issuance Costs	59,327	
Interest and Fiscal Charges	1,123,652	1,195,367
Payment to Bond Escrow Agent	5,440,458	
Discount on Bonds Issued	40,745	
Refund of Prior Year Receipts	2,087	
Total Disbursements	33,100,508	28,097,711
Decrease in Net Position	($337,776)	($865,037)

Program receipts account for 13 percent of total receipts and are represented by restricted intergovernmental revenues, tuition and fees, rent, extracurricular activities, and food service sales.

The major program disbursements for governmental activities are for instruction, which accounts for 49 percent of all governmental disbursements. Debt service payments accounts for 22 percent. Other programs which support the instruction process, including pupils, instructional staff, and pupil transportation account for 9 percent of governmental disbursements. Maintenance of the District's facilities also represents a significant disbursement of 5 percent. The remaining 15 percent of the District's disbursements are related to the primary functions of delivering education and providing facilities. These costs are funded almost entirely from property taxes and grants and entitlements.

Overall receipts increased $5,530,058 (approximately 20.3 percent) primarily due to the refunding bond issue proceeds in 2020. Overall disbursements increased $5,002,797 (more than 17 percent) which is due to the conclusion of building construction projects and the advance refunding of bonds in 2020.

<u>Governmental Activities</u>

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services and sales and grants and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax receipts and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Instruction	$16,094,459	$13,051,485	$15,603,618	$12,007,523
Support Services:				
Pupils	1,494,225	1,381,400	1,367,831	1,264,781
Instructional Staff	646,146	646,146	508,637	508,637
Board of Education	25,157	25,157	23,690	23,690
Administration	1,821,517	1,820,875	1,780,471	1,778,384
Fiscal	662,031	662,031	500,529	499,430
Business	71,115	71,115	79,439	79,439
Operation and Maintenance of Plant	1,644,908	1,487,105	1,693,214	1,539,519
Pupil Transportation	874,026	874,026	1,299,713	1,299,713
Central	497,745	489,885	428,687	420,824
Non-Instructional Services	819,175	91,040	905,939	66,899
Extracurricular Activities	869,340	570,292	978,798	587,528
Capital Outlay	159,395	159,395	1,001,778	1,001,778
Debt Service:				
Principal	755,000	755,000	730,000	730,000
Issuance Costs	59,327	59,327		
Interest and Fiscal Charges	1,123,652	1,123,652	1,195,367	1,195,367
Payment to Bond Escrow Agent	5,440,458	5,440,458		
Discount on Bonds Issued	40,745	40,745		
Refund of Prior Year Receipts	2,087	2,087		
Total Disbursements	$33,100,508	$28,751,221	$28,097,711	$23,003,512

The dependence upon tax receipts and unrestricted state entitlements for governmental activities is apparent. Over 81 percent of instruction activities are supported through taxes and other general receipts. For all governmental activities, support from general receipts is 87 percent. The remaining 13 percent are derived from charges for services and sales, operating grants and contributions.

The District's Funds

The District's governmental funds are accounted for using the cash basis of accounting. The District's major governmental funds are the General fund, the Bond Retirement fund, and the Permanent Improvement fund. Total governmental funds had receipts and other financing sources of $33,018,647 and disbursements and other financing uses of $33,356,423.

The net change in fund balance in the General fund reflects a decrease of $1,637,782, which was a $1,300,547 decrease more than 2019.

The net change in fund balance in the Bond Retirement fund reflects an increase of $349,081.

The net change in fund balance in the Permanent Improvement fund reflects an increase of $352,111, which was $694,955 more than 2019.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General fund. During the course of fiscal year 2020, the District amended its General fund budget as needed.

Final estimated receipts and other financing sources were less than the original estimated receipts and other financing sources by $91,221 (less than one percent). There was a variance of $48,903 (less than one percent) between final estimated receipts and other financing sources and actual.

Final budget disbursements and other financing uses were less than original budget disbursements and other financing uses by $127,308 (less than one percent). This was due to a decrease in expected disbursements. Final disbursements and other financing uses were budgeted at $23,120,116 while actual disbursements and other financing uses were $22,709,205. The $410,911 difference (1.8 percent) is primarily due to a conservative "worst case scenario" approach. The District over-appropriates in case significant, unexpected expenditures arise during the fiscal year.

Capital Assets and Debt Administration

Capital Assets

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The District had capital outlay disbursements of $159,395 during fiscal year 2020.

Debt Administration

At June 30, 2020, the District had $32,272,632 in school improvement general obligation bonds, refunding bonds, and certificate of participation for construction and building improvements.

The District had $7,120,000 in School Facilities Improvement Bonds, Series 2014A. The bonds were issued on February 12, 2014 for a twenty-eight year period and will mature on January 1, 2042. The bonds are being retired through the Bond Retirement Fund.

The District had $30,000 in School Facilities Improvement Bonds, Series 2014B. The bonds were issued on March 13, 2014 and will mature on December 15, 2020. The bonds are being retired through the Bond Retirement Fund.

The District had $3,689,493 in Refunding Bonds, Series 2016A. The bonds were issued on January 17, 2017 for a twenty-two year period and will mature on January 1, 2039. The bonds are being retired through the Bond Retirement Fund.

District had $4,305,302 in Refunding Bonds, Series 2016B. The bonds were issued on June 15, 2017 for a twenty- five year period and will mature on December 15, 2041. The bonds are being retired through the Bond Retirement Fund.

The District had $9,038,016 in Refunding Bonds, Series 2017. The bonds were issued on December 12, 2017 for a twenty-five year period and will mature on January 1, 2042. The bonds are being retired through the Bond Retirement Fund.

The District had $5,294,821 in Refunding Bonds, Series 2020. The bonds were issued on February 27, 2020, for a eighteen year period and will mature on July 1, 2038. The bonds are being retired through the Bond Retirement Fund.

The District had $2,795,000 in Certificates of Participation, Series 2014. The certificates were issued on June 4, 2014 for a twenty- seven-year period and will mature on December 15, 2040. The certificates are being retired through the Permanent Improvement Fund.

At June 30, 2020, the District's overall legal debt margin was ($5,845,090), with an un-voted debt margin of $277,208.

For further information regarding the District's debt, see the notes to the basic financial statements.

Current Issues

Bryan is a small rural community of 8,500 in Northwest Ohio. It has a number of small and medium businesses with agriculture having a contributing influence on the economy. Except for State Foundation revenue, the District's receipts have remained stagnant while operating costs continue to increase. The citizens of the District passed a continuing one percent school district income tax levy on May 2, 2006. This tax became effective on January 1, 2007 and is expected to generate approximately $3,300,000 per year. The one percent school district income tax has generated a total of $37,637,691 over the last twelve years, an average of $2,895,207 per year. In FY2020, the income tax revenue totaled $3,387,000.

The District is currently operating in the second year of the state biennium. Forty-four percent (44%) of the District revenue sources are from local funds, forty percent (40%) from state funds, and the remaining six percent (6%) is from federal funds. The remaining ten percent (10%) includes funds raised through tuition, fees, extracurricular activities, grants, and other non-tax sources. The total expenditure per pupil was calculated at $9,678.

In May 2017, the District passed the renewal of a five-year emergency levy to generate $1,910,000 annually. This levy provides a source of funds for the financial operations and stability of the District. However, future finances are not without challenges as our community changes and state funding is continually revised. Some of these challenges are in the future of state funding for schools in light of the DeRolph court case, state budget instability, the long term effects of public utility deregulation, the personal property tax on Ohio businesses and the accelerated phase out of tangible personal property replacement funds.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kevin Schafer, Chief Fiscal Officer/Treasurer, Bryan City School District,1350 Fountain Grove Drive, Bryan, Ohio 43506-8733.

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2020

		Governmental Activities
Assets:		
Equity in Pooled Cash and Cash Equivalents	$	16,156,553
Net Position:		
Restricted for Debt Service	$	1,478,847
Restricted for Capital Outlay		36,649
Restricted for Other Purposes		1,484,117
Unrestricted		13,156,940
Total Net Position	$	16,156,553

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

			Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions		Governmental Activities
Governmental Activities:					
Instruction:					
Regular	$ 10,419,944	$ 1,131,728	$ 933,180		$ (8,355,036)
Special	5,536,832		938,098		(4,598,734)
Vocational	111,477		39,968		(71,509)
Adult/Continuing	950				(950)
Student Intervention Services	25,256				(25,256)
Support Services:					
Pupils	1,494,225		112,825		(1,381,400)
Instructional Staff	646,146				(646,146)
Board of Education	25,157				(25,157)
Administration	1,821,517		642		(1,820,875)
Fiscal	662,031				(662,031)
Business	71,115				(71,115)
Operation and Maintenance of Plant	1,644,908	149,197	8,606		(1,487,105)
Pupil Transportation	874,026				(874,026)
Central	497,745		7,860		(489,885)
Operation of Non-Instructional Services	819,175	341,623	386,512		(91,040)
Extracurricular Activities	869,340	272,448	26,600		(570,292)
Capital Outlay	159,395				(159,395)
Debt Service:					
Principal	755,000				(755,000)
Issuance Costs	59,327				(59,327)
Interest and Fiscal Charges	1,123,652				(1,123,652)
Payment to Bond Escrow Agent	5,440,458				(5,440,458)
Discount on Bonds Issued	40,745				(40,745)
Refund of Prior Year Receipts	2,087				(2,087)
Totals	$ 33,100,508	$ 1,894,996	$ 2,454,291		(28,751,221)
	General Receipts:				
	Taxes:				
	Property Taxes, Levied for General Purposes				6,995,485
	Property Taxes, Levied for Capital Outlay				1,076,546
	Property Taxes, Levied for Debt Service				2,002,595
	Income Taxes				3,385,691
	Grants and Entitlements not Restricted to Specific Programs				8,921,963
	Gifts and Donations				16,593
	Investment Earnings				326,042
	Miscellaneous				34,126
	Refunding Bonds Issued				5,294,821
	Premium on Refunding Bonds Issued				245,793
	Refund of Prior Year Expenditures				113,790
	Total General Receipts				28,413,445
	Change in Net Position				(337,776)
	Net Position Beginning of Year				16,494,329
	Net Position End of Year				$ 16,156,553

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Bond Retirement Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	$ 11,147,467	$ 1,478,847	$ 2,016,494	$ 1,513,745	$ 16,156,553
Fund Balances:					
Restricted		$ 1,478,847		$ 1,520,766	$ 2,999,613
Committed			$ 2,016,494		2,016,494
Assigned	$ 3,411,880				3,411,880
Unassigned (Deficit)	7,735,587			(7,021)	7,728,566
Total Fund Balances	$ 11,147,467	$ 1,478,847	$ 2,016,494	$ 1,513,745	$ 16,156,553

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
CASH BASIS - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Bond Retirement Fund	Permanent improvement Fund	All Other Governmental Funds	Total Governmental Funds
Receipts:					
Property and Other Local Taxes	$ 6,995,485	$ 2,002,595	$ 1,076,546		$ 10,074,626
Income Taxes	3,385,691				3,385,691
Intergovernmental	8,978,831	65,121	144,671	$ 2,152,110	11,340,733
Investment Earnings	324,530			1,929	326,459
Tuition and Fees	1,092,151		39,577		1,131,728
Rent	149,197				149,197
Extracurricular Activities	52,771			219,640	272,411
Gifts and Donations	15,993		600	30,839	47,432
Customer Sales and Services				341,623	341,623
Miscellaneous	22,393		11,733	4,302	38,428
Total Receipts	21,017,042	2,067,716	1,273,127	2,750,443	27,108,328
Disbursements:					
Current:					
Instruction:					
Regular	10,116,519		219,264	84,161	10,419,944
Special	4,628,420		14,376	894,036	5,536,832
Vocational	111,477				111,477
Adult/Continuing	950				950
Student Intervention Services	25,256				25,256
Support Services:					
Pupils	1,380,849		173	113,203	1,494,225
Instructional Staff	464,300		181,846		646,146
Board of Education	25,157				25,157
Administration	1,783,592		30,826	7,099	1,821,517
Fiscal	599,224	36,565	24,534	1,708	662,031
Business	71,115				71,115
Operation and Maintenance of Plant	1,485,818		37,051	122,039	1,644,908
Pupil Transportation	873,578		448		874,026
Central	459,135		34,000	4,610	497,745
Operation of Non-Instructional Services				819,175	819,175
Extracurricular Activities	629,376			239,964	869,340
Capital Outlay			83,477	75,918	159,395
Debt Service:					
Principal		665,000	90,000		755,000
Interest		1,017,154	106,498		1,123,652
Issuance Costs		59,327			59,327
Total Disbursements	22,654,766	1,778,046	822,493	2,361,913	27,617,218
Excess of Receipts Over (Under) Disbursements	(1,637,724)	289,670	450,634	388,530	(508,890)
Other Financing Sources and (Uses):					
Transfers In			43,696	212,219	255,915
Refunding Bonds Issued		5,294,821			5,294,821
Premium on Refunding Bonds Issued		245,793			245,793
Discount on Bonds Issued		(40,745)			(40,745)
Payment to Bond Escrow Agent		(5,440,458)			(5,440,458)
Refund of Prior Year Expenditures	113,638			152	113,790
Transfers Out	(113,696)		(142,219)		(255,915)
Refund of Prior Year Receipts				(2,087)	(2,087)
Total Other Financing Sources and (Uses)	(58)	59,411	(98,523)	210,284	171,114
Net Change in Fund Balances	(1,637,782)	349,081	352,111	598,814	(337,776)
Fund Balances at Beginning of Year	12,785,249	1,129,766	1,664,383	914,931	16,494,329
Fund Balances at End of Year	$ 11,147,467	$ 1,478,847	$ 2,016,494	$ 1,513,745	$ 16,156,553

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts:				
Property and Other Local Taxes	$ 6,870,000	$ 6,995,485	$ 6,995,485	
Income Tax	3,348,500	3,385,691	3,385,691	
Intergovernmental	9,459,000	9,047,160	8,978,831	$ (68,329)
Investment Earnings	325,000	325,000	324,530	(470)
Tuition and Fees	965,500	1,001,448	1,020,035	18,587
Rent	156,717	145,122	149,197	4,075
Gifts and Donations	6,000	19,072	15,993	(3,079)
Miscellaneous	10,200	22,102	22,393	291
Total Receipts	21,140,917	20,941,080	20,892,155	(48,925)
Disbursements:				
Current:				
Instruction:				
Regular	10,260,338	10,050,079	10,050,079	
Special	4,569,342	4,719,904	4,629,307	90,597
Vocational	111,824	111,577	111,577	
Adult/Continuing	1,500	950	950	
Student Intervention Services	22,540	28,420	27,420	1,000
Support Services:				
Pupils	1,383,860	1,384,975	1,380,849	4,126
Instructional Staff	524,431	464,300	464,300	
Board of Education	26,286	26,957	26,957	
Administration	1,870,617	1,836,910	1,787,049	49,861
Fiscal	567,886	610,297	600,037	10,260
Business	103,708	102,449	71,115	31,334
Operation and Maintenance of Plant	1,671,922	1,564,446	1,495,170	69,276
Pupil Transportation	924,702	936,156	876,583	59,573
Central	463,517	478,009	468,886	9,123
Extracurricular Activities	604,951	679,687	605,230	74,457
Total Disbursements	23,107,424	22,995,116	22,595,509	399,607
Excess of Disbursements Over Receipts	(1,966,507)	(2,054,036)	(1,703,354)	350,682
Other Financing Sources and (Uses):				
Refund of Prior Year Expenditures	5,000	113,616	113,638	22
Transfers Out	(40,000)	(110,000)	(113,696)	(3,696)
Advances Out		(15,000)		15,000
Other Financing Uses	(100,000)			
Total Other Financing Sources and (Uses)	(135,000)	(11,384)	(58)	11,326
Net Change in Fund Balance	(2,101,507)	(2,065,420)	(1,703,412)	362,008
Fund Balance at Beginning of Year	12,504,711	12,504,711	12,504,711	
Prior Year Encumbrances Appropriated	117,924	117,924	117,924	
Fund Balance at End of Year	$ 10,521,128	$ 10,557,215	$ 10,919,223	$ 362,008

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUND
JUNE 30, 2020

	Agency Fund
Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 80,997
Liabilities:	
Held on Behalf of Students	$ 80,997

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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 120 non-certified and 153 certified full-time teaching personnel who provide services to 2,007 students and other community members.

The 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 Workers' Compensation Group Rating Plan. These organizations are presented in Notes 14 and 15 to the basic financial statements.

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

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 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.

A. Basis of Presentation

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

1. Government-Wide Financial Statements

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

The statement of net position presents the cash balance of the governmental activities of the District at fiscal yearend. 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 basis or draws from the District's general receipts.

2. 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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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 divided into two categories, governmental and fiduciary.

1. Governmental Funds:

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

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund 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.

2. Fiduciary Funds

Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary funds of the District consist of agency funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's Agency funds account for various student managed activities.

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 this 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 agency 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, function, and object level within the General fund and at the fund level for all other 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.

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" on the financial statements.

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 are 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 2020, investments were limited to negotiable certificates of deposits, 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.

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $1000 million limit. All accounts of the participant will be combined for these purposes.

As authorized by Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2020 amounted to $324,530, which included $81,133 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. The financial statements do not report these assets.

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 9 and 10, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

J. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon 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

The District's 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 other financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Interfund Transactions

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. The District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

M. Net Position

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

N. Fund Balance

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

Nonspendable - The nonspendable classification 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 classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the 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 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. In the General fund, assigned amounts represent intended uses established by the 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 provided 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 classification 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 first applies restricted resources when an expenditure is 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 can be used.

3. 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 – 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 is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned fund balance (cash basis) and certain funds included in the General Fund as part of the GASB 54 requirements are not included in the budgetary statement.

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

Fund Cash Balance

	General Fund
Cash Basis	$11,147,467
Funds Budgeted Elsewhere	(190,865)
Outstanding Encumbrances	(37,379)
Budget Basis	$10,919,223

4. SCHOOL INCOME TAX

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 $3,385,691 were credited to the General Fund.

5. DEPOSITS AND INVESTMENTS

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District Treasury. Active 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 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 monies are those monies, which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.

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

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $397,220 of the District's bank balance of $11,452,997 was exposed to custodial credit risk because it was uninsured and uncollateralized contrary to Ohio law.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2020, the District had the following investments and maturities:

		Investment Maturities (in Years)		
Investment Type	**Measurement Value**	**Less than One Year**	**One to Two Years**	**Two to Three Years**
Negotiable Certificates of Deposit	$4,388,349	$1,441,843	$1,559,859	$1,386,647
STAR Ohio	436,747	436,747		
Total Investments	$4,825,096	$1,878,590	$1,559,859	$1,386,647

Interest Rate Risk – Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in commercial paper to a maximum maturity of 270 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk – The following investments carry the highest ratings by Moody's and Standard and Poor's.

Investment Type	Moody's	Standard & Poor's
STAR Ohio		AAAm

The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The District has no investment policy that would further limit its investment choices.

6. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis, while the District's fiscal year runs from July through June. First-half tax collections are received by the District in the second half of the fiscal year. Second-half tax distributions 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 revenue received in calendar year 2020 represents the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value as of January 1, 2019, 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 revenue received in calendar 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2018, were levied after April 1, 2019 and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Williams County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second-Half Collections		2020 First-Half Collections	
	Amount	**Percent**	**Amount**	**Percent**
Agricultural/Residential	$205,531,850	75%	$205,932,920	74%
Industrial/Commercial	63,487,740	23%	65,026,450	24%
Public Utility	5,942,080	2%	6,248,350	2%
Total Assessed Value	$274,961,670	100%	$277,207,720	100%
Tax rate per $1,000 of assessed valuation	$61.25		$61.25	

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance at 6/30/2019	Additions	Reductions	Balance at 6/30/2020
Governmental Activities:				
Land	$684,640			$684,640
Land Improvements	6,544,741			6,544,741
Buildings and Building	60,222,397	$29,018		60,251,415
Furniture, Fixtures, and Equipment	4,670,146	18,587		4,688,733
Vehicles	2,194,460	60,534		2,254,994
Total Capital Assets	$74,316,384	$108,139		$74,424,523

8. 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 16). 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 15). 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.

9. DEFINED PENSION BENEFIT PLANS

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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 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 percent for the first thirty years of service and 2.5 percent 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.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent 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 percent for plan members and 14 percent 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, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2020, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $494,027 for fiscal year 2020.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 St., Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent 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 year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 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 their member contributions and 9.53 percent of the 14 percent 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 percent of the 14 percent 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 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent 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 fifty 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 that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2020, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $1,520,889 for fiscal year 2020.

Net Pension Liability

The net pension liability was measured as of June 30, 2019, 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 contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.09852660%	0.08970701%	
Proportion of the Net Pension Liability Current Measurement Date	0.09839590%	0.09077470%	
Change in Proportionate Share	-0.00013070%	0.00106769%	
Proportionate Share of the Net Pension Liability	$5,887,199	$20,027,279	$25,914,478

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, 2019, are presented below:

Inflation	3.00 percent
Future Salary Increases, including inflatior	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent 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 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

The long-term return expectation for the Pension Plan Investments has been determined by 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 an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. 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 earning were calculated using the long-term assumed investment rate of return (7.50 percent). 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 percent, 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 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$8,250,071	$5,887,199	$3,905,636

Actuarial Assumptions - STRS

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

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent 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 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with 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, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

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 percent, 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 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	$29,336,923	$20,074,279	$12,233,485

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2020, four members of the Board of Education have selected Social Security. The contribution rate is 6.2 percent of wages.

10. DEFINED BENEFIT OPEB PLANS

See Note 9 for a description of the net OPEB Liability.

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, 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 2020, this amount was $19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was $60,379.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $60,379 for fiscal year 2020.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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 percent of covered payroll. For 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, 2019, and the total OPEB liability 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 Prior Measurement Date	0.09959250%	0.08970701%	
Proportion of the Net OPEB Liability Current Measurement Date	0.10061590%	0.09077470%	
Change in Proportionate Share	0.00102340%	0.00106769%	
Proportionate Share of the Net OPEB Liability	$2,530,278		$2,530,278
Proportionate Share of the Net OPEB Liability Asset		$1,503,447	$1,503,447

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

Inflation	3.00 percent
Wage Increases	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.22 percent
Prior Measurement Date	3.70 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent

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

The most recent experience study was completed for the five year period ended June 30, 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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019, was 3.70 percent. 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 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent 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 3.13 percent, as of June 30, 2019 (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 (2.22%) and higher (4.22%) than the current discount rate (3.22%). 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.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net OPEB liability	$3,071,278	$2,530,278	$2,100,120

	1% Decrease (6.25 % decreasing to 3.75 %)	Current Trend Rate (7.25 % decreasing to 4.75 %)	1% Increase (8.25 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	$2,027,265	$2,530,278	$3,197,564

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.87 percent initial, 4 percent ultimate
Medicare	4.93 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	7.73 percent initial, 4 percent ultimate
Medicare	9.62 initial, 4 percent ultimate

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 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019, 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 trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent 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 liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS 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, 2019. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019.

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, 2019, calculated using the current period discount rate assumption of 7.45 percent, 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 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB liability	$1,282,893	$1,503,447	$1,688,881

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$1,704,840	$1,503,447	$1,256,789

11. LONG-TERM OBLIGATIONS

Changes in long-term obligations of the District during fiscal year 2020 were as follows:

	Balance at 06/30/19	Increase	Decrease	Balance at 06/30/20	Amount Due In one Year
School Improvement Refunding Bonds, Series 2020:					
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		129,821	$49,349
School Improvement Refunding Bonds, Series 2017:					
Term – 3.15-4.00%	$8,595,000			8,595,000	
Serial – 2.00-2.50%	330,000		$45,000	285,000	45,000
Capital Appreciation	34,592			34,592	
Accreted Interest	61,712	61,712		123,424	
School Improvement Refunding Bonds, Series 2016A:					
Term – 4.00%	1,660,000			1,660,000	
Serial – 1.25-3.00%	1,880,000		45,000	1,835,000	45,000
Capital Appreciation	19,913			19,913	
Accreted Interest	116,387	58,193		174,580	
School Improvement Refunding Bonds, Series 2016B:					
Term – 4.00%	1,860,000			1,860,000	
Serial – 1.25-4.00%	2,295,000		25,000	2,270,000	25,000
Capital Appreciation	83,484			83,484	
Accreted Interest	61,212	30,606		91,818	
School Improvement Bonds, Series 2014A:					
Serial – 1.5-4.50%	7,650,000		530,000	7,120,000	540,000
School Improvement Bonds, Series 2014B:					
Term – 4.25%	1,640,000		1,640,000		
Serial – 1.5-4.50%	3,705,000		3,675,000	30,000	30,000
Certificate of Participation, Series 2014					
Term – 4.25%	2,605,000			2,605,000	
Serial – 1.5-4.50%	280,000		90,000	190,000	95,000
Total Long-Term Obligations	$32,877,300	$5,445,332	$6,050,000	$32,272,632	$829,349

School Improvement Refunding Bonds, Series 2020

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. This issue results in a net savings of $582,760 to the District.

Series 2020 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
2021	$49,347	$75,000
2022	34,070	85,000
2023	29,300	120,000
2024	17,104	115,000

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
2021	$45,000	2.00%
2022	45,000	2.50%
2023	45,000	2.50%
2024	50,000	2.50%
2025	50,000	2.50%
2026	50,000	2.50%

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

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	Original Principal Amount	Accreted Value at Maturity
2027	$34,592	$590,000

The value of the capital appreciation bonds reported at June 30, 2020 was $158,016. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of $123,424 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.

Series 2016A Bonds

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

Maturity Date (January 1)	Principal Amount	Interest Rate
2021	$45,000	1.50%
2022	50,000	1.75%
2023	50,000	2.00%
2024	50,000	2.00%
2025	50,000	2.00%
2038	1,150,000	3.00%
2039	440,000	3.00%

Mandatory Sinking Fund Redemption

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

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

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

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

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

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

The value of the capital appreciation bonds reported at June 30, 2020 was $194,493. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of $174,580 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
2020	$25,000	1.50%
2021	25,000	1.50%
2022	25,000	1.75%
2023	25,000	2.00%
2024	25,000	2.00%
2025	25,000	2.00%
2040	1,040,000	4.00%
2041	1,080,000	4.00%

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.

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

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

Maturity Date	Original Principal Amount	Accreted Value at Maturity
2035	$83,484	$665,000

The value of the capital appreciation bonds reported at June 30, 2020 was $175,302. The annual accretion of interest is based on the straight-line method, which approximates the equity interest method. Total accreted interest of $91,818 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). The serial bonds will mature on January 1, 2035. The term bonds which mature on January 1, 2042. The bonds are being retired through the Permanent Improvement Fund.

Serial bonds of $9,000,000 were paid off with the School Improvement Refunding Bonds, Series 2017.

The 2014A 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
2021	$540,000	2.50%
2022	555,000	4.00%
2023	520,000	3.00%
2023	110,000	4.00%
2024	650,000	4.00%
2025	675,000	3.25%
2026	695,000	4.00%
2027	185,000	4.00%
2028	755,000	4.00%
2029	785,000	3.50%
2030	810,000	3.75%
2031	840,000	4.00%

Optional Redemption

The Bonds maturing on or after January 1, 2022 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, 2021 at par plus accrued interest thereon.

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. Only $30,000 in serial bonds remain on the 2014B series.

The 2014B 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
2020	$30,000	2.25%

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:

Maturity Date (December 15)	Principal Amount	Interest Rate
2020	$95,000	2.50%
2021	95,000	2.75%

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:

Year	Principal Amount to be Redeemed
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:

Year	Principal Amount to be Redeemed
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:

Year	Principal Amount to be Redeemed
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:

Year	Principal Amount to be Redeemed
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:

Year	Principal Amount to be Redeemed
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:

Year	Principal Amount to be Redeemed
2032	$140,000

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:

Year	Principal Amount to be Redeemed
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:

Year	Principal Amount to be Redeemed
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:

Year	Principal Amount to be Redeemed
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.

Total expenditures for interest for the above debt for the period ended June 30, 2020 was $1,123,652.

The scheduled payments of principal and interest on the bonds and notes as of June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$829,349	$1,326,796	$2,156,145
2022	804,070	1,328,856	2,132,926
2023	874,299	1,340,901	2,215,200
2024	892,104	1,317,415	2,209,519
2025	1,025,000	1,185,869	2,210,869
2026 – 2030	5,625,815	6,103,409	11,729,224
2031 – 2035	8,125,000	3,843,626	11,968,626
2036 – 2040	8,752,173	4,158,307	12,910,480
2041 – 2042	4,955,000	196,538	5,151,538
Total	$31,882,810	$20,801,717	$52,684,527

12. SET-ASIDE CALCULATIONS AND FUND RESERVES

The District is required by State statute to annually set aside, in the General Fund, an amount based on a 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 fiscal year must be held in cash at fiscal year-end. These amounts must be carried forward and used for the same purposes in future years.

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

	Capital Improvements
Set-Aside Cash Balance as of June 30, 2019	
Current Year Set-Aside Requirement	$348,623
Offsets	(348,623)
Qualifying Disbursements	
Total	

13. CONTINGENCIES

A. Federal and State Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

B. School Foundation

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE has finalized the impact of enrollment adjustments for fiscal year 2020 founding funding for the District. This will increase its funding by $80,824.

C. Litigation

The District is involved in a case arising from the termination of an employee which alleges that the District unlawfully retaliated against the employee for reporting alleged misconduct of District administrative staff. Management and its legal counsel periodically review the probable outcome of the pending claim and proceedings, the costs and expenses reasonably expected to be incurred, the availability and limits of the District's insurance coverage, and the District's accruals for uninsured liabilities. While the ultimate legal and financial liability with respect to the claim and proceedings cannot be estimated with certainty, management believes, based on its reviews and experience to date, that any liability in excess of amounts covered by insurance will not have a material effect on the District's financial statements.

14. JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Computer Association

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

The NWOCA Assembly consists of the superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the Governing Council of two representatives from each of the six counties in which 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 2020, the District paid $84,472 to NWOCA for various services. Financial information can be obtained from Tammy Butler, who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among various 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 four 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. The District paid $0 for services rendered through NBEC. To obtain financial information write to the Northern Buckeye Education Council, Tammy Butler, who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

C. Four County Career Center

The Four County Career Center is a distinct political subdivision of the State of Ohio 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 Four County Career Center possesses its own budgeting and taxing authority. To obtain financial information write to the Four County Career Center, Connie Nicely, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

15. 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 $0 to Northern Buckeye Health Plan, Northwest Division of OHI for all four plans. Financial information for the period can be obtained from Charlie Leboeuf, Treasurer, at 201 East 5th Street, Suite 1200, Cincinnati, Ohio 45202.

B. Workers' Compensation Group Rating Plan

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

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

16. INTERFUND TRANSACTIONS

During the fiscal year ended June 30, 2020, $43,696 was transferred from the General Fund to the Permanent Improvement Fund to subsidize capital improvements and $70,000 to the Food Service Fund to subsidize operating expenses. In addition, $142,219 was transferred from the Permanent Improvement Fund to the OSFC Project Maintenance Fund. The amount will be used to fund maintenance of the District's school buildings.

17. ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2020, Title VI-B, Preschool, and Miscellaneous Federal Grants special revenue funds had deficit fund balances of $6,809, $13, and $199, respectively, resulting from the funds waiting on grant reimbursements. The General Fund provides transfers to cover deficit balances when cash is needed.

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, liabilities, 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. Change in Accounting Principles

For the fiscal year ended June 30, 2020, the District has (to the extent it applies to the cash basis of accounting) implemented Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* GASB Statement No. 95 postpones the effective dates of certain provisions in the statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following statements are postponed by one year:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*

Certain provisions in the following statements are postponed by one year:

- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following statement is postponed by 18 months:

- Statement No. 87, *Leases*

18. FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General Fund	Bond Retirement Fund	Permanent Improvements Fund	Other Governmental Funds	Total
Restricted for:					
Regular Instruction				$677,406	$677,406
Special Instruction				663	663
Athletics				264,970	264,970
Food Service				9,050	9,050
Operations Facilities Maintenance				539,049	539,049
Debt Retirement		$1,478,847			1,478,847
Building Construction				29,628	29,628
Total Restricted		1,478,847		1,520,766	2,999,613
Committed for:					
Permanent Improvements			$2,016,494		2,016,494
Assigned to:					
Educational Activities	$234,668				$234,668
Unpaid Obligations Encumbrances	37,379				37,379
Appropriations	3,139,833				3,139,833
Total Assigned	3,411,880				3,411,880
Unassigned (Deficit)	7,735,587			(7,021)	7,728,566
Total Fund Balances	$11,147,467	$1,478,847	$2,016,494	$1,513,745	$16,156,553

19. 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 $112,626 during fiscal year 2020. The District did not receive compensation for the forgone property taxes.

20. SUBSEQUENT EVENT

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. In addition the impact on the District's future operating costs, revenue, and any recovery from emergency funding, either federal or state, cannot be estimated.

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Provided Through to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553		
Cash Assistance			$ 59,358
COVID-19 - Cash Assistance			5,065
Total School Breakfast Program			64,423
National School Lunch Program	10.555		
Cash Assistance			238,527
COVID-19 Cash Assistance			27,295
Non-Cash Assistance (Food Distribution)			51,142
Total National School Lunch Program			316,964
Total Child Nutrition Cluster			381,387
Total U.S. Department of Agriculture			**381,387**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010		363,384
Special Education Cluster (IDEA)			
Special Education - Grants to States (IDEA, Part B)	84.027		583,721
Special Education - Preschool Grants (IDEA, Preschool)	84.173		16,881
Total Special Education Cluster (IDEA)			600,602
Student Support and Academic Enrichment Program	84.424		25,536
English Language Acquisition State Grants	84.365	$1,549	1,549
Improving Teacher Quality State Grants	84.367		63,902
Total U.S. Department of Education		**1,549**	**1,054,973**
Total Expenditures of Federal Awards		**$1,549**	**$1,436,360**

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, 2020

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 fiscal year ended June 30, 2020. 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.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE G – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2020 to 2021 programs:

Program Title	CFDA Number	Amount Transferred
Special Education - Grants to States (IDEA, Part B)	84.027	$ 19,815
Student Support and Academic Enrichment Program	84.424	2,174
Improving Teacher Quality State Grants	84.367	159

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OHIO AUDITOR OF STATE
KEITH FABER

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

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 11, 2021, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-002 to be a material weakness.

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 statement. 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 matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2020-001.

District's Response to Findings

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

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

March 11, 2021

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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, 2020. 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 program.

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, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

March 11, 2021

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2020-001

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).

As a cost savings measure, the District prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the basis of cash receipts and cash disbursements, 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.

FINDING NUMBER 2020-002

Material Weakness - Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the accompanying financial statements:

- Restricted net position reported on the statement of net position incorrectly included $2,139,934 which did not have constraints placed on its use either imposed externally or by law in accordance with provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, (amended by GASB Statement No. 63), codified as GASB Cod 1800.157. These monies should have been classified as unrestricted net position on the statement of net position.

- A payment made to the bond escrow agent in the amount of $5,440,458 was incorrectly recorded as Debt Service: Principal Retirement in the Bond Retirement fund rather than as Payment to Bond Escrow Agent. Also, a discount from the underwriter in the amount of $40,745 was incorrectly recorded as issuance costs in the Bond Retirement fund rather than as Discount on Bonds Issued in accordance with Auditor of State Bulletin 2006-004.

These errors were not identified and corrected prior to the District preparing its financial statements report due to deficiencies in the District's internal controls over financial statement monitoring. Failure to complete accurate financial statements could lead to the Board and management making misinformed decisions. The accompanying financial statements have been adjusted to correct these errors. In addition to the adjustments noted above, we also identified additional misstatements ranging from $11,733 to $971,332 that we have brought to the District's attention.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate, the Board should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by Treasurer and members of the District Board, to help identify and correct errors and omissions. In addition, the Treasurer should also review Audit Bulletins 2006-004 for information on recording debt transactions in the accounting system to help ensure that all accounts are being properly posted to the financial statements.

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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	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 2020-001 in this report.	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.
2019-002	Finding first reported in 2018. Material weakness for financial statement reporting errors.	Not corrected and reissued as Finding 2020-002 in this report.	Additional errors occurred and were not corrected. Management is aware and understands the importance of the information presented on the financial statements and will ensure the financial statements are properly presented.
2019-003	Ohio Rev. Code § 135.18 and Ohio Rev. Code § 135.182 - for not obtaining sufficient collateral of deposits.	Partially corrected and reissued in the Management Letter.	Additional errors were noted and not corrected. Management is aware and understand the importance of monitory collateral coverage and will ensure the proper coverage is obtained.
2019-004	2 CFR § 200.430 (a) – for not completing time and effort documentation.	Corrective action taken and finding is fully corrected.	

SUPERINTENDENT OF SCHOOLS
Mark Rairigh

TREASURER/CFO
Kevin Schafer

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2020

Finding Number:	2020-001
Planned Corrective Action:	Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.
Anticipated Completion Date:	N/A
Responsible Contact Person:	Kevin Schafer, CFO/Treasurer

Finding Number:	2020-002
Planned Corrective Action:	Management is aware and understands the importance of the information presented on the financial statements and will ensure the fund balance classifications and debt transactions are properly presented.
Anticipated Completion Date:	June 30, 2021
Responsible Contact Person:	Kevin Schafer, CFO/Treasurer

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OHIO AUDITOR OF STATE
KEITH FABER

BRYAN CITY SCHOOL DISTRICT

WILLIAMS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/30/2021

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