OHIO AUDITOR OF STATE
KEITH FABER

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY
JUNE 30, 2021

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Logan Elm Local School District
Pickaway County
9579 Tarlton Road
Circleville, Ohio 43113

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

February 22, 2022

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

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- In total, net position of governmental activities increased $2,808,041.
- General revenues accounted for $23,170,686 in revenue or 79.53% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $5,963,009 or 20.47% of total revenues of $29,133,695.
- The District had $26,325,654 in expenses related to governmental activities; only $5,963,009 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $23,170,686 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, bond retirement fund and classroom facilities fund. The general fund had $22,903,481 in revenues and $22,903,749 in expenditures and other financing uses. During fiscal year 2021, the general fund's fund balance decreased $268 from a balance of $14,539,812 to $14,539,544.
- The bond retirement fund had $2,202,068 in revenues and $2,017,842 in expenditures. During fiscal year 2021, the bond retirement fund's fund balance increased $184,226 from a balance of $1,365,974 to $1,550,200.
- The classroom facilities fund had $857,934 in revenues and $3,086,655 in expenditures. During fiscal year 2021, classroom facilities fund's fund balance decreased $2,228,721 from a balance of $40,341,343 to $38,112,622.

Using these Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

The District's statement of net position and statement of activities can be found on pages 14 and 15 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page 10. Fund financial reports provide detailed information about the District's major and other governmental funds. The District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund and classroom facilities fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported on the statement of net position and in the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 16 through 20 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position on page 21. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 22 through 61 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 62 through 80 of this report.

The District as a Whole

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

Net Position

	Governmental Activities 2021	Governmental Activities 2020
Assets		
Current and other assets	$ 91,346,618	$ 90,188,131
Net OPEB asset	1,365,968	1,291,453
Capital assets, net	8,264,360	5,355,384
Total assets	100,976,946	96,834,968
Deferred Outflows of Resources		
Pension	4,303,171	4,306,543
OPEB	606,306	440,674
Total deferred outflows of resources	4,909,477	4,747,217
Liabilities		
Current liabilities	3,057,682	3,110,108
Long-term liabilities:		
Due within one year	550,555	411,019
Due in more than one year:		
Net pension liability	23,986,568	21,936,654
Net OPEB liability	1,723,916	2,019,208
Other amounts	45,363,508	45,867,984
Total liabilities	74,682,229	73,344,973
Deferred Inflows of Resources		
Property taxes levied for the next fiscal year	9,551,329	8,851,795
Pensions	257,050	1,192,440
OPEB	2,557,715	2,162,918
Total deferred inflows of resources	12,366,094	12,207,153
Net Position		
Net investment in capital assets	5,949,050	5,325,214
Restricted	17,178,044	16,820,171
Unrestricted (deficit)	(4,288,994)	(6,115,326)
Total net position (deficit)	$ 18,838,100	$ 16,030,059

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $18,838,100, an increase of $2,808,041 from June 30, 2020.

At year-end, capital assets represented 8.18% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2021, was $5,949,050. These capital assets are used to provide services to the students and are not available for future spending.

Total assets at fiscal year-end include a net OPEB asset reported by the State Teachers Retirement System (STRS). See Note 16 for more detail.

Deferred outflows of resources related to pension decreased primarily due to changes in assumptions by STRS. See Note 15 for more detail.

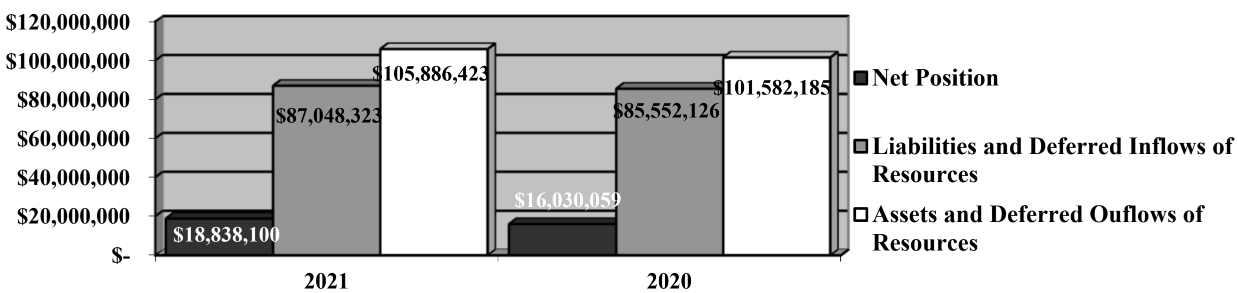
Long-term liabilities increased from fiscal year 2020 as a result of an increase in the net pension liability.

Deferred inflows of resources at June 30, 2021 remained comparable to the prior year.

A portion of the District's net position at June 30, 2021, $17,178,044, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is ($4,288,994).

The graph below illustrates the governmental activities' assets and deferred inflow of resources, liabilities and deferred inflows of resources, and net position as of June 30, 2021 and June 30, 2020.

Governmental Activities



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

Change in Net Position

	Governmental Activities 2021	Governmental Activities 2020
Revenues		
Program revenues:		
Charges for services and sales	$ 1,628,544	$ 2,028,161
Operating grants and contributions	3,801,815	2,621,466
Capital grants and contributions	532,650	1,137,454
General revenues:		
Property taxes	11,024,811	10,298,491
Income taxes	2,981,184	2,697,220
Payments in lieu of taxes	18,118	44,690
Grants and entitlements	8,897,735	22,129,812
Investment earnings	149,175	324,678
Change in fair value of investments	(95,076)	148,057
Other	194,739	166,855
Total revenues	29,133,695	41,596,884

- (Continued)

Change in Net Position - (Continued)

	Governmental Activities 2021	Governmental Activities 2020
Expenses		
Program expenses:		
Instruction:		
Regular	$ 10,983,707	$ 11,006,002
Special	3,487,555	3,509,948
Vocational	16,718	28,894
Other	134,530	297,133
Support services:		
Pupil	1,605,618	1,076,556
Instructional staff	340,016	452,048
Board of education	158,111	174,219
Administration	1,678,626	1,610,464
Fiscal	629,343	733,573
Business	3,297	10,641
Operations and maintenance	2,025,775	2,004,824
Pupil transportation	1,531,569	1,762,059
Central	521,261	573,685
Food service operations	657,690	680,221
Other non-instructional services	164,043	3,848
Interest and fiscal charges	1,693,612	1,524,441
Extracurricular activities	694,183	722,836
Total expenses	26,325,654	26,171,392
Change in net position	2,808,041	15,425,492
Net position at beginning of year	16,030,059	604,567
Net position at end of year	$ 18,838,100	$ 16,030,059

Governmental Activities

Net position of the District's governmental activities increased $2,808,041. Total governmental expenses of $26,325,654 were offset by program revenues of $5,963,009 and general revenues of $23,170,686. Program revenues supported 22.65% of the total governmental expenses.

Operating grants and contributions increased during fiscal year 2021 as a result of an increase in federal funding in response to the COVID-19 pandemic, including funding from the Elementary and Secondary School Emergency Relief and Coronavirus Relief programs. Capital grants and contributions include donations to the District's Leave your Legacy capital campaign to improve the athletic, performing arts, and business/tech/vocational areas in the Logan Elm PK-12 building, and interest earnings in capital funds. The District received less in donations and interest on capital funds in fiscal year 2021.

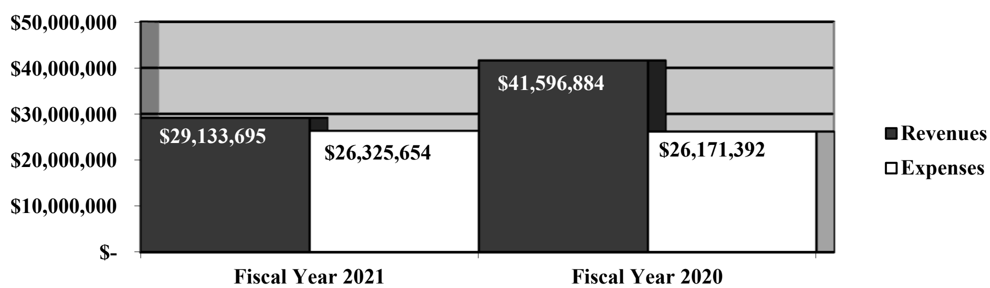
The primary sources of revenue for governmental activities are derived from property taxes, income taxes, and unrestricted grants and entitlements. These revenue sources represent 78.42% of total governmental revenue. Beginning in fiscal year 2020, the District received property tax revenue in the bond retirement fund and the classroom facilities maintenance fund (a nonmajor special revenue fund) as a result of additional taxes levied for a bond issue approved by voters at the November 6, 2018 election. During fiscal year 2020, the District recognized a grant from the OFCC in the amount of $13,799,976 which represents the State share of the District's $58,189,976 construction project with the OFCC. The District's share of the project is $44,390,000.

The largest expense of the District is for instructional programs. Instruction expenses totaled $10,983,707 or 41.72% of total governmental expenses for fiscal year 2021.

Overall, expenses of the governmental activities were comparable to prior year, increasing by 0.59%.

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

Governmental Activities - Revenues and Expenses



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

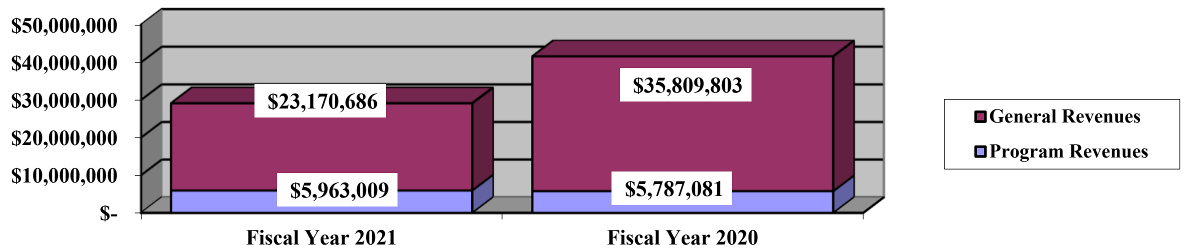
Governmental Activities

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program expenses				
Instruction:				
Regular	$ 10,983,707	$ 8,216,649	$ 11,006,002	$ 8,011,191
Special	3,487,555	2,080,167	3,509,948	2,067,134
Vocational	16,718	(17,922)	28,894	(5,746)
Other	134,530	134,530	297,133	297,133
Support services:				
Pupil	1,605,618	1,094,396	1,076,556	724,850
Instructional staff	340,016	308,067	452,048	414,117
Board of education	158,111	158,111	174,219	174,219
Administration	1,678,626	1,658,956	1,610,464	1,596,066
Fiscal	629,343	629,143	733,573	733,573
Business	3,297	3,297	10,641	10,641
Operations and maintenance	2,025,775	2,025,775	2,004,824	1,988,997
Pupil transportation	1,531,569	1,440,848	1,762,059	1,731,438
Central	521,261	509,085	573,685	570,652
Food service operations	657,690	(30,392)	680,221	100,662
Other non-instructional services	164,043	43	3,848	(1,182)
Extracurricular activities	694,183	458,280	722,836	446,125
Interest and fiscal charges	1,693,612	1,693,612	1,524,441	1,524,441
Total expenses	$ 26,325,654	$ 20,362,645	$ 26,171,392	$ 20,384,311

The dependence upon tax and other general revenues for governmental activities is apparent; 71.22% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 77.35%. The District's taxpayers and unrestricted grants and entitlements, as a whole, are by far the primary support for District's students.

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

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds, as presented on page 18, reported a combined fund balance of $65,224,161, which is higher than last year's total of $64,004,215. The schedule below indicates the fund balance at June 30, 2021 and June 30, 2020.

Funds	Fund Balance June 30, 2021	Fund Balance June 30, 2020	Change
General	$ 14,539,544	$ 14,539,812	$ (268)
Bond retirement	1,550,200	1,365,974	184,226
Classroom facilities	38,112,622	40,341,343	(2,228,721)
Nonmajor governmental	11,021,795	7,757,086	3,264,709
Total	$ 65,224,161	$ 64,004,215	$ 1,219,946

General Fund

The tables below summarize the changes in general fund financial activity during fiscal year 2021 and 2020.

	2021 Amount	2020 Amount	Increase (Decrease)	Percentage Change
Revenues				
Taxes	$ 11,671,152	$ 10,636,689	$ 1,034,463	9.73 %
Tuition	1,430,358	1,405,424	24,934	1.77 %
Earnings on investments	152,910	323,236	(170,326)	(52.69) %
Intergovernmental	9,510,364	8,933,718	576,646	6.45 %
Other revenues	138,697	528,350	(389,653)	(73.75) %
Total	$ 22,903,481	$ 21,827,417	$ 1,076,064	4.93 %

	2021 Amount	2020 Amount	Increase (Decrease)	Percentage Change
Expenditures				
Instruction	$ 12,515,302	$ 12,626,238	(110,936)	(0.88) %
Support services	7,289,868	7,038,212	251,656	3.58 %
Other operation of non-instructional	-	1,250	(1,250)	100.00 %
Extracurricular activities	445,553	431,542	14,011	3.25 %
Facilities acquisition and construction	-	96,369	(96,369)	(100.00) %
Capital outlay	71,253	156,256	(85,003)	100.00 %
Debt service	81,773	34,462	47,311	137.28 %
Total	$ 20,403,749	$ 20,384,329	$ 19,420	0.10 %

The District's general fund balance decreased $268 during fiscal year 2021.

Tax revenues in the general fund increased $1,034,463, or 9.73%, due to fluctuations in property tax advances available to finance each fiscal year. The amount available as advance can fluctuate based on the timing of tax collections and the date at which tax bills are sent. Earnings on investments decreased $170,326 during fiscal year 2021 due to a cut in interest rates on federal funds.

Student instruction is the largest component of general fund expenditures, accounting for 61.34% of expenditures incurred during fiscal year 2021. Total expenditures increased $19,420 or 0.10% from fiscal year 2020.

Bond Retirement Fund

The bond retirement fund accounts for property tax revenues levied to make principal and interest payments on the general obligation bonds issued in fiscal year 2020. The bond retirement fund received $2,202,068 in property tax and homestead and rollback revenues and made $24,011 in fiscal expenditures and $1,993,831 in debt service expenditures during fiscal year 2021.

Classroom Facilities Fund

The classroom facilities fund had $857,934 in revenues and $2,524,692 in expenditures. The classroom facilities fund received $772,230 in drawdowns from the OFCC for the construction project in during fiscal year 2021.

General Fund Budgeting Highlights

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

For the general fund, original and final budgeted revenues and other financing sources were $21,501,244. Actual revenues and other financing sources were $22,962,815, which represented an increase of $1,461,571 more than the District's original and final budget.

General fund original appropriations were $21,606,088 while final appropriations and other financing uses were $23,106,087 for fiscal year 2021. The actual budget-basis expenditures and other financing uses for fiscal year 2021 totaled $22,912,363 or $193,724 less than the final budgeted appropriated expenditures and other financing uses.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the District had $8,264,360 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported among the District's governmental activities.

The table below shows the balances of the District's capital assets at June 30, 2021 and June 30, 2020.

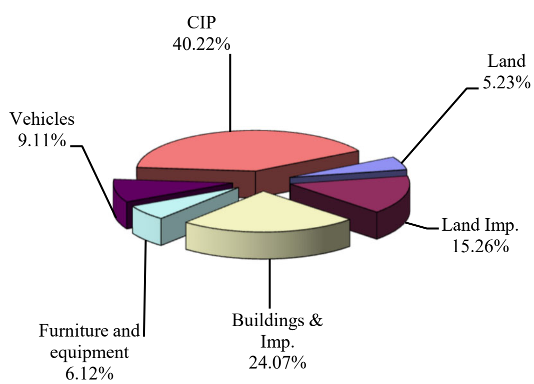
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	June 30, 2021	June 30, 2020
Land	$ 432,360	$ 210,029
Construction in progress	3,323,676	618,354
Land improvements	1,260,981	1,351,783
Building and improvements	1,988,981	1,896,704
Furniture and equipment	505,851	511,851
Vehicles	752,511	766,663
Total	$ 8,264,360	$ 5,355,384

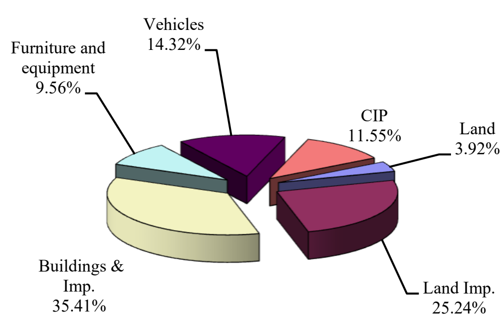
The overall increase in capital assets of $2,908,976 is due to capital outlays of $3,272,379 exceeding current year depreciation expense of $363,403.

The graphs presented on the following page show the District's capital assets for fiscal years 2021 and 2020.

Capital Assets - Governmental Activities
2021



Capital Assets - Governmental Activities
2020



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

Debt Administration

At June 30, 2021, the District had $125,142, $60,360 and $42,855,000 outstanding in a capital lease obligations, lease-purchase agreement and general obligation bonds, respectively. Of the District's total obligations of $43,040,502, $367,804 is due within one year and $42,672,698 is due in more than one year.

At June 30, 2021, the District's overall legal debt margin was $37,452,851 with an unvoted debt margin of $398,918.

See Note 12 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District ended fiscal year 2021 with an unencumbered budgetary-basis balance of $12,854,159 in the general fund. This balance represents resources on which the District may draw to meet its obligations and provide services to students and the community.

One major factor influencing the District's financial condition as a whole is the reduction in intergovernmental funding through state and federal programs. As federal funding diminishes, the District must increasingly rely on general revenues such as its property tax base, levied school district income taxes, and entitlements received through the State foundation program; these revenue sources are essential in supporting the District's ongoing operations. The District is committed to serving its students and maintaining standards of excellence while conducting operations in a fiscally sound and responsible manner.

The voters approved a bond issue in November of 2018. The District is partnering with OFCC to gain their expertise in building and to capitalize the State share portion of the project. The total cost of the project is $61,754,130 and is broken down as follows: $15,031,572 State share, $42,782,165 local share, $1,313,854 interest applied, and $2,626,539 locally funded initiatives. The debt was rated by Moody's, Underwritten by Baird Financial and utilized Bricker and Eckler, LLC. as legal counsel. The rating of the debt was AA3 underlying/AA2 enhanced.

The economic downturn resulting from the COVID-19 pandemic has resulted in funding reductions from the House Bill 166 state budget. The District's funding was cut approximately 4.7% during the second half of fiscal year 2020 and was cut 2.1% in fiscal year 2021. The ultimate impact of the COVID-19 pandemic on state and local revenues is yet to be fully determined.

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 show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Steve McAfee, Treasurer, Logan Elm Local School District, 9579 Tarlton Road, Circleville, Ohio 43113-9448.

BASIC
FINANCIAL STATEMENTS

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 65,189,260
Investments	104,300
Receivables:	
Property taxes	11,375,805
Income taxes	1,090,956
Accounts	2,488
Accrued interest	39,523
Intergovernmental	13,477,353
Prepayments	23,754
Materials and supplies inventory	6,069
Inventory held for resale	8,908
Net OPEB asset	1,365,968
Unamortized prepaid bond insurance	28,202
Capital assets:	
Nondepreciable capital assets	3,756,036
Depreciable capital assets, net	4,508,324
Capital assets, net	8,264,360
Total assets	100,976,946
Deferred outflows of resources:	
Pension	4,303,171
OPEB	606,306
Total deferred outflows of resources	4,909,477
Liabilities:	
Accounts payable	101,293
Contracts payable	332,263
Accrued wages and benefits payable	1,970,715
Intergovernmental payable	370,994
Accrued interest payable	282,417
Long-term liabilities:	
Due within one year	550,555
Due in more than one year:	
Net pension liability	23,986,568
Net OPEB liability	1,723,916
Other amounts due in more than one year	45,363,508
Total liabilities	74,682,229
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	9,551,329
Pension	257,050
OPEB	2,557,715
Total deferred inflows of resources	12,366,094
Net position:	
Net investment in capital assets	5,949,050
Restricted for:	
Capital projects	15,876,280
Permanent fund - expendable	11,435
Permanent fund - nonexpendable	104,300
Classroom facilities maintenance	483,709
Debt service	53,594
Locally funded programs	197,154
State funded programs	86,466
Federally funded programs	11,409
Food service operations	113,938
Student activities	239,759
Unrestricted (deficit)	(4,288,994)
Total net position	$ 18,838,100

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction:					
Regular	$ 10,983,707	$ 1,410,681	$ 856,673	$ 499,704	$ (8,216,649)
Special	3,487,555	23,292	1,384,096	-	(2,080,167)
Vocational	16,718	-	34,640	-	17,922
Other	134,530	-	-	-	(134,530)
Support services:					
Pupil	1,605,618	2,068	509,154	-	(1,094,396)
Instructional staff	340,016	918	31,031	-	(308,067)
Board of education	158,111	-	-	-	(158,111)
Administration	1,678,626	-	19,670	-	(1,658,956)
Fiscal	629,343	-	200	-	(629,143)
Business	3,297	-	-	-	(3,297)
Operations and maintenance	2,025,775	-	-	-	(2,025,775)
Pupil transportation	1,531,569	-	57,775	32,946	(1,440,848)
Central	521,261	1,376	10,800	-	(509,085)
Operation of non-instructional services:					
Food service operations	657,690	22,133	665,949	-	30,392
Other non-instructional services	164,043	-	164,000	-	(43)
Extracurricular activities	694,183	168,076	67,827	-	(458,280)
Interest and fiscal charges	1,693,612	-	-	-	(1,693,612)
Total governmental activities	$ 26,325,654	$ 1,628,544	$ 3,801,815	$ 532,650	(20,362,645)
			General revenues:		
			Property taxes levied for:		
			General purposes		8,679,079
			Debt service		2,164,866
			Classroom facilities maintenance		180,866
			Payments in lieu of taxes		18,118
			Income taxes levied for:		
			General purposes		2,981,184
			Grants and entitlements not restricted to specific programs		8,897,735
			Investment earnings		149,175
			Change in fair value of investments		(95,076)
			Miscellaneous		194,739
			Total general revenues		23,170,686
			Change in net position		2,808,041
			Net position at beginning of year		16,030,059
			Net position at end of year		$ 18,838,100

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Bond Retirement	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	$ 14,450,645	$ 1,267,574	$ 38,443,897	$ 11,027,144	$ 65,189,260
Investments	-	-	-	104,300	104,300
Receivables:					
Property taxes	8,997,732	2,191,818	-	186,255	11,375,805
Income taxes	1,090,956	-	-	-	1,090,956
Accounts	2,295	-	-	193	2,488
Accrued interest	22,227	-	15,178	2,118	39,523
Intergovernmental	469,196	-	12,780,517	227,640	13,477,353
Prepayments	23,754	-	-	-	23,754
Materials and supplies inventory	-	-	-	6,069	6,069
Inventory held for resale	-	-	-	8,908	8,908
Total assets	$ 25,056,805	$ 3,459,392	$ 51,239,592	$ 11,562,627	$ 91,318,416
Liabilities:					
Accounts payable	$ 62,767	$ -	$ 28,305	$ 10,221	$ 101,293
Contracts payable	-	-	305,021	27,242	332,263
Accrued wages and benefits payable	1,681,912	-	-	288,803	1,970,715
Compensated absences payable	21,602	-	-	-	21,602
Intergovernmental payable	329,225	-	-	41,769	370,994
Total liabilities	2,095,506	-	333,326	368,035	2,796,867
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	7,530,533	1,862,374	-	158,422	9,551,329
Delinquent property tax revenue not available	194,030	46,818	-	3,905	244,753
Income tax revenue not available	219,237	-	-	-	219,237
Intergovernmental revenue not available	2,345	-	12,780,517	8,638	12,791,500
Accrued interest not available	15,754	-	13,127	1,832	30,713
Miscellaneous revenue not available	459,856	-	-	-	459,856
Total deferred inflows of resources	8,421,755	1,909,192	12,793,644	172,797	23,297,388
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	6,069	6,069
Prepaids	23,754	-	-	-	23,754
Permanent fund	-	-	-	104,300	104,300
Restricted:					
Debt service	-	1,550,200	-	-	1,550,200
Capital improvements	-	-	38,112,622	5,693,374	43,805,996
Classroom facilities maintenance	-	-	-	479,804	479,804
Food service operations	-	-	-	125,616	125,616
State funded programs	-	-	-	89,186	89,186
Federally funded programs	-	-	-	6,171	6,171
Student activities	-	-	-	239,759	239,759
Permanent fund	-	-	-	11,435	11,435
Locally funded programs	-	-	-	197,154	197,154
Committed:					
Capital improvements	-	-	-	4,073,113	4,073,113
Assigned:					
Student instruction	15,799	-	-	-	15,799
Student and staff support	68,163	-	-	-	68,163
Employee benefits	1,395,142	-	-	-	1,395,142
Unassigned (deficit)	13,036,686	-	-	(4,186)	13,032,500
Total fund balances	14,539,544	1,550,200	38,112,622	11,021,795	65,224,161
Total liabilities, deferred inflows and fund balances	$ 25,056,805	$ 3,459,392	$ 51,239,592	$ 11,562,627	$ 91,318,416

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

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

Total governmental fund balances		$ 65,224,161
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		8,264,360
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 244,753	
Income taxes receivable	219,237	
Accounts receivable	459,856	
Accrued interest receivable	30,713	
Intergovernmental receivable	12,791,500	
Total		13,746,059
Unamortized prepaid bond insurance costs are amortized over the life of the bonds on the statement of net position.		28,202
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(282,417)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows of resources are not reported in governmental funds.		
Deferred outflows - pension	4,303,171	
Deferred inflows - pension	(257,050)	
Net pension liability	(23,986,568)	
Deferred outflows - OPEB	606,306	
Deferred inflows - OPEB	(2,557,715)	
Net OPEB asset	1,365,968	
Net OPEB liability	(1,723,916)	
Total		(22,249,804)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(42,855,000)	
Unamortized premium on general obligation bonds	(1,261,007)	
Lease-purchase agreement	(60,360)	
Capital lease obligations	(125,142)	
Compensated absences	(1,590,952)	
Total		(45,892,461)
Net position of governmental activities		$ 18,838,100

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

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

	General	Bond Retirement	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 8,641,262	$ 2,155,448	$ -	$ 180,171	$ 10,976,881
Income taxes	3,011,772	-	-	-	3,011,772
Intergovernmental	9,510,364	46,620	772,230	3,272,884	13,602,098
Investment earnings	152,910	-	320,050	45,653	518,613
Tuition and fees	1,430,358	-	-	-	1,430,358
Extracurricular	39,034	-	-	137,019	176,053
Charges for services	-	-	-	22,133	22,133
Contributions and donations	200	-	-	468,897	469,097
Payment in lieu of taxes	18,118	-	-	-	18,118
Miscellaneous	194,539	-	-	36,144	230,683
Change in fair value of investments	(95,076)	-	(234,346)	(30,927)	(360,349)
Total revenues	22,903,481	2,202,068	857,934	4,131,974	30,095,457
Expenditures:					
Current:					
Instruction:					
Regular	9,863,625	-	-	841,983	10,705,608
Special	2,512,349	-	-	782,671	3,295,020
Vocational	14,656	-	-	-	14,656
Other	124,672	-	-	-	124,672
Support services:					
Pupil	1,068,644	-	-	496,423	1,565,067
Instructional staff	292,896	-	-	30,411	323,307
Board of education	157,925	-	-	-	157,925
Administration	1,579,149	-	-	19,830	1,598,979
Fiscal	584,526	24,011	-	2,212	610,749
Business	3,297	-	-	-	3,297
Operations and maintenance	1,746,262	-	-	-	1,746,262
Pupil transportation	1,368,259	-	-	146,796	1,515,055
Central	488,910	-	-	10,800	499,710
Operation of non-instructional services					
Food service operations	-	-	-	630,121	630,121
Other non-instructional services	-	-	-	164,043	164,043
Extracurricular activities	445,553	-	-	205,947	651,500
Facilities acquisition and construction	71,253	-	2,524,692	582,310	3,178,255
Debt service:					
Principal retirement	70,112	275,000	-	14,840	359,952
Interest and fiscal charges	11,661	1,718,831	-	841	1,731,333
Total expenditures	20,403,749	2,017,842	2,524,692	3,929,228	28,875,511
Excess (deficiency) of revenues over (under) expenditures	2,499,732	184,226	(1,666,758)	202,746	1,219,946
Other financing sources (uses):					
Transfers in	-	-	-	3,061,963	3,061,963
Transfers (out)	(2,500,000)	-	(561,963)	-	(3,061,963)
Total other financing sources (uses)	(2,500,000)	-	(561,963)	3,061,963	-
Net change in fund balances	(268)	184,226	(2,228,721)	3,264,709	1,219,946
Fund balances at beginning of year	14,539,812	1,365,974	40,341,343	7,757,086	64,004,215
Fund balances at end of year	$ 14,539,544	$ 1,550,200	$ 38,112,622	$ 11,021,795	$ 65,224,161

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ 1,219,946
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 3,272,379	
Current year depreciation	(363,403)	
Total		2,908,976
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
Property taxes	47,930	
Income taxes	(30,588)	
Earnings on investments	(31,154)	
Intergovernmental	(947,950)	
Miscellaneous	230,600	
Total		(731,162)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position		359,952
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	1,814	
Amortization of prepaid bond insurance	(821)	
Amortization of bond premiums	36,728	
Total		37,721
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,785,929	
OPEB	53,964	
Total		1,839,893
Except for amounts reported as deferred inflows/outflows, changes in the net pension OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,903,825)	
OPEB	86,678	
Total		(2,817,147)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		(10,138)
Change in net position of governmental activities		$ 2,808,041

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues and other financing sources	$ 21,501,244	$ 21,501,244	$ 22,962,815	$ 1,461,571
Expenditures and other financing uses	21,606,088	23,106,087	22,912,363	193,724
Net change in fund balance	(104,844)	(1,604,843)	50,452	1,655,295
Fund balance at beginning of year	12,697,620	12,697,620	12,697,620	-
Prior year encumbrances appropriated	106,087	106,087	106,087	-
Fund balance at end of year	$ 12,698,863	$ 11,198,864	$ 12,854,159	$ 1,655,295

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

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

	Private-Purpose Trust
	Scholarship
Additions:	
Earnings on investments	$ 10
Deductions:	
Scholarships awarded	7,717
Change in net position	(7,707)
Net position at beginning of year	7,707
Net position at end of year	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Logan Elm Local 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 local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the District.

The District employs 15 administrators, 90 non-certified employees, and 122 certified employees to provide services to approximately 1,825 students and community groups. The District provides regular and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services. The District co-operates with the Pickaway County Educational Service Center, a separate entity, for curricular services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association (META)
The District is a participant in META Solutions which is a computer consortium that develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2021, the District paid META Solutions $126,899 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

PUBLIC ENTITY RISK POOL

Pickaway County Public Employer Benefits Program (PCPEBP)
During fiscal year 2010, the District joined with Circleville City School District, Teays Valley Local School District, and Westfall Local School District to form the PCPEBP, an insurance consortium. The PCPEBP is a public entity shared risk pool organized to provide health care benefits to its member organizations. The Board of Directors exercises control over the operation of the PCPEBP. Each member school district is represented on the Board of Directors by its superintendent or superintendent's designee.

Teays Valley Local School District serves as fiscal agent for the PCPEBP. To obtain financial information, write Trey Fausnaugh, Treasurer, Teays Valley Local School District, 385 Viking Way, Ashville, Ohio 43103.

INSURANCE PURCHASING POOL

Ohio SchoolComp Workers' Compensation Group Rating Plan
The District participates in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP). The GRP contracts with CompManagement, Inc. to provide an insurance purchasing pool for workers compensation. Refer to Note 14.D. for further information on the GRP.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

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

The following are the District's major governmental funds:

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

Bond Retirement Fund - The bond retirement fund is used to account for the accumulation of resources and payment of general obligation bond and principal and interest from governmental resources when the government is obligated in some manner for payment.

Classroom Facilities Fund - The classroom facilities capital projects fund is used to account for and report financial resources that are restricted to expenditures related to the District's construction project with the Ohio Facilities Construction Commission (OFCC).

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

FIDUCIARY FUNDS

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's trust fund is a private purpose trust which accounts for the Beller Scholarship Trust. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no custodial funds.

C. Basis of Presentation and Measurement Focus

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

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

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

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

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

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

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the District, See Notes 15 and 16 for deferred outflows of resources related the District’s net pension liability and net OPEB liability/asset, respectively.

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

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

For the District, see Notes 15 and 16 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2021 is as follows.

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

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

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

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures for all funds, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.)

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

Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations totals.

5. Any revisions that alter the appropriations at the fund level of expenditures must be approved by the Board of Education.

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

7. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. The final budget figures, which appear in the statements of budgetary comparisons, represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year.

8. Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

9. At the close of each 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 re-appropriated.

F. Cash and Investments

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

During fiscal year 2021, investments consisted of Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, municipal bonds, commercial paper, negotiable certificates of deposit (CDs), U.S. Treasury Notes, U.S. Treasury bills, U.S. government money market funds and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

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

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenues credited to the general fund during fiscal year 2021 amounted to $152,910, which includes $52,141 assigned from other District funds.

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

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. An analysis of the District's investments at year end is provided in Note 4.

G. Prepayments

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

H. Inventory

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

Inventory consists of donated and purchased food and non-food supplies.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District has a capitalization threshold of $1,500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset life are not. Interest incurred during the construction of capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives
Land improvements	20 years
Buildings and improvements	7 - 134 years
Furniture and equipment	5 - 20 years
Vehicles	10 - 15 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental type activities columns of the statement of net position. The District had no interfund loans at June 30, 2021.

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

K. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2021, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

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

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

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

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

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

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

N. Budget Stabilization Arrangement

The District has established a budget stabilization reserve in accordance with authority established by State law. Additions to the budget stabilization reserve can only be made by formal resolution of the Board of Education. Expenditures out of the budget stabilization reserve can only be made to offset future budget deficits. At June 30, 2021, the balance in the budget stabilization reserve was $170,623. This amount is included in unassigned fund balance of the general fund and in unrestricted net position on the statement of net position.

O. Estimates

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

P. Parochial Schools

The Crossroads Christian Academy (the Academy) operates within the District’s boundaries. Current State legislation provides funding to the Academy; these monies are received and disbursed on behalf of the parochial school by the Treasurer of the District as is directed by the Academy. The fiduciary responsibility of the District for these monies is reflected in a special revenue fund for financial reporting purposes.

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

Q. Net Position

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

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

R. Interfund Activity

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

S. Pensions/Other Postemployment Benefits (OPEB)

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2021.

U. Fair Value

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

V. Bond Issuance Costs, Unamortized Bond Premium and Prepaid Bond Insurance

On government-wide and fund financial statements, bond issuance costs are expensed in the year they occur. Prepaid bond insurance costs are recorded as an asset and amortized over the life of the debt.

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

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

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 12.A.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
Elementary and Secondary School Emergency Relief	$ 1,654
IDEA, Part B	1,380
Title I	1,152

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

4. Bonds and other obligations of the State of Ohio;

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

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

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

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Deposits with Financial Institutions

At June 30, 2021, the carrying amount of all District deposits was $11,824,522. Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of June 30, 2021, $11,567,103 of the District's bank balance of $11,930,241 was covered by the Ohio Pooled Collateral System (OPCS) as discussed below, while $363,311 was covered by the FDIC.

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

B. Investments

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

		Investment Maturities				
Investment type	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greather than 24 months
Fair Value:						
FHLMC	$ 3,830,004	$ -	$ -	$ 340,022	$ 1,829,671	$ 1,660,311
FNMA	1,410,732	-	-	-	399,958	1,010,774
FFCB	5,588,053	-	500,327	-	2,034,516	3,053,210
Municipal bonds	4,162,848	171,243	1,250,362	1,327,825	439,886	973,532
U.S. Treasury bill	819,997	819,997	-	-	-	-
U.S. Treasury notes	3,493,613	-	-	-	1,497,949	1,995,664
Negotiable CDs	8,588,944	1,994,106	3,018,305	1,257,163	1,015,894	1,303,476
Commercial paper	24,541,270	13,696,993	10,844,277	-	-	-
U.S. Government money market fund	13,103	13,103	-	-	-	-
Amortized Cost:						
STAR Ohio	1,020,474	1,020,474	-	-	-	-
Total	$ 53,469,038	$ 17,715,916	$ 15,613,271	$ 2,925,010	$ 7,217,874	$ 9,996,967

The weighted average maturity of investments is 1.06 years.

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Credit Risk: STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investments in federal agency securities (FHLMC, FNMA, and FFCB) and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The investments in municipal bonds were rated AAA, AA+, AA and AA- by Standard & Poor's and Aaa, Aa1, Aa2, and Aa3 by Moody's Investor Services. The U.S. Treasury bill was rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The commercial paper was rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The District's investments in negotiable CDs and U.S. Government money market funds were not rated. The negotiable CDs were fully insured by FDIC. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

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

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

Investment type	Measurement Amount	% of Total
Fair Value:		
FHLMC	$ 3,830,004	7.16
FNMA	1,410,732	2.64
FFCB	5,588,053	10.45
Municipal bonds	4,162,848	7.79
U.S. Treasury bill	819,997	1.53
U.S. Treasury notes	3,493,613	6.53
Negotiable CDs	8,588,944	16.06
Commercial paper	24,541,270	45.90
U.S. Government money market	13,103	0.03
Amortized Cost:		
STAR Ohio	1,020,474	1.91
Total	$ 53,469,038	100.00

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

Cash and investments per note	
Carrying amount of deposits	$ 11,824,522
Investments	53,469,038
Total	$ 65,293,560
Cash and investments per statement of net position	
Governmental activities	$ 62,593,560

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the fiscal year 2021 consisted of the following, as reported on the fund statements:

	Amount
Transfers from General fund to:	
Capital Projects nonmajor governmental fund	$ 2,500,000
Transfers from Classroom Facilities fund to:	
Building nonmajor governmental fund	561,963
Total transfers	$ 3,061,963

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated for reporting in the statement of activities. The transfers between the Classroom Facilities fund and the Building nonmajor governmental fund were in accordance with the Ohio Facilities Construction Commission project agreement.

NOTE 6 - PROPERTY TAXES

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

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

NOTE 6 - PROPERTY TAXES - (Continued)

The District receives property taxes from Pickaway and Hocking Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available as an advance at June 30, 2021 was $1,273,169, $282,626 and $23,928 in the general fund, bond retirement fund, and classroom facilities maintenance fund (a nonmajor governmental fund), respectively. This amount is recorded as revenue. The amount available for advance at June 30, 2020 was $1,190,828, $279,275 and $24,139 in the general fund, bond retirement fund, and classroom facilities maintenance fund (a nonmajor governmental fund), respectively. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 334,248,520	88.69	$ 355,679,250	89.16
Public utility personal	42,638,580	11.31	43,239,090	10.84
Total	$ 376,887,100	100.00	$ 398,918,340	100.00
Tax rate per $1,000 of assessed valuation	$44.40		$44.30	

NOTE 7 - INCOME TAX

On November 2, 2010, District voters approved a replacement of the 1 percent income tax with a 1 percent income tax on earned income for five years. In 2015 District voters approved an additional five-year income tax levy. The District levies a voted tax of 1 percent for general operations on the income of residents and of estates. 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 revenue credited to the general fund totaled $3,011,772 in fiscal year 2021.

NOTE 8 - RECEIVABLES

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

Governmental activities:	
Property taxes	$ 11,375,805
Income taxes	1,090,956
Accounts	2,488
Accrued interest	39,523
Intergovernmental	13,477,353
Total	$ 25,986,125

Receivables have been disaggregated on the face of the financial statements. All receivables, except property taxes and the OFCC intergovernmental receivable, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The OFCC intergovernmental receivable of $12,780,517 will be collected over the duration of the construction project.

NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/20	Additions	Disposals	Balance 6/30/21
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 210,029	$ 222,331	$ -	$ 432,360
Construction in progress	618,354	2,813,818	(108,496)	3,323,676
Total capital assets, not being depreciated	828,383	3,036,149	(108,496)	3,756,036
Capital assets, being depreciated:				
Land improvements	2,847,583	-	-	2,847,583
Buildings and improvements	5,073,474	144,662	-	5,218,136
Furniture and equipment	2,887,369	79,505	-	2,966,874
Vehicles	2,818,197	120,559	(275,397)	2,663,359
Total capital assets, being depreciated	13,626,623	344,726	(275,397)	13,695,952
Less: accumulated depreciation:				
Land improvements	(1,495,800)	(90,802)	-	(1,586,602)
Buildings and improvements	(3,176,770)	(52,385)	-	(3,229,155)
Furniture and equipment	(2,375,518)	(85,505)	-	(2,461,023)
Vehicles	(2,051,534)	(134,711)	275,397	(1,910,848)
Total accumulated depreciation	(9,099,622)	(363,403)	275,397	(9,187,628)
Governmental activities capital assets, net	$ 5,355,384	$ 3,017,472	$ (108,496)	$ 8,264,360

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 71,251
Special	11,831
Vocational	1,474
Support services:	
Pupil	1,993
Instructional staff	143
Administration	1,037
Fiscal	201
Operations and maintenance	117,964
Pupil transportation	129,524
Central	7,308
Food service operations	4,665
Extracurricular activities	16,012
Total depreciation expense	$ 363,403

NOTE 10 - CAPITAL LEASE OBLIGATIONS - LESEE DISCLOSURE

In fiscal year 2020, the District entered into a capitalized lease agreement for copier equipment. The lease agreement met the criteria of capital leases as defined by GAAP, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statement.

The capital leases consisting of equipment have been capitalized in the amount of $156,256 in the statement of net position. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2021 was $46,877, leaving a current book value of $109,379. A corresponding liability is recorded in the government-wide financial statements. Principal and interest payments in fiscal year 2021 totaled $36,816 and $9,775, respectively, paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2021:

Fiscal Year Ending June 30,	Amount
2022	$ 44,561
2023	44,561
2024	44,561
2025	3,713
Total minimum lease payments	137,396
Less: amount representing interest	(12,254)
Total	$ 125,142

NOTE 11 - LEASE-PURCHASE AGREEMENT - LESSEE DISCLOSURE

On May 6, 2020, the District entered into a master lease-purchase agreement with Vinton County National Bank (the "Lessor") for an LED lighting project at McDowell Middle School. The lease meets the criteria of a lease-purchase as defined by GASB, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. Capital assets acquired by lease purchase have been capitalized in buildings in the amount of $108,496. Accumulated depreciation as of June 30, 2021 was $842, leaving a current book value of $107,654. The first principal and interest payments began on November 1, 2020 and are being made from the general fund.

The lease-purchase agreement is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. If a lease payment is more than 15 days late, the Lessor has the option to assess a late charge equal to 1% of said late payment, but not to exceed the maximum amount allowed by law. In the event of non-appropriation of funds, a non-renewal event, or any other termination of the lease prior to the payment of all lease payments, the Lessor may enter upon the District's premises where the equipment is kept and disable the equipment to prevent its further use by the District and the District shall, at the District's expense, deinstall or disassemble the equipment as required by the agreement and surrender all equipment and execute documents required to transfer the Lessee's interest in the equipment within 60 days after termination.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the future minimum lease payments as of June 30, 2021:

Fiscal Year Ending June 30,	Amount
2022	$ 31,355
2023	31,354
Total minimum lease-purchase payments	62,709
Less: amount representing interest	(2,349)
Total	$ 60,360

NOTE 12 - LONG-TERM OBLIGATIONS

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

	Balance 6/30/20	Additions	Reductions	Balance 6/30/21	Amounts Due in One Year
Governmental activities:					
General Obligation Bonds:					
School facilities construction and improvement bonds, series 2019A	$ 33,390,000	$ -	$ (175,000)	$ 33,215,000	$ 200,000
School facilities construction and improvement bonds, series 2019B	9,740,000	-	(100,000)	9,640,000	100,000
Total general obligation bonds payable	43,130,000	-	(275,000)	42,855,000	300,000
Other Long-Term Obligations:					
Compensated absences	1,580,814	248,119	(216,379)	1,612,554	182,751
Capital lease obligation	161,958	-	(36,816)	125,142	38,086
Lease-purchase agreement	108,496	-	(48,136)	60,360	29,718
Net pension liability	21,936,654	2,049,914	-	23,986,568	-
Net OPEB liability	2,019,208	-	(295,292)	1,723,916	-
Total governmental activities long-term liabilities	$ 68,937,130	$ 2,298,033	$ (871,623)	70,363,540	$ 550,555
Add unamortized premiums on refundings				1,261,007	
Total on statement of net position				$ 71,624,547	

Compensated absences will be paid from the fund which the employee's salaries are paid.

See Note 10 for detail on the capital lease obligation, Note 11 for detail on the lease-purchase agreement, Note 15 for detail on the net pension liability and Note 16 for detail on the net OPEB liability/asset.

B. The District issued $44,390,000 in school facilities construction and improvement general obligation bonds during fiscal year 2019. These bonds were issued for general governmental activities, specifically; construction and/or renovation of school buildings. These general obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and payable from taxes levied on all taxable property in the district. Accordingly, such unmatured obligations of the District are accounted for on the statement of net position. Payments of principal and interest relating to these bonds are recorded as expenditures in the District's bond retirement fund.

School Facilities Construction and Improvement Bonds, Series 2019A (General Obligation) - On March 5, 2019, the District purchased bonds in the amount of $35,383,643, which is equal to the par amount of $34,500,000, plus net original premium $1,133,768, less underwriter's discount $250,125, plus any accrued interest. Interest payments on the bond are due May 1 and November 1 of each year, beginning November 1, 2019 (interest rate 3.0% to 5.0%).

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

School Facilities Construction and Improvement Bonds, Series 2019B (General Obligation) - On March 5, 2019, the District purchased bonds in the amount of $10,031,236, which is equal to the par amount of $9,890,000, plus net original premium $212,938, less underwriter's discount $71,702, plus any accrued interest. Interest payments on the bond are due May 1 and November 1 of each year, beginning November 1, 2019 (interest rate 3.0% to 5.0%). The scheduled payment of the principal of and interest on the Series 2019B Bonds when due will be guaranteed under a municipal bond insurance policy obtained from Build America Mutual Assurance Company.

At June 30, 2021, $41,057,455 in bond proceeds remained unspent.

C. The following is a summary of the future debt service requirements to maturity for the general obligation bonds:

Fiscal Year	Series 2020A GO Bonds			Series 2020B GO Bonds		
Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2022	$ 200,000	$ 1,330,581	$ 1,530,581	$ 100,000	$ 377,250	$ 477,250
2023	230,000	1,321,981	1,551,981	100,000	373,750	473,750
2024	255,000	1,311,006	1,566,006	100,000	369,250	469,250
2025	310,000	1,296,881	1,606,881	100,000	364,250	464,250
2026	340,000	1,280,631	1,620,631	100,000	359,250	459,250
2027-2031	2,255,000	6,103,030	8,358,030	660,000	1,708,050	2,368,050
2032-2036	3,360,000	5,506,005	8,866,005	975,000	1,534,450	2,509,450
2037-2041	4,715,000	4,702,108	9,417,108	1,375,000	1,301,012	2,676,012
2042-2046	5,880,000	3,642,191	9,522,191	1,685,000	1,020,738	2,705,738
2047-2051	7,085,000	2,422,890	9,507,890	2,010,000	687,381	2,697,381
2052-2056	8,585,000	885,000	9,470,000	2,435,000	250,900	2,685,900
Total	$ 33,215,000	$ 29,802,304	$ 63,017,304	$ 9,640,000	$ 8,346,281	$ 17,986,281

D. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2021, are a voted debt margin of $37,452,851 and an unvoted debt margin of $398,918. The District was not subject to state consents/special needs approval due to its participation in a Commission program and qualifying for an exception to the approval requirements. According to the Ohio Department of Taxation's Bulletin 8, however, such an issue still counts towards the District's net indebtedness in any analysis for a subsequent bond issue.

NOTE 13 - COMPENSATED ABSENCES

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Administrators and classified staff earn ten to thirty days of vacation per year, depending upon length of service and position. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days for certified employees and a maximum of 60 days for classified employees.

NOTE 14 - RISK MANAGEMENT

A. General Risk

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2021, the District contracted with Catlin Indemnity Company for liability, property, fleet, crime, and inland marine coverage. The District also purchases faithful performance bonds from Travelers Casualty and Surety Company of America. Coverage provided at June 30, 2021 is as follows:

Building and Contents ($1,000 deductible)	$58,415,657
Inland Marine ($500 deductible)	100,000
Automobile Liability ($500 deductible)	1,000,000
Crime ($500 deductible)	
Employee Theft	500,000
Forgery or Alteration	500,000
Inside the Premises - Theft of Money and Securities	25,000
Outside the Premises - Theft of Money and Securities	25,000
General Liability	
Aggregate	2,000,000
Per Occurrence	1,000,000
Employer's Liability - Stop Gap Coverage Endorsement ($2,500 deductible)	
Aggregate	2,000,000
Each Wrongful Act	1,000,000
Bodily Injury by Accident	1,000,000
Bodily Injury by Disease	1,000,000
Educational Legal Liability	
Aggregate	1,000,000
Each Injury	1,000,000
Excess Liability Coverage	
Aggregate	3,000,000
Per Occurrence	3,000,000
Public Official Bonds	
Treasurer	150,000
Superintendent / Board President (each)	20,000

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

NOTE 14 - RISK MANAGEMENT - (Continued)

B. Health Care and Dental Insurance Benefits

The District offers health care and dental benefits to employees through the PCPEBP, a public entity shared risk pool, currently operating as a common risk management and insurance program for 4 member school districts. The PCPEBP was organized to provide health care benefits and dental insurance benefits to its members.

The District pays 88% of the health care insurance premiums for all full-time employees. This percentage is pro-rated for part-time employees. The health care coverage is administered by United Healthcare, a third party administrator. The stop-loss coverage is $200,000 per covered person and an aggregate of $1,000,000.

Effective July 1, 2020, the District began providing health/dental/vision coverage to bus drivers, custodians and maintenance employees through Michigan Conference of Teamsters Welfare Fund. The carrier is Blue Cross Blue Shield. The District pays 88% of the insurance premiums.

C. Life Insurance

The District provides life insurance for all full-time employees based on negotiated agreements, Board policy, and individual contracts. Life insurance is purchased through META.

D. Workers' Compensation

The District participates in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP). SchoolComp contracts with CompManagement, Inc. to provide an insurance purchasing pool for workers compensation. The intent of the pool is to achieve the benefit of a reduced premium for the District by virtue of grouping and representation with other participants in the pool. The workers compensation experience of the participating school districts is calculated as on experience and a common premium rate is applied to all school districts in the pool. Each participant pays this rate. Total savings is then calculated, and each participant's individual performance is compared to the overall savings percentage of the pool. A participant will then either receive money from or be required to contribute to the pool. This equity pooling arrangement insures that each participant shares equally in the overall performance of the pool. Participation in the pool is limited to school districts that can meet the pool's selection criteria. CompManagement provides administrative cost control and actuarial services to Ohio SchoolComp.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The District's contractually required contribution to SERS was $393,153 for fiscal year 2021. Of this amount, $23,764 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

The District's contractually required contribution to STRS was $1,392,776 for fiscal year 2021. Of this amount, $255,780 is reported as intergovernmental payable.

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.07843580%	0.07797500%	
Proportion of the net pension liability current measurement date	0.07832450%	0.07772226%	
Change in proportionate share	-0.00011130%	-0.00025274%	
Proportionate share of the net pension liability	$ 5,180,547	$ 18,806,021	$ 23,986,568
Pension expense	$ 607,035	$ 2,296,790	$ 2,903,825

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 10,062	$ 42,195	$ 52,257
Net difference between projected and actual earnings on pension plan investments	328,863	914,540	1,243,403
Changes of assumptions	-	1,009,521	1,009,521
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	3,285	208,776	212,061
Contributions subsequent to the measurement date	393,153	1,392,776	1,785,929
Total deferred outflows of resources	$ 735,363	$ 3,567,808	$ 4,303,171

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 120,253	$ 120,253
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	4,097	132,700	136,797
Total deferred inflows of resources	$ 4,097	$ 252,953	$ 257,050

$1,785,929 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ 359	$ 612,111	$ 612,470
2023	97,718	351,224	448,942
2024	137,075	561,192	698,267
2025	102,961	397,552	500,513
Total	$ 338,113	$ 1,922,079	$ 2,260,192

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 7,096,717	$ 5,180,547	$ 3,572,844

Actuarial Assumptions - STRS

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

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

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 26,776,500	$ 18,806,021	$ 12,051,704

NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 15 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was $23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was $53,964.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $53,964 for fiscal year 2021, which is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.08029330%	0.07797500%	
Proportion of the net OPEB liability/asset current measurement date	0.07932150%	0.07772226%	
Change in proportionate share	-0.00097180%	-0.00025274%	
Proportionate share of the net OPEB liability	$ 1,723,916	$ -	$ 1,723,916
Proportionate share of the net OPEB asset	$ -	$ (1,365,968)	$ (1,365,968)
OPEB expense	$ (1,686)	$ (84,992)	$ (86,678)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 22,641	$ 87,526	$ 110,167
Net difference between projected and actual earnings on OPEB plan investments	19,422	47,871	67,293
Changes of assumptions	293,868	22,548	316,416
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	39,745	18,721	58,466
Contributions subsequent to the measurement date	53,964	-	53,964
Total deferred outflows of resources	$ 429,640	$ 176,666	$ 606,306

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 876,732	$ 272,080	$ 1,148,812
Changes of assumptions	43,420	1,297,442	1,340,862
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	43,281	24,760	68,041
Total deferred inflows of resources	$ 963,433	$ 1,594,282	$ 2,557,715

$53,964 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2022.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$ (115,430)	$ (356,508)	$ (471,938)
2023	(114,029)	(324,107)	(438,136)
2024	(114,254)	(312,739)	(426,993)
2025	(115,316)	(297,579)	(412,895)
2026	(93,547)	(60,622)	(154,169)
Thereafter	(35,181)	(66,061)	(101,242)
Total	$ (587,757)	$ (1,417,616)	$ (2,005,373)

Actuarial Assumptions - SERS

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

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

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

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,110,030	$ 1,723,916	$ 1,416,956

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,357,453	$ 1,723,916	$ 2,213,971

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

NOTE 16 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,188,481	$ 1,365,968	$ 1,516,559

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,507,211	$ 1,365,968	$ 1,193,912

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

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

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

(d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ 50,452
Net adjustment for revenue accruals	359,077
Net adjustment for expenditure accruals	73,964
Net adjustment for other financing sources (uses)	(425,670)
Funds budgeted elsewhere	(95,962)
Adjustment for encumbrances	37,871
GAAP basis	$ (268)

Certain funds that are legally budgeted in separate special revenue funds, internal service funds and custodial funds are considered part of the general fund on a GAAP basis.

NOTE 18 - SET-ASIDES

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

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

NOTE 18 - SET-ASIDES - (Continued)

	Capital Improvements
Set-aside balance June 30, 2020	$ -
Current year set-aside requirement	327,296
Current year qualifying expenditures	(573,849)
Current year offsets	-
Total	$ (246,553)
Balance carried forward to fiscal year 2022	$ -
Set-aside balance June 30, 2021	$ -

NOTE 19 - COMMITMENTS

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

Fund	Year-End Encumbrances
General	$ 36,894
Classroom Facilities	7,193,651
Nonmajor governmental	791,600
Total	$ 8,022,145

B. As of June 30, 2021, the District had the following contractual commitments outstanding related to the OFCC project and the LED lighting project:

Contractor	Contract Amount	Amount Paid Through June 30, 2021	Remaining Contract Amount
Fanning/Howey Associates	$ 3,598,693	$ 2,170,861	$ 1,427,832
Motz Consulting Engineers, Inc.	271,759	18,302	253,457
Summit Construction	7,032,529	896,110	6,136,419
Utility Pipeline, LTD	300,000	150,000	150,000

NOTE 20 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2021.

B. Litigation

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

NOTE 20 - CONTINGENCIES - (Continued)

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The Ohio Department of Education finalized the foundation funding on November 27, 2020 and as a result there was no impact to state foundation funding as it relates to the District.

NOTE 21 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the pension and other employee benefits plan in which the District participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 22 - SUBSEQUENT EVENTS

For fiscal year 2022, District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school and scholarship funding will be directly funded by the State of Ohio to the respective schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the respective school. For fiscal year 2021, the District reported $382,709 in revenue and expenditures/expense related to these programs. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each District. The District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	2021	**2020**	**2019**	**2018**
District's proportion of the net pension liability	0.07832450%	0.07843580%	0.07812440%	0.07608300%
District's proportionate share of the net pension liability	$ 5,180,547	$ 4,692,951	$ 4,474,329	$ 4,545,791
District's covered payroll	$ 2,749,371	$ 2,697,948	$ 2,547,637	$ 2,526,486
District's proportionate share of the net pension liability as a percentage of its covered payroll	188.43%	173.95%	175.63%	179.93%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	70.85%	71.36%	69.50%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.07767810%	0.07730620%	0.08745800%	0.08745800%
$ 5,685,320	$ 4,411,167	$ 4,426,200	$ 5,200,847
$ 2,422,707	$ 2,327,322	$ 2,541,342	$ 2,339,306
234.67%	189.54%	174.17%	222.32%
62.98%	69.16%	71.70%	65.52%

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net pension liability	0.07772226%	0.07797500%	0.07616043%	0.07573909%
District's proportionate share of the net pension liability	$ 18,806,021	$ 17,243,703	$ 16,745,969	$ 17,991,983
District's covered payroll	$ 9,430,493	$ 9,215,879	$ 8,748,036	$ 8,421,814
District's proportionate share of the net pension liability as a percentage of its covered payroll	199.42%	187.11%	191.43%	213.64%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.31%	75.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014
0.76803950%	0.07799642%	0.07849527%	0.07849527%
$ 25,708,597	$ 21,555,929	$ 19,092,766	$ 22,743,178
$ 7,952,421	$ 8,260,214	$ 8,020,054	$ 8,062,662
323.28%	260.96%	238.06%	282.08%
66.80%	72.10%	74.70%	69.30%

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 393,153	$ 384,912	$ 364,223	$ 343,931
Contributions in relation to the contractually required contribution	(393,153)	(384,912)	(364,223)	(343,931)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,808,236	$ 2,749,371	$ 2,697,948	$ 2,547,637
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ 353,708	$ 339,179	$ 306,741	$ 352,230	$ 323,760	$ 322,001
(353,708)	(339,179)	(306,741)	(352,230)	(323,760)	(322,001)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,526,486	$ 2,422,707	$ 2,327,322	$ 2,541,342	$ 2,339,306	$ 2,394,059
14.00%	14.00%	13.18%	13.86%	13.84%	13.45%

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 1,392,776	$ 1,320,269	$ 1,290,223	$ 1,224,725
Contributions in relation to the contractually required contribution	(1,392,776)	(1,320,269)	(1,290,223)	(1,224,725)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 9,948,400	$ 9,430,493	$ 9,215,879	$ 8,748,036
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ 1,179,054	$ 1,113,339	$ 1,156,430	$ 1,042,607	$ 1,048,146	$ 1,103,797
(1,179,054)	(1,113,339)	(1,156,430)	(1,042,607)	(1,048,146)	(1,103,797)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,421,814	$ 7,952,421	$ 8,260,214	$ 8,020,054	$ 8,062,662	$ 8,490,746
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.07932150%	0.08029330%	0.07906330%	0.07714930%
District's proportionate share of the net OPEB liability	$ 1,723,916	$ 2,019,208	$ 2,193,430	$ 2,070,485
District's covered payroll	$ 2,749,371	$ 2,697,948	$ 2,547,637	$ 2,526,486
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	62.70%	74.84%	86.10%	81.95%
Plan fiduciary net position as a percentage of the total OPEB liability	18.17%	15.57%	13.57%	12.46%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	
	0.07874345%
$	2,244,480
$	2,422,707
	92.64%
	11.49%

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2021	2020	2019	2018
District's proportion of the net OPEB liability/asset	0.07772226%	0.07797500%	0.07616043%	0.07573909%
District's proportionate share of the net OPEB liability/(asset)	$ (1,365,968)	$ (1,291,453)	$ (1,223,820)	$ 2,955,060
District's covered payroll	$ 9,430,493	$ 9,215,879	$ 8,748,036	$ 8,421,814
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.48%	14.01%	13.99%	35.09%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	182.10%	174.70%	176.00%	47.10%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017
0.07680395%
$ 4,107,495
$ 7,952,421
51.65%
37.30%

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	$ 53,964	$ 41,708	$ 62,086	$ 54,590
Contributions in relation to the contractually required contribution	(53,964)	(41,708)	(62,086)	(54,590)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,808,236	$ 2,749,371	$ 2,697,948	$ 2,547,637
Contributions as a percentage of covered payroll	1.92%	1.52%	2.30%	2.14%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013		2012	
$	41,783	$	39,953	$	59,841	$	43,291	$	39,441	$	52,614
	(41,783)		(39,953)		(59,841)		(43,291)		(39,441)		(52,614)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,526,486	$	2,422,707	$	2,327,322	$	2,541,342	$	2,339,306	$	2,394,059
	1.65%		1.65%		2.57%		1.70%		1.69%		2.20%

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2020	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 9,948,400	$ 9,430,493	$ 9,215,879	$ 8,748,036
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013	2012
$ -	$ -	$ -	$ 81,066	$ 80,627	$ 84,907
-	-	-	(81,066)	(80,627)	(84,907)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,421,814	$ 7,952,421	$ 8,260,214	$ 8,020,054	$ 8,062,662	$ 8,490,746
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

(Continued)

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

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

(Continued)

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

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** Program Title / Cluster Title	Federal AL Number		Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster			
Cash Assistance:			
School Breakfast Program	10.553	$	675
National School Lunch Program	10.555	$	4,286
COVID-19 School Breakfast Program	10.553	$	142,911
COVID-19 National School Lunch Program	10.555	$	446,995
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	$	63,037
Total Child Nutrition Cluster		$	657,904
Total U.S. Department of Agriculture		**$**	**657,904**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010	$	366,839
Special Education Cluster:			
Special Education - Grants to States	84.027	$	399,581
Special Education - Preschool Grants	84.173	$	8,051
Total Special Education Cluster		$	407,632
Improving Teacher Quality State Grants	84.367	$	67,935
Student Support and Academic Enrichment Program	84.424	$	28,092
COVID-19 Education Stabilization Fund	84.425D	$	692,446
Total U.S. Department of Education		**$**	**1,562,944**
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Department of Education			
COVID-19 Coronavirus Relief Fund	21.019	$	127,978
COVID-19 Coronavirus Relief Fund Broadband Connectivity	21.019	$	117,989
Total Coronavirus Relief Fund		$	245,967
Total U.S. Department of Treasury		**$**	**245,967**
Total Expenditures of Federal Awards		**$**	**2,466,815**

The accompanying notes are an integral part of this schedule.

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

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Logan Elm Local School District (the District) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C - INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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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*

Logan Elm Local School District
Pickaway County
9579 Tarlton Road
Circleville, Ohio 43113

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Logan Elm Local School District, Pickaway County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 22, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

February 22, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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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

Logan Elm Local School District
Pickaway County
9579 Tarlton Road
Circleville, Ohio 43113

To the Board of Education:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal 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, the Logan Elm Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

February 22, 2022

LOGAN ELM LOCAL SCHOOL DISTRICT
PICKAWAY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None noted.

3. FINDINGS FOR FEDERAL AWARDS

None noted.

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OHIO AUDITOR OF STATE
KEITH FABER

LOGAN ELM LOCAL SCHOOL DISTRICT

PICKAWAY 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 3/22/2022

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