CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Education
Cedar Cliff Local School District
PO Box 45
Cedarville, OH 45314

We have reviewed the *Independent Auditor's Report* of the Cedar Cliff Local School District, Greene County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cedar Cliff Local School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2023

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Education
Cedar Cliff Local School District
248 North Main Street
Cedarville, Ohio 45314

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cedar Cliff Local School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of the District's pension and OPEB amounts and contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 16, 2022

This management's discussion and analysis of the Cedar Cliff Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- Total net position reported at June 30, 2022 increased by 9.6 percent from the beginning balance primarily due to the decrease in the net pension liability based on the strong performance results reported by the State-wide retirement systems for the measurement period.

- Total assets of governmental activities increased by nearly $1.0 million (2.5 percent) from one year prior as current assets increased $1.3 million due to increases in pooled cash and investments, property and income taxes receivables, and restricted cash with fiscal agent. These increases were partially offset by the decrease in net capital assets as current year depreciation exceeded current year capital asset additions. Total liabilities decreased by 18.6 percent over those reported one year prior due to the decrease in the net pension liability based on the strong performance results reported by the State-wide retirement systems for the measurement period. Changes in deferred outflows and inflows of resources related to the School District reporting its proportionate share of the pension and OPEB plans at the end of the fiscal year.

- General revenues accounted for $8.6 million or 81.7 percent of total revenue. Program specific revenues in the form of charges for services, as well as operating grants and contributions account for $1.9 million or 18.3 percent of total revenues of $10.5 million. Total revenue reported for fiscal year 2022 was $473,187 (4.7 percent) more than the amount reported for the prior year. Decreases in charges for services related to manner the tuition payments from the State were reported in the current year compared to the prior year. The increase in property and income taxes resulted from higher property values as well as improving economic conditions occurring during the fiscal year.

- Of the School District's $9.0 million in expenses, $1.9 million were offset by program specific charges for services, grants or contributions. General revenues offset the net expense of $7.1 million. Total expenses of the School District decreased by $588,197 compared to the prior year as current year pension adjustments resulted in reduction of functional expenses as opposed to the increase in function expenses reported for the prior period.

- The General Fund, the School District's primary operating fund, reported an 7.3 percent increase in fund balance for fiscal year 2022 compared with the 16.5 decrease reported for the prior year when $1.3 million of general fund cash was used to retire debt. The $4.3 million, unassigned fund balance reported at June 30, 2022 represents 58.6 percent of the total expenditures reported for the General Fund for the fiscal year.

Using the 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 Cedar Cliff Local School 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 School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. 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 School District's most significant funds with all other non-major funds presented in total in one column. While the General Fund is the general operating fund of the Cedar Cliff Local School District, individual fund statements are also presented for the Bond Retirement Fund since it is also considered a major governmental fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and the change in that net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School 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 School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's funds begins after the statement of activities. The School District uses many funds to account for a multitude of financial transactions. All the funds of the School District can be divided into two categories: governmental and fiduciary funds. The School District does not have any funds which are classified as proprietary. The fund financial statements focus on the School District's most significant funds, and therefore only the major funds are presented separate from the other funds. For fiscal year 2022, the School District has two major governmental funds: the General and Bond Retirement Funds.

Governmental Funds

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

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support programs of the School District. The accounting used for fiduciary funds is much like that in the government-wide financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2022 compared to 2021:

TABLE 1
NET POSITION

	2022	2021
Assets:		
Current and other Assets	$ 15,643,459	$ 14,349,610
Net OPEB Asset	520,308	450,311
Capital Assets	24,102,184	24,466,838
	40,265,951	39,266,759
Deferred Outflows of Resources:		
Pension and OPEB	2,166,536	1,952,610
Other Deferred Outflows	145,183	53,594
	2,311,719	2,006,204
Liabilities:		
Current and Other Liabilities	892,906	834,873
Long-Term Liabilities:		
Due within One Year	29,193	17,309
Due in More Than One Year:		
Net Pension Liability	4,457,416	8,396,465
Net OPEB Liability	687,953	750,845
Other Long-term Liabilities	11,600,136	11,715,567
	17,667,604	21,715,059

(continued)

TABLE 1
NET POSITION
(Continued)

	2022	2021
Deferred Inflows of Resources:		
Pension and OPEB	4,697,671	1,136,504
Other Deferred Inflows	3,167,451	2,875,023
	7,865,122	4,011,527
Net Position:		
Net Investment in Capital Assets	12,992,367	13,086,623
Restricted	6,958,740	6,330,932
Unrestricted (Deficit)	(2,906,163)	(3,871,178)
	$ 17,044,944	$ 15,546,377

The net pension liability (NPL) is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and the net OPEB asset/liability is reported pursuant to GASB Statement No. 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 School District's actual financial condition by adding the net pension and OPEB liabilities and the deferred inflows related to pension and OPEB to the reported net position amount and then subtracting the net OPEB asset and deferred outflows related to pension and OPEB from that amount.

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 OPEB asset/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 required the net pension liability and the net OPEB asset/liability to equal the School 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 School 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 systems. 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 pension system is responsible for the administration of the plan.

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 pension liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these assets/liabilities but are outside the control of the local government. In the event the 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 School 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 asset/liability, respectively, not accounted for as deferred inflows/outflows.

The amount by which the School District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources is called net position. As of June 30, 2022, the School District's total net position was $17.0 million. Of that amount, approximately $13.0 million was the net investment in capital assets. Another $7.0 million was subject to external restrictions upon its use. The remaining deficit of $2.9 million resulted from the School District's recognition of its proportionate share of the retirement systems' net pension and OPEB assets/liabilities. If the components of recording the net pension and OPEB assets/liabilities are removed from the Statement of Net Position, the School District's ending unrestricted net position would be a positive amount totaling $4.3 million. We feel this is important to mention as the management of the School District has no control over the management of the State-wide systems and or the pension or OPEB benefits offered; both of which control the net pension and OPEB liabilities which have a significant effect on the School District's financial statements.

Total assets increased by nearly $1.0 million (2.5 percent) from one year prior as current assets increased $1.3 million due to increases in pooled cash and investments, property and income taxes receivables, and restricted cash with fiscal agent. These increases were partially offset by the decrease in net capital assets as current year depreciation exceeded current year capital asset additions.

Total liabilities decreased by 18.6 percent over those reported one year prior due to the $4.0 million decrease in the net pension and OPEB liabilities reported. These decreased occurred primarily due to the strong performance results reported by the State-wide retirement systems for the measurement period.

Changes in deferred outflows and inflows of resources related to the School District reporting its proportionate share of the pension and OPEB plans at the end of the fiscal year.

Table 2 shows the changes in net position for fiscal year 2022 as compared to those for fiscal year 2021.

TABLE 2
CHANGES IN NET POSITION

	2022	2021
Revenues		
Program Revenues:		
Charges for Services	$ 512,758	$ 856,944
Operating Grants and Contributions	1,400,701	1,320,605
General Revenues:		
Property Taxes	3,265,206	3,080,514
Income Taxes	1,619,418	1,475,488
Grants and Entitlements	3,682,217	3,129,006
Other	(5,324)	139,232
Total Revenues	10,474,976	10,001,789
Program Expenses		
Instruction	4,672,612	5,100,646
Support Services:		
Pupil and Instructional Staff	901,092	985,845
Board of Education, Administration, and Fiscal	1,023,856	1,115,027
Plant Operation and Maintenance	720,136	741,194
Pupil Transportation	304,363	292,471
Central	16,484	17,731
Operation of Non-Instructional Services	261,497	236,625
Extracurricular Activities	500,392	383,623
Interest, Fiscal Charges, and Issuance Costs	575,977	691,444
Total Expenses	8,976,409	9,564,606
Change in Net Position	1,498,567	437,183
Beginning Net Position	15,546,377	15,109,194
Ending Net Position	$ 17,044,944	$ 15,546,377

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for local operating funds. The overall revenue generated by a voted property tax levy does not increase solely based on inflation. Local taxes (property and income) made up 46.6 percent of the total revenue for governmental activities for the School District for fiscal year 2022, which is a slight increase compared with the local support reported in the prior fiscal year. Local tax revenue increased by $328,622, or 7.2 percent, as higher property values and improving economic conditions lead increased tax revenue for the School District. Charges for services decreased due to a decrease in tuition and fees revenue which was associated with a change in how the State of Ohio provided funding for non-resident students during the current fiscal year.

Total expenses of the School District decreased by $588,197 compared to the prior year as the adjustments necessary to record pension expense changed from one year to the next. For the current year, the pension and OPEB adjustments resulted in reducing total functional expenses by a total of $724,696, while in the prior year, these adjustments required functional expenses to be increased by $417,216. This $1.1 million swing was greater than the increase in expenses for the current resulting from higher labor costs (wages and benefits) as well as general economic inflationary factors which increased the cost of the goods and services obtained during the year.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows total and net cost of services for each function for last two fiscal years.

TABLE 3
TOTAL AND COST OF PROGRAM SERVICES
GOVERNMENTAL ACTIVITIES

	2022		2021	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	$ 4,672,612	$ 3,904,373	$ 5,100,646	$ 4,148,476
Support Services:				
Pupil and Instructional Staff	901,092	796,893	985,845	856,433
Board of Education, Administration, Fiscal and Business	1,023,856	1,023,856	1,115,027	1,115,027
Plant Operation and Maintenance	720,136	696,191	741,194	717,401
Pupil Transportation	304,363	304,363	292,471	285,410
Central	16,484	16,484	17,731	17,731
Operation of Non-Instructional Services	261,497	(101,113)	236,625	3,656
Extracurricular Activities	500,392	281,539	383,623	210,607
Interest and Fiscal Charges	575,977	140,364	691,444	32,316
Total Expenses	$ 8,976,409	$ 7,062,950	$ 9,564,606	$ 7,387,057

As shown in Table 3 above, the net cost of service decreased by $324,107 compared with those reported for the prior fiscal year, which is consistent with the decrease in functional expenses and charges for services program revenues explained above.

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $10.4 million and expenditures of $9.3 million which resulted in a net increase of $0.9 million in total governmental fund balance for the year. Revenues of the general fund increased by $211,007 due to increases in property and income taxes as well as intergovernmental revenue, partially offset by the decrease in interest earnings. Total expenditures of the general fund decreased by $939,898, or 11.4 percent, over those reported for fiscal year 2021 due the decision in the prior year to pay off the capital lease obligation early which added $1.3 million to the total expenditures of the general fund last year. Ending fund balance remained a healthy $4.3 million and unrestricted fund balance was $3.7 million. The ending fund balance of the general fund at June 30, 2022 represents 62.8 percent and the unrestricted fund balance represented 58.6 percent of the total general fund expenditures reported for the current fiscal year, respectively.

The remaining major fund, the bond retirement fund, reported a $248,990 increase in fund balance ending the fiscal year at $5.6 million. The change in the bond retirement fund is consistent with the results reported in the prior years and resulted from the School District making the scheduled payments to the sinking fund which was established in accordance with the bond covenants to accumulate resources to pay future debt obligations as they come due, as well as reinstatement of the interest subsidy payments from the prior year.

General Fund Budgeting Highlights

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

During fiscal year 2022, the School District did not amend the revenue budget for the general fund. Actual revenue for the fiscal year was $356,320 more than that estimated at the beginning of the fiscal year due to higher than expected tax and intergovernmental receipts. Actual budgetary expenditures (cash disbursements plus encumbrances) ended the year just $163,637 less than the original budget adopted by the School District. Expenditures budget amounts increased only slightly throughout the fiscal year.

The actual budgetary fund balance for the general fund reported at the end of the fiscal year was $4.4 million compared with the $3.9 million anticipated when the original budget was developed or 13.2 percent more than what was originally anticipated.

Capital Assets

At the end of fiscal year 2022, the School District had $24.1 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and educational media in governmental activities. Table 4 shows fiscal year 2022 balances compared to 2021 restated balances; however for greater detail readers should review Note 9 to the basic financial statements.

TABLE 4
CAPITAL ASSETS AT JUNE 30

	2022	2021
Land	$ 601,476	$ 504,428
Land Improvements	687,233	745,139
Buildings and Improvements	21,793,372	22,009,525
Furniture, Fixtures and Equipment	522,683	673,325
Vehicles	442,952	479,953
Educational Media	54,468	54,468
Total Net Capital Assets	$ 24,102,184	$ 24,466,838

Overall, net capital assets decreased $364,654 from fiscal year 2021 amounts. This decrease in net capital assets results from the current year depreciation expense being a greater amount than current year acquisition of capital assets. Depreciation expense for the fiscal year was $515,578 with minimal current year additions to capital assets.

Cost associated with repair and maintenance of the School District's facilities and other assets that do not extend the useful life of the capitalized item, is included within the plant operation and maintenance function.

Debt Administration

At June 30, 2022, the School District had $11.3 million in general obligation bonds, with $15,000 due within the next fiscal year. During fiscal year 2022, the School District issued refunding bonds to provide financing to advance refund 2015 bonds to achieve a debt service savings of $333,397 over the next 14 years. Current payments for the $11.3 million in Qualified School Construction Bonds are being deposited into a sinking fund until the first payment becomes due in fiscal year 2027.

At June 30, 2022, the School District's overall legal debt margin was approximately $8.3 million and the total unvoted debt margin was $118,674.

For more detailed disclosures regarding the School District's debt obligations the reader should refer to Note 14 to the basic financial statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Cedar Cliff Local School District, P.O. Box 45, Cedarville, OH 45314 or call (937) 766-5633.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	$ 6,185,366
Materials and Supplies Inventory	22,182
Income Taxes Receivable	702,382
Property Taxes Receivable	3,401,516
Accounts Receivable	14,039
Intergovernmental Receivable	99,617
Prepaid Items	38,042
Net OPEB Asset	520,308
Restricted Assets:	
Cash and Cash Equivalents with Fiscal Agent	5,180,315
Capital Assets:	
Non Depreciable Assets	601,476
Depreciable Assets	23,500,708
Total Assets	40,265,951
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Charge on Refunding	145,183
Pension and OPEB	2,166,536
Total Deferred Outflows of Resources	2,311,719
LIABILITIES:	
Accounts Payable	56,185
Accrued Wages and Benefits	649,041
Intergovernmental Payable	143,259
Matured Compensated Absences Payable	1,040
Accrued Interest Payable	43,381
Long-Term Liabilities:	
Due Within One Year	29,193
Due In More Than One Year:	
Net OPEB Liability	687,953
Net Pension Liability	4,457,416
Other Amounts Due in More than One Year	11,600,136
Total Liabilities	17,667,604
DEFERRED INFLOWS OF RESOURCES:	
Property Taxes not Levied to Finance Current Year Operations	3,167,451
Pension and OPEB	4,697,671
Total Deferred Inflows of Resources	7,865,122
NET POSITION:	
Net Investment in Capital Assets	12,992,367
Restricted	6,958,740
Unrestricted (Deficit)	(2,906,163)
Total Net Position	$ 17,044,944

See accompanying notes to the basic financial statements.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Activities
For the Fiscal Year Ended June 30, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs:	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$ 3,422,130	$ 86,080	$ 220,265	$ (3,115,785)
Special	1,187,564	187,174	274,720	(725,670)
Student Intervention Services	5,489	-	-	(5,489)
Other	57,429	-	-	(57,429)
Support Services:				
Pupils	627,112	-	88,538	(538,574)
Instructional Staff	273,980	-	15,661	(258,319)
Board of Education	23,287	-	-	(23,287)
Administration	631,777	-	-	(631,777)
Fiscal	368,792	-	-	(368,792)
Operation and Maintenance of Plant	720,136	10,883	13,062	(696,191)
Pupil Transportation	304,363	-	-	(304,363)
Central	16,484	-	-	(16,484)
Non-Instructional Services	261,497	27,769	334,841	101,113
Extracurricular Activities	500,392	200,852	18,001	(281,539)
Interest and Fiscal Charges	575,977	-	435,613	(140,364)
Total	$ 8,976,409	$ 512,758	$ 1,400,701	(7,062,950)

General Revenues:	
Property Taxes Levied for:	
General Purposes	2,419,063
Debt Service	622,081
Capital Outlay	224,062
Income Taxes Levied for:	
General Purposes	1,285,231
Capital Outlay	290,309
Facility Maintenance	43,878
Grants, Entitlements and Contributions not Restricted to Specific Programs	3,682,217
Investment Earnings	(47,234)
Miscellaneous	41,910
Total General Revenues	8,561,517
Change in Net Position	1,498,567
Net Position, Beginning of Year	15,546,377
Net Position, End of Year	$ 17,044,944

See accompanying notes to the basic financial statements.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	$ 4,552,365	$ 332,472	$ 1,300,529	$ 6,185,366
Receivables:				
Property Taxes	2,434,188	640,123	327,205	3,401,516
Income Taxes	561,906	-	140,476	702,382
Accounts	13,799	-	240	14,039
Intergovernmental	20,030	-	79,587	99,617
Materials and Supplies Inventory	14,397	-	7,785	22,182
Prepaid Items	30,362	1,128	6,552	38,042
Due from Other Funds	52,061	-	-	52,061
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	-	5,180,315	-	5,180,315
Total Assets	$ 7,679,108	$ 6,154,038	$ 1,862,374	$ 15,695,520
LIABILITIES:				
Accounts Payable	$ 23,294	$ -	$ 32,891	$ 56,185
Accrued Wages and Benefits	605,909	-	43,132	649,041
Intergovernmental Payable	135,662	-	7,597	143,259
Matured Compensated Absences Payble	-	-	1,040	1,040
Due to Other Funds	-	-	52,061	52,061
Total Liabilities	764,865	-	136,721	901,586
DEFERRED INFLOWS OF RESOURCES:				
Property Taxes not Levied to Finance Current Year Operations	2,262,704	593,425	311,322	3,167,451
Unavailable Revenue	84,288	3,322	52,512	140,122
Total Deferred Inflows of Resources	2,346,992	596,747	363,834	3,307,573
FUND BALANCES:				
Nonspendable	44,759	1,128	14,337	60,224
Restricted	-	5,556,163	1,389,727	6,945,890
Committed	168,514	-	-	168,514
Assigned	91,765	-	-	91,765
Unassigned (Deficit)	4,262,213	-	(42,245)	4,219,968
Total Fund Balances	4,567,251	5,557,291	1,361,819	11,486,361
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,679,108	$ 6,154,038	$ 1,862,374	$ 15,695,520

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balances	$ 11,486,361
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore not reported in the funds.	24,102,184
Certain receivables are not available to provide current financial resources and are reported as deferred inflows of resources in governmental funds:	
Property Taxes Receivable	16,658
Income Taxes Receivable	79,456
Intergovernmental Receivable	35,496
Accounts Receivable	8,512
The net pension and OPEB assets/liabilities are not due and payable in the current period; therefore, the assets/liabilities and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension and OPEB	2,166,536
Deferred Inflows - Pension and OPEB	(4,697,671)
Net OPEB Asset	520,308
Net OPEB Liability	(687,953)
Net Pension Liability	(4,457,416)
Long-term liabilities and deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. Those items consist of:	
General Obligation Bonds Payable	(11,255,000)
Accrued Interest Payable	(43,381)
Deferred Charge on Refunding	145,183
Compensated Absences Payable	(374,329)
Net Position of Governmental Activities	$ 17,044,944

See accompanying notes to the basic financial statements.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General Fund	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Property Taxes	$ 2,418,715	$ 621,772	$ 224,044	$ 3,264,531
Income Taxes	1,290,405	-	322,601	1,613,006
Intergovernmental	3,587,688	505,715	939,584	5,032,987
Tuition and Fees	234,249	-	-	234,249
Rent	10,883	-	-	10,883
Interest	(63,761)	13,009	3,518	(47,234)
Extracurricular Activities	67,786	-	172,475	240,261
Customer Services and Sales	-	-	27,769	27,769
Gifts and Donations	8,440	-	9,561	18,001
Miscellaneous	25,540	-	16,370	41,910
Total Revenues	7,579,945	1,140,496	1,715,922	10,436,363
EXPENDITURES:				
Current:				
Instruction:				
Regular	2,969,903	-	323,245	3,293,148
Special	1,003,210	-	252,160	1,255,370
Student Intervention Services	5,489	-	-	5,489
Other	53,440	-	-	53,440
Support Services:				
Pupils	585,986	-	81,124	667,110
Instructional Staff	279,917	-	17,651	297,568
Board of Education	23,287	-	-	23,287
Administration	709,295	-	3,045	712,340
Fiscal	364,927	6,315	9,152	380,394
Operation and Maintenance of Plant	592,118	-	218,182	810,300
Pupil Transportation	297,805	-	-	297,805
Central	16,484	-	-	16,484
Non-Instructional Services	-	-	264,632	264,632
Extracurricular Activities	270,665	-	207,400	478,065
Capital Outlay	98,023	-	-	98,023
Debt Service:				
Principal	-	35,000	-	35,000
Interest	-	545,662	-	545,662
Insuance Costs	-	58,500	-	58,500
Total Expenditures	7,270,549	645,477	1,376,591	9,292,617
Revenues Over Expenditures	309,396	495,019	339,331	1,143,746
OTHER FINANCING SOURCES (USES):				
Refunding Bonds Issued	-	3,380,000	-	3,380,000
Payment to Refunded Bond Escrow Agent	-	(3,626,029)	-	(3,626,029)
Total Other Financing Sources (Uses)	-	(246,029)	-	(246,029)
Net Change in Fund Balances	309,396	248,990	339,331	897,717
Fund Balance, Beginning of Year	4,257,855	5,308,301	1,022,488	10,588,644
Fund Balance, End of Year	$ 4,567,251	$ 5,557,291	$ 1,361,819	$ 11,486,361

See accompanying notes to the basic financial statements.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE 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, 2022

Total Net Change in Fund Balances - Total Governmental Funds	$ 897,717
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 are allocated over their estimated useful lives as depreciation expense:	
Capital Asset Additions	150,924
Depreciation Expense	(515,578)
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:	
Property Taxes	675
Income Taxes	6,412
Intergovernmental Grants	31,930
Tuition and Fees	(404)
In the statement of activities, proceeds associated with the issuance of long-term debt are reported as long-term liabilities on the statement of Net Position. In govermental fund statements, issuance of debt proceeds is reported as an other financing source.	
Refunding Bonds Issued	(3,380,000)
Payment to Escrow Agent for Advance Bond Refunding	3,626,029
Repayment of long-term obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position:	
Principal Payments on General Obligation Bonds	35,000
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued Interest Payable	7,058
Amortization of Deferred Charge on Refunding	(10,630)
Compensated Absences Payable	(75,262)
Contractually required contributions to pension and OPEB plans are reported as expenditures in governmental funds, however, the statement of activities reports these amounts as deferred outflows of resources.	
Pension Plans	638,608
OPEB Plans	22,589
Except for amounts reported as deferred inflows and outflows of resources related to pension and OPEB, changes in the net pension and OPEB assets/liabilities are reported as expenses (or negative expenses) in the statement of activities.	
Pension Plans	37,581
OPEB Plans	25,918
Change in Net Position of Governmental Activities	$ 1,498,567

See accompanying notes to the basic financial statements.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property Taxes	$ 2,090,000	$ 2,090,000	$ 2,099,525	$ 9,525
Income Taxes	1,101,000	1,101,000	1,187,276	86,276
Intergovernmental	2,903,030	2,903,030	3,557,327	654,297
Tuition and Fees	650,000	650,000	234,249	(415,751)
Interest	30,000	30,000	51,107	21,107
Rent	10,000	10,000	10,883	883
Miscellaneous	2,000	2,000	1,983	(17)
Total Revenues	6,786,030	6,786,030	7,142,350	356,320
Expenditures:				
Current:				
Instruction:				
Regular	2,964,623	2,964,623	2,925,932	38,691
Special	813,802	813,802	769,150	44,652
Student Intervention Services	4,068	4,068	5,489	(1,421)
Other	44,916	44,916	47,331	(2,415)
Support Services:				
Pupils	627,537	627,537	568,609	58,928
Instructional Staff	289,861	289,861	274,883	14,978
Board of Education	16,080	16,080	24,720	(8,640)
Administration:	690,141	690,141	694,277	(4,136)
Fiscal	375,283	375,283	361,561	13,722
Operation and Maintenance of Plant	644,278	644,278	597,242	47,036
Pupil Transportation	329,833	329,833	277,666	52,167
Central	20,575	20,575	16,764	3,811
Extracurricular Activities	245,222	245,222	240,935	4,287
Capital Outlay	-	100,000	98,023	1,977
Total Expenditures	7,066,219	7,166,219	6,902,582	263,637
Excess of Revenues Over (Under) Expenditures	(280,189)	(380,189)	239,768	619,957
Other Financing Sources (Uses):				
Advances In	-	-	1,000	1,000
Advance Out	-	-	(27,463)	(27,463)
Refund of Prior Year Expenditures	7,000	7,000	24,593	17,593
Total Other Financing Sources (Uses)	7,000	7,000	(1,870)	(8,870)
Net Change in Fund Balance	(273,189)	(373,189)	237,898	611,087
Fund Balance, Beginning of Year	4,131,400	4,131,400	4,131,400	-
Prior Year Encumbrances Appropriated	13,747	13,747	13,747	-
Fund Balance, End of Year	$ 3,871,958	$ 3,771,958	$ 4,383,045	$ 611,087

See accompanying notes to the basic financial statements.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Fiduciary Net Position
June 30, 2022

	Private Purpose Trust Fund
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 5,000
Total Assets	5,000
LIABILITIES:	
Current Liabilities:	
Accounts Payable	5,000
Total Liabilities	5,000
NET POSITION:	
Held in Trust for Scholarships	-
Total Net Position	$ -

See accompanying notes to the basic financial statements.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY, OHIO

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2022

	Private Purpose Trust Fund
Additions:	
Gifts and Contributions	$ 17,500
Total Additions	17,500
Deductions:	
Payments in Accordance with Trust Agreements	25,000
Total Deductions	25,000
Change in Net Position	(7,500)
Net Position at Beginning of Year	7,500
Net Position at End of Year	$ -

See accompanying notes to the basic financial statements.

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Cedar Cliff Local School District (the "School District") is a body politic and corporate for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and/or federal agencies.

The School District serves an area of approximately 49 square miles. It is staffed by 30 noncertified employees, 45 certified full-time teaching personnel, and 9 administrators, who provide services to 592 students and other community members. The School District currently operates one instructional/support facility.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District. Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

The School District is associated with four jointly governed organizations and one insurance purchasing pool. These organizations are discussed in Note 15 and 16 to the basic financial statements. These organizations are:

Jointly Governed Organizations:
- Miami Valley Educational Computer Association (MVECA)
- Southwestern Ohio Educational Purchasing Council (SOEPC)
- Southwestern Ohio Instructional Technology Association (SOITA)
- Greene County Career Center

Insurance Purchasing Pool:
- Southwestern Ohio Educational Purchasing Cooperative’s Workers’ Compensation Group Rating Plan (GRP)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cedar Cliff Local School District have been prepared in conformity with generally accepted accounting principles (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 more significant of the School District's accounting policies are described below.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements usually distinguish between those activities that are governmental and those that are business-type. The School District, however, has no activities which are reported as business-type.

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. 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 charges paid by the recipient of the 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 School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental and fiduciary.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities, and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the operating fund of the School District and is used to account for all financial resources, except those required to be accounted for in another fund. The general fund is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund - The bond retirement fund is used to account for financial resources that are restricted, committed, or assigned for expenditures for the payment of general long-term debt principal, interest, and related costs.

The other governmental funds of the School District account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

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. The School District's only fiduciary fund is a private purpose trust which accounts for various college scholarship programs for students.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities accounts for increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources along with current liabilities and deferred inflows of resources 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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The private purpose trust fund is reported using the economic resources measurement focus.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty (60) days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange 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, grants, charges for services, and student fees.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, pension, and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained further in Notes 11 and 12.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources until that time. For the School District, deferred inflows of resources include property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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 School District, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, and student fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 11 and 12).

Expenditures/Expenses

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. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

E. Budget Data

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the School District. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2022.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents". The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue, on a cash basis, posted to the general fund during fiscal year 2022 amounted to $51,107; which includes $10,356 assigned from other funds. The ($63,761) interest revenue reported on the GAAP basis resulted from the School District recording pooled investments at fair value.

During fiscal year 2022, the School District held investments in money market mutual accounts, negotiable certificates of deposit, Federal and Federal Agencies securities, and the State Treasury Asset Reserve (STAR) of Ohio. Investments are reported at fair value, which is based on quoted market prices. An analysis of the School District's investments at fiscal year-end is provided in Note 5.

G. Inventory

On government-wide financial statements, inventories are presented at the lower cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed rather than when purchased.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method and recording a current asset for the prepaid amount and reflecting the expenditure in the year in which services are consumed.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the Bond Retirement Fund include amounts required to be deposited in a mandatory sinking fund by the School District's Qualified School Construction Bond agreement.

J. Capital Assets and Depreciation

The School District's only capital assets are general capital assets. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities on 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 School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Description	Estimated Lives
Land Improvements	20 years
Buildings	99 years
Building Improvements	20 years
Furniture, Fixtures, and Equipment	5 - 20 years
Vehicles	10 - 20 years
Educational Media	6 - 15 years

K. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures or 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, if any, are reported as other financing sources and uses in governmental funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statements.

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 from current financial resources, are reported as obligations of the funds. However, claims and judgments, 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 fiscal year. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension and OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

The general obligation bonds, and accrued interest that will be paid from governmental funds are recognized as a liability in the fund financial statements when payment is due.

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for employees after ten years of current service with the School District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts, if any, are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees will be paid.

N. Net Pension/Other Postemployment Benefit (OPEB) Plans

For purposes of measuring the net pension and OPEB assets/liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the pension and 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 and OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension and OPEB plans report investments at fair value.

O. Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the governing board 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 School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the policies of the Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. The Board of Education may also assign fund balance as it does when utilizing available fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget in the general fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

P. Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

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

Q. Estimates

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances 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, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual – 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 GAAP basis for the general fund are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as restricted, committed or assigned fund balance for governmental fund types (GAAP basis).

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (Continued)

4. Certain Other Financing Sources reported on the budget basis are not reported within the fund on the GAAP basis.

5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance
General Fund

GAAP Basis	$	309,396
Revenue Accruals		(32,379)
Expenditure Accruals		26,429
Encumbrances		(10,430)
Other Financing Sources		(26,463)
Change in Fund Balance of Funds Combined with General Fund for Reporting Purposes		(28,655)
Budget Basis	$	237,898

NOTE 4 – ACCOUNTABILITY

At June 30, 2022 the following nonmajor special revenue funds reported deficit fund balances due to the recognition of certain liabilities within those funds: Elementary and Secondary School Emergency Relief Grant ($10,146), Title VI-B Grant ($2,340), Title I Grant ($5,954), and Miscellaneous Federal Grants ($23,805). The general fund is liable for any deficit in other funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the School District into three categories.

Active Monies – Those monies required to be kept in a "cash" or "near-cash" statues for the immediate use of the district. Such monies must be maintained either as cash in the treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies – Those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificate of deposit maturing no later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Interim Monies – Those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than five years from the date of deposit, or by savings or deposit accounts, including passbook accounts. Interim monies held by the School District can be deposited or invested in the following securities:

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

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

3. Written repurchase agreements in the securities listed above;

4. Bonds and other obligations of the State of Ohio or Ohio local governments;

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

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;

7. The State Treasurer's investment pool (STAR Ohio);

8. Commercial paper notes, limited to 40% (5% for a single issuer) in total of the interim monies available for investment at any one time and for a period not to exceed 270 days.

9. Bankers' acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed 180 days.

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. Investments may only be made through specified dealers and institutions.

Cash on Hand

At fiscal year-end, the School District had $50 in un-deposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

Restricted Assets: Cash and Cash Equivalents with Fiscal Agent

At fiscal year-end, the School District had $5,180,315 shown as restricted assets: cash and cash equivalents with fiscal agent in the bond retirement fund. This restricted cash is the balance in the mandatory sinking fund required by the Qualified School Construction Bonds and is managed separate from the pooled investments.

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial credit risk is the risk that, in the event of bank failure, the School District's deposits may not be returned. The School District's policy for deposits is that any balance not covered by depository insurance will be collateralized by the financial institution with pledged securities. Ohio law requires that deposits either be insured or be protected by:

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

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

At fiscal year-end, $1,730,750 of the School District's bank deposits was exposed to custodial credit risk, while $250,000 was covered by the FDIC. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments

At June 30, 2022, the School District's investments consisted of the following:

Investment Type	Measurement Value	Maturity Dates in Years: Less than 1	1 to 3	More than 3	% of Portfolio
Negotiable CDs	$ 2,922,176	$ 1,741,879	$ 713,842	$ 466,455	68.4%
FHLB	248,825	-	-	248,825	5.8%
STAR Ohio	1,066,335	1,066,335	-	-	24.9%
Money Market Mutual	38,492	38,492	-	-	0.9%
Total	$ 4,275,828	$ 2,846,706	$ 713,842	$ 715,280	

Interest Rate Risk: The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt, and that an investment must be purchased with the expectation that it will be held to maturity. All investments of the School District mature within five years.

Credit Risk: The School District's investments carry the following ratings by Standard & Poor's: federal agency security AA+, money market mutual fund – AAA and STAR Ohio - AAAm. The School District's negotiable certificates of deposit were not rated; however, the entire balance is covered by FDIC. The School District's investment policy limits investments to those authorized by State statue.

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. $2,922,176 of the negotiable certificate of deposits was covered by FDIC. The School District's investment policy does not address investment custodial risk beyond the requirement 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 School District places no limit on the amount that may be invested in any one issuer.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, "Certain External Investment Pools and Participants". The School 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 the NAV per share that approximates fair value.

For fiscal year 2022, 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 for all deposits or withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transactions 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 participants will be combined for these purposes.

Fair Value Measurement

The School District's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment's risk. The School District's investments in federal agency securities and negotiable certificates of deposits are categorized as level 2 – observable inputs, as of June 30, 2022. Investments classified in Level 2 of the fair value hierarchy are valued using pricing sources as provided by the investment managers.

The School District's investments in STAR Ohio and money market mutual fund are measured at NAV and amortized cost, respectively, and therefore, these investments are not classified based on the hierarchy provided above.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School 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, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes, which were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 real property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes, which, became a lien December 31, 2020, were levied after April 1, 2021 and are collected in 2022 with real property taxes. Public utility real property is assessed at thirty-five percent of true value.

The School District receives property taxes from Greene and Clark Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assess values upon which the fiscal year 2022 taxes were collected are:

	2022 First Half Collections		2021 Second Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate property	$ 109,604,230	92.36%	$ 104,117,520	92.62%
Public utility real property	9,069,990	7.64%	8,290,130	7.38%
Total	$ 118,674,220	100.00%	$ 112,407,650	100.00%
Tax rate per $1,000 of assessed valuation	$40.62		$40.33	

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2022 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 of resources. The amount available as an advance at June 30, 2022, was $159,273 in the general fund, $43,376 in the bond retirement fund, and $14,758 in the permanent improvement fund.

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

NOTE 7 – INCOME TAX

The School District levies a voted tax of one percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991 and is a continuing tax. The School District's residents also approved a .25% income tax for capital projects purposes in November 2009 with an effective date of January 2010. The School District authorized an annual portion of the .25% income tax to be earmarked to satisfy the maintenance of completed facilities in the Maintenance Fund. 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 School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue in the amount of $1,290,405 and $322,601 was credited to the general and non-major governmental funds, respectively, during fiscal year 2022.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2022, consisted of current and delinquent property taxes, income taxes, accounts, and intergovernmental grants. 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 fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

General Fund:	
Casino Revenue Sharing	$ 20,030
Non-major Govermental Funds:	
Elementary & Secondary School Relief	28,291
Title VI-B Grant	15,031
Title I Grant	8,170
Title IIA Grant	3,689
Emergency Connectivity Grant	24,406
Non-major Governmental Funds	79,587
Total Intergovernmental Receivables	$ 99,617

NOTE 9 - CAPITAL ASSETS

A summary of the School District's general capital assets for fiscal year 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets, not being depreciated				
Land	$ 504,428	$ 97,048	$ -	$ 601,476
	504,428	97,048	-	601,476
Capital Assets, being depreciated				
Land Improvements	1,209,464	6,659	-	1,216,123
Buildings and Improvements	25,559,626	37,460	-	25,597,086
Furniture, Fixtures and Equipment	2,246,277	9,757	-	2,256,034
Vehicles	783,371	-	-	783,371
Educational Media	272,794	-	-	272,794
Total Depreciable Capital Assets	30,071,532	53,876	-	30,125,408

(Continued)

NOTE 9 - CAPITAL ASSETS (Continued)

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Less: Accumulated Depreciation				
Land Improvements	(464,325)	(64,565)	-	(528,890)
Buildings and Improvements	(3,550,101)	(253,613)	-	(3,803,714)
Furniture, Fixtures and Equipment	(1,572,952)	(160,399)	-	(1,733,351)
Vehicles	(303,418)	(37,001)	-	(340,419)
Educational Media	(218,326)	-	-	(218,326)
Total Accumulated Depreciation	(6,109,122)	(515,578) *	-	(6,624,700)
Depreciable Capital Assets, Net	23,962,410	(461,702)	-	23,500,708
Total Capital Assets, Net	$ 24,466,838	$ (364,654)	$ -	$ 24,102,184

*** - Depreciation expense was charged to governmental functions as follows:**

Instruction:	
Regular	$ 411,487
Special	814
Support Services:	
Instructional staff	10,056
Operation and maintenance of plant	17,973
Pupil transportation	34,077
Non-instructional services	9,488
Extracurricular activities	31,683
Total Depreciation Expense	$ 515,578

NOTE 10 - RISK MANAGEMENT

Workers' Compensation

For fiscal year 2022, the School District participated in the Southwestern Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Integrated Comp Incorporated provides administrative, cost control and actuarial services to the GRP.

NOTE 10 - RISK MANAGEMENT (Continued)

Property and Liability

The School District is exposed to various risks of loss related to torts, thefts-of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2022, the School District contracted with the Liberty Mutual Insurance Company for property, fleet insurance, liability insurance and inland coverage.

Coverage limits provided by Liberty Mutual Insurance as of June 30, 2022 follows:

Buildings and Contents - replacement cost ($2,500 deductible)	$ 44,140,273
Inland Marine Coverage ($250/$500 deductible)	443,620
Boiler and Machinery ($1,000 deductible)	44,140,273
Monies and Securities	10,000
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000
General Liability Per Occurrence	1,000,000
Aggregate	2,000,000
Umbrella	3,000,000
Violent Event Response Coverage	1,000,000
Data Compromise	50,000

There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for any part of the last three years.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability 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 this estimate annually.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for contractually-required pension contributions outstanding at the end of the fiscal 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 – School 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 on or after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or age 60 with 25 years of service credit

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2% for the first 30 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 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School 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, and Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The School District's contractually required contribution to SERS was $180,480 for fiscal year 2022. Of this amount, $32,312 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 30 years of service regardless of age. Increases in age and service requirements increase effective August 1, 2015 and will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be 5 years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. 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.

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

The CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with 5 years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC Plan or CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DB or CO Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013 must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2022, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2022 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was $458,128 for fiscal year 2022. Of this amount, $77,480 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for Pensions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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

	SERS	STRS	Total
Proportionate share of the net pension liability	$ 1,302,160	$ 3,155,256	$ 4,457,416
Proportion of the net pension liability	0.035292%	0.024678%	
Change in proportionate share	0.002079%	-0.000944%	
Pension expense	$ 34,806	$ (72,387)	$ (37,581)

At June 30, 2022, 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	$ 126	$ 97,482	$ 97,608
Change in assumptions	27,420	875,324	902,744
Change in School District's proportionate share and difference in employer contributions	100,192	100,833	201,025
School District contributions subsequent to the measurement date	180,480	458,128	638,608
Total	$ 308,218	$ 1,531,767	$ 1,839,985
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 33,770	$ 19,776	$ 53,546
Net difference between projected and actual earnings on pension plan investments	670,651	2,719,227	3,389,878
Change in School District's proportionate share and difference in employer contributions	-	222,585	222,585
Total	$ 704,421	$ 2,961,588	$ 3,666,009

$638,608 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 net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (94,208)	$ (437,751)	$ (531,959)
2024	(117,169)	(402,335)	(519,504)
2025	(159,457)	(467,611)	(627,068)
2026	(205,849)	(580,252)	(786,101)
	$ (576,683)	$ (1,887,949)	$ (2,464,632)

NOTE 11 - 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 consider the employee's entire career with the employer and 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, 2021, are presented below:

Inflation:	
Current measurement period	2.40 percent
Prior measurement period	3.00 percent
Future salary increases, including inflation	
Current measurement period	3.25 percent to 13.58 percent
Prior measurement period	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	
Current measurement period	2.00 percent, on and after 4/1/2018, COLA's for future retirees will be delayed for 3 years following retirement.
Prior measurement period	2.50 percent, on and after 4/1/2018, COLA's for future retirees will be delayed for 3 years following retirement.
Investment rate of return	
Current measurement period	7.00 percent net of System expenses
Prior measurement period	7.50 percent net of System expenses
Actuarial cost method	Entry Age Normal

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.33%
US equity	24.75%	5.72%
Non-US equity developed	13.50%	6.55%
Non-US equity emerging	6.75%	8.54%
Fixed income/global bonds	19.00%	1.14%
Private equity	11.00%	10.03%
Real estate/real assets	16.00%	5.41%
Multi-asset strategies	4.00%	3.47%
Private debt/private credit	3.00%	5.28%
Total	100.00%	

Discount Rate **–** Total pension liability was calculated using the discount rate of 7.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0%). 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 School 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 7.0%, 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 (6.0%), or one percentage point higher (8.0%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 2,166,476	$ 1,302,160	$ 573,246

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increases	3.00%
Investment rate of return, including inflation:	
Current measurement period	7.00%, net of investment expenses
Prior measurement period	7.45%, net of investment expenses
Discount rate of return	
Current measurement period	7.00%
Prior measurement period	7.45%
Cost-of-living adjustments (COLA)	0.00%

Post-retirement mortality rates for 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions were based on the results of an actual experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate **–** The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

Sensitivity of the School 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 7.00%, as well as what the School 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 (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 5,908,615	$ 3,155,256	$ 828,675

Social Security System

All employees not covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2022, four of the members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

NOTE 12 – POSTEMPLOYMENT BENEFITS

Net OPEB Asset/Liability

The net OPEB liability (asset) reported on the statement of net position represents a liability to (or assets for) employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)

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

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability or fully-funded benefits as a long-term net OPEB asset on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the fiscal year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description—SERS' Health Care program provides health care 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 mot types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. 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.

Funding Policy—State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, there was no portion allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, the minimum compensation amount was $25,000. 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 2022, the School District's surcharge obligation was $22,918.

NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)

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 Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS health care plans include creditable prescription drug coverage. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy—Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the School 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
Proportionate share of the net OPEB asset	$ -	$ 520,308	$ 520,308
Proportionate share of the net OPEB liability	687,953	-	687,953
Proportion of the net OPEB asset/liability	0.036350%	0.024678%	
Change in proportionate share	0.001802%	-0.000944%	
OPEB (negative) expense	$ 10,010	$ (35,928)	$ (25,918)

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)

	SERS	STRS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	$ 7,334	$ 18,526	$ 25,860
Change in assumptions	107,924	33,234	141,158
Difference between employer contributions and proportionate share of contributions	116,889	20,055	136,944
School District contributions subsequent to the measurement date	22,589	-	22,589
Total	$ 254,736	$ 71,815	$ 326,551
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 342,631	$ 95,330	$ 437,961
Net difference between projected and actual earnings on OPEB plan investments	14,947	144,221	159,168
Change in assumptions	94,209	310,401	404,610
Difference between employer contributions and proportionate share of contributions	17,805	12,118	29,923
Total	$ 469,592	$ 562,070	$ 1,031,662

$22,589 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (53,128)	$ (141,704)	$ (194,832)
2024	(53,233)	(138,095)	(191,328)
2025	(58,628)	(130,316)	(188,944)
2026	(48,189)	(59,860)	(108,049)
2027	(19,075)	(20,673)	(39,748)
2028	(5,192)	393	(4,799)
	$ (237,445)	$ (490,255)	$ (727,700)

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.

NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation, prepared as of June 30, 2021, are presented below:

Investment rate of return:	
Current measurement date	7.00% of net investment expense, including inflation
Prior measurement date	7.50% of net investment expense, including inflation
Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense:	
Current measurement date	2.27%, including price inflation
Prior measurement date	2.63%, including price inflation
Medical Trend Assumption:	
Current measurement date	
Pre-Medicare	6.75% - 4.40%
Medicare	5.125% - 4.40%
Prior measurement date	
Pre-Medicare	7.00% - 4.75%
Medicare	5.25% - 4.75%

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.33%
US equity	24.75%	5.72%
Non-US equity developed	13.50%	6.55%
Non-US equity emerging	6.75%	8.54%
Fixed income/global bonds	19.00%	1.14%
Private equity	11.00%	10.03%
Real estate/real assets	16.00%	5.41%
Multi-asset strategies	4.00%	3.47%
Private debt/private credit	3.00%	5.28%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 1.5% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from 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, 2042. 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, 2041 and the Municipal Bond Index rate of 1.92% as of June 30, 2021 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and 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 calculated using the discount rate of 2.27%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.27%) and one percentage point higher (3.27%) than the current rate.

NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	$ 852,457	$ 687,953	$ 556,535

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (5.75% decreasing to 3.40%) and one percentage point higher (7.75% decreasing to 5.40%) than the current rates.

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$ 529,667	$ 687,953	$ 899,374

Actuarial Assumptions - STRS

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	12.50% at age 20 to 2.50% at age 65	
Payroll increases	3.00%	
Investment rate of return:		
Current measurement date	7.00%, net of investment expenses, including inflation	
Prior measurement date	7.45%, net of investment expenses, including inflation	
Discount rate of return:		
Current measurement date	7.00%	
Prior measurement date	7.45%	
Health care cost trends:	Initial	Ultimate
Medical:		
Pre-Medicare	5.00%	4.00%
Medicare	-16.18%	4.00%
Prescription Drug		
Pre-Medicare	6.50%	4.00%
Medicare	29.98%	4.00%

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.

NOTE 12 – POSTEMPLOYMENT BENEFITS (Continued)

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.

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 annualized 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 liability was 7.00% as of June 30, 2021. 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 of current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on OPEB plan assets of 7.00% was used to measure the total OPEB liability as of June 30, 2021.

Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate and the Health Care Cost Trend Rates **–** The following table presents the School District's proportionate share of the net OPEB (asset) calculated using the current period discount rate assumption of 7.00%, as well as what the School District's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	$ 439,059	$ 520,308	$ 588,178

	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
School District's proportionate share of the net OPEB asset	$ 585,428	$ 520,308	$ 439,780

NOTE 13 – OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn five to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to 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. Sick leave may be accumulated up to a maximum of 240 days for classified staff and certain administrators, and 250 days for certified staff. Upon retirement, payment is made for one fourth of accrued, but unused sick leave credit to a maximum of 62.5 days for all certified employees and certain administrators, and 60 days for classified employees.

Insurance Benefits

The School District provides life insurance, dental insurance, and accidental death and dismemberment insurance to most employees through CoreSource. Medical/surgical benefits are provided through United Health Care of Ohio. Vision insurance is provided through Vision Service Plan of Ohio. Dental insurance is provided through Delta Dental.

NOTE 14 - LONG-TERM OBLIGATIONS

The activity of the School District's long-term obligations during fiscal year 2022 was as follows:

	Balance July 1, 2021	Increase	Decrease	Balance June 30, 2022	Due within One Year
General Obligation Bonds:					
2011 QSCB Bonds	$ 7,910,000	$ -	$ -	$ 7,910,000	$ -
2015 Refunding Bonds	3,380,000	-	3,380,000	-	-
Direct Placement:					
2021 Refunding Bonds	-	3,380,000	35,000	3,345,000	15,000
Bond Premiums	143,809	-	143,809	-	-
Total General Obligation Bonds	11,433,809	3,380,000	3,558,809	11,255,000	15,000
Net Pension Liability:					
STRS	6,199,694	-	3,044,438	3,155,256	-
SERS	2,196,771	-	894,611	1,302,160	-
Total Net Pension Liability	8,396,465	-	3,939,049	4,457,416	-
Net OPEB Liability:					
SERS	750,845	-	62,892	687,953	-
Compensated Absences	299,067	92,571	17,309	374,329	14,193
Total Long-Term Obigations	$ 20,880,186	$ 3,472,571	$ 7,578,059	$ 16,774,698	$ 29,193

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

Qualified School Construction Bonds

Proceeds from the bonds will be used for the purpose of constructing additions to and renovating and improving existing school buildings and facilities. These bonds were issued on April 15, 2011. The bonds consisted of $7,910,000 in current bonds with an interest rate of 6.04 percent. The bonds are not subject to mandatory sinking fund redemption, the School District has agreed to make deposits annually on December 1 of each year, into a sinking fund account to be held by the Paying Agent for payment of the principal amount of the bonds at maturity. The bonds are being retired through the Bond Retirement fund. Payments shall be made to the Paying Agent by the School District annually in the amounts needed so that the balance in the sinking fund (after taking into account the interest earned on such fund) shall equal, but not exceed, the mandatory sinking fund balance on the dates listed below:

Calendar Year	Mandatory Sinking Fund Balance
2022	$ 5,691,722
2023	6,229,929
2024	6,778,900
2025	7,338,850
2026	7,910,000

2015 Refunding Bonds

On February 26, 2015, the School District issued $3,380,000 of refunding bonds to provide resources to purchase U.S. Government securities that were placed, along with a portion of the premium received from the sale of the bonds, in an irrevocable trust for the purpose of generating sufficient resources to satisfy the debt service requirements of $3,440,000 of the 2011 Build America Bonds. These bonds were refunded with the issuance of the 2021 bond refunding as noted below.

2021 Refunding Bonds

On August 25, 2021, the School District issued $3,380,000 of refunding bonds to provide resources to purchase U.S. Government securities that were placed, along with cash payments by the School District, in an irrevocable trust for the purpose of generating sufficient resources to satisfy the debt service requirements of $3,380,000 of the 2015 general obligation refunding bonds. These bonds have a interest rate of 2.13 percent and fully mature in December 2035.

The 2021 refunding bonds were issued to provide resources to purchase U.S. Government securities which were placed, along with premium proceeds from the sale of the bonds, in an irrevocable trust for the purpose of generating sufficient resources to satisfy the debt service requirements of $3,380,000 of the 2015 general obligation refunding bonds at the call date of June 30, 2023. As a result, the refunded 2015 general obligation refunding bonds are considered to be defeased and the liability associated has been removed from the statement of net position, however these bonds will remain outstanding until the call date.

The reacquisition price exceeded the net carrying value of 2015 refunding bonds refunded by $102,220. This amount, added to the prior deferred charge on refunding amount, is reported as a deferred charge on refunding within deferred outflows of resources on the statement of net position and is being amortized over the term of 2021 refunding bonds issued. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by $333,397 and resulted in an economic gain of $220,120.

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

Required Debt Service – General Obligation Bonds

The scheduled payments of principal and interest on general obligation debt outstanding at June 30, 2022 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	$ 15,000	$ 570,547	$ 585,547
2024	30,000	548,374	578,374
2025	40,000	547,628	587,628
2026	40,000	546,776	586,776
2027	7,950,000	307,042	8,257,042
2028-2032	1,700,000	249,530	1,949,530
2033-2036	1,480,000	63,794	1,543,794
Total	$ 11,255,000	$ 2,833,691	$ 14,088,691

Legal Debt Margins

At June 30, 2022, the School District's overall legal debt limitation was approximately $8.3 million and the un-voted debt margin was $118,674.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

The School District is a participant in the Miami Valley Educational Computer Association (MVECA), which is a computer consortium. MVECA is an association of public school districts within the geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of two representatives from each of the participating members. The School District paid MVECA $33,799 for services provided during the year. Financial information can be obtained from MVECA located at 330 Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of over 126 public school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2022, the School District paid $765,770 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

Southwestern Ohio Instructional Technology Association

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-one representatives of SOITA member's schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene, and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members in the State-assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State-assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net position shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. The School District paid SOITA $1,000 for services provided during the year. To obtain financial information, write to Southwestern Ohio Instructional Technology Association at 1205 East Fifth Street, Dayton, Ohio 45402.

Greene County Career Center

The Greene County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts' elected Boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Greene County Career Center, Eva Anderson, who serves as Treasurer, at 2960 W. Enon Rd., Xenia, OH 45385. During fiscal year 2022, the School District did not make any disbursements to the Greene County Career Center.

NOTE 16 – INSURANCE PURCHASING POOL

Southwestern Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Plan

The School District participates in the Southwestern Ohio Educational Purchasing Cooperative's Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by a 14 member committee consisting of various EPC representatives that are elected by the general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 17 - CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2022.

Litigation

The School District is not currently party to any legal proceedings.

NOTE 18 - SET-ASIDE CALCULATION

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years. The following cash basis information describes the change in the fiscal year-end set-aside amount for capital acquisition. Disclosure of this information is required by State statute.

Set-aside Reserve Balance as of June 30, 2021	$ -
Current Year Set-aside Requirement	107,257
Current Year Offsets:	
Permanent Improvement Tax Proceeds	(233,246)
Maintenance Fund Tax Proceeds	(43,878)
Excess Carryover from Prior Year	(3,592,529)
Total	$ (3,762,396)
Balance Carried forward to FY 2023	$ (3,592,529)
Set-aside Reserve Balance June 30, 2022	$ -

Although the School District had qualifying disbursements during the year that further reduced the set-aside below zero due to current year offsets, the extra amounts may not be used to reduce the set-aside requirements of future years. As such, there was no need to present information concerning such disbursements.

NOTE 19 – COMMITMENTS - ENCUMBRANCES

At year end the School District had $10,430 and $221,705 of amounts encumbered for future purchase obligation with the general fund and non-major governmental funds, respectively.

NOTE 20 – FUND BALANCES/NET POSITION

Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The nature of those constraints by fund are presented below:

	General Fund	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventory	$ 14,397	$ -	$ 7,785	$ 22,182
Prepaid Items	30,362	1,128	6,552	38,042
Restricted for:				
Debt	-	5,308,026	-	5,308,026
Capital Improvements	-	-	765,966	765,966
Facilities Maintenance	-	-	392,657	392,657
Student Activities	-	-	91,841	91,841
Food Service Operations	-	-	139,263	139,263
Committed for:				
Severance Payments	112,193	-	-	112,193
Workers' Compensation Payments	56,321	-	-	56,321
Assigned for:				
Extracurricular Activities	17,671	-	-	17,671
Emergency Operating Levy	74,094	-	-	74,094
Unassigned	4,262,213	-	(42,245)	4,219,968
Total Fund Balances	$ 4,567,251	$ 5,309,154	$ 1,361,819	$ 11,238,224

Net Position

The net position reported on the Statement of Net Position includes restricted classification. The following table describes the limitations imposed on the use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments:

	Governmental Activities
Restricted Net Position:	
Debt Service	$ 5,517,232
Capital Projects	782,982
Facilities Maintenance	396,664
Federal and State Education Grants	11,559
Student Activities	93,482
Food Service Programs	156,821
	$ 6,958,740

NOTE 21 – COVID-19 PANDEMIC

The United States and the State of Ohio declared as state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2022, the School District received funding made available through the Consolidated Appropriations Act 2021, passed by Congress on December 1, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021. During fiscal year 2022, the School District received $254,405 through the Elementary and Secondary School Emergency Relief, to be used on a variety of programs.

NOTE 22 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2022, the School District implemented GASB Statement No. 87, *Leases*; GASB Implementation Guide 2019-3, *Leases*; GASB Statement No. 92, *Omnibus 2020;* GASB Statement No. 93, *Replacement of Interbank Offered Rates*; and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*.

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The School District determined that any contract covered by GASB Statement No. 87 and the 2019-3 GASB Implementation Guide were insignificant and therefore were not incorporated into these financial statements. The implementation of GASB Statements No. 92, 93 and 97 did not have an effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Cedar Cliff Local School District
Required Supplementary Information
Schedule of School District's Proportionate Share of the Net Pension Liability
Last Nine Fiscal Years (1) (2)

	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
School Employees Retirement System of Ohio:					
2014	0.032169%	$ 1,912,987	$ 1,062,650	180.02%	65.52%
2015	0.032169%	1,628,055	947,279	171.87%	71.70%
2016	0.028849%	1,646,129	875,314	188.06%	69.16%
2017	0.030710%	2,247,699	953,743	235.67%	62.98%
2018	0.031197%	1,863,975	997,307	186.90%	69.50%
2019	0.033404%	1,913,089	1,081,474	176.90%	71.36%
2020	0.031629%	1,892,474	1,127,289	167.88%	70.85%
2021	0.033213%	2,196,771	1,164,371	188.67%	68.55%
2022	0.035292%	1,302,160	1,218,179	106.89%	82.86%
State Teachers Retirement System of Ohio:					
2014	0.026223%	$ 7,597,905	$ 2,626,986	289.23%	69.30%
2015	0.026223%	6,378,397	1,925,986	331.18%	74.70%
2016	0.025037%	6,919,594	2,708,900	255.44%	72.09%
2017	0.025014%	8,372,926	2,631,950	318.13%	66.78%
2018	0.024288%	5,769,609	2,670,143	216.08%	75.30%
2019	0.025227%	5,546,871	2,867,893	193.41%	77.30%
2020	0.026091%	5,769,838	3,063,171	188.36%	77.40%
2021	0.025622%	6,199,694	3,092,214	200.49%	75.50%
2022	0.024678%	3,155,256	3,045,057	103.62%	87.80%

(1) Information prior to 2014 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

See accompanying notes to the required supplementary information.

Cedar Cliff Local School District
Required Supplementary Information
Schedule of School District Pension Contributions
Last Ten Fiscal Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
School Employees Retirement System of Ohio:					
2013	$ 148,771	$ (148,771)	$ -	$ 1,062,650	14.00%
2014	132,619	(132,619)	-	947,279	14.00%
2015	122,544	(122,544)	-	875,314	14.00%
2016	133,524	(133,524)	-	953,743	14.00%
2017	139,623	(139,623)	-	997,307	14.00%
2018	145,999	(145,999)	-	1,081,474	13.50%
2019	152,184	(152,184)	-	1,127,289	13.50%
2020	163,012	(163,012)	-	1,164,371	14.00%
2021	170,545	(170,545)	-	1,218,179	14.00%
2022	180,480	(180,480)	-	1,289,143	14.00%
State Teachers Retirement System of Ohio:					
2013	$ 367,778	$ (367,778)	$ -	$ 2,626,986	14.00%
2014	269,638	(269,638)	-	1,925,986	14.00%
2015	379,246	(379,246)	-	2,708,900	14.00%
2016	368,473	(368,473)	-	2,631,950	14.00%
2017	373,820	(373,820)	-	2,670,143	14.00%
2018	401,505	(401,505)	-	2,867,893	14.00%
2019	428,844	(428,844)	-	3,063,171	14.00%
2020	432,910	(432,910)	-	3,092,214	14.00%
2021	426,308	(426,308)	-	3,045,057	14.00%
2022	458,128	(458,128)	-	3,272,343	14.00%

See accompanying notes to the required supplementary information.

Cedar Cliff Local School District
Required Supplementary Information
Schedule of School District's Proportionate Share of the Net OPEB Liability (Asset)
Last Five Six Years (1) (2)

	School District's Proportion of the Net OPEB Liability or Asset	School District's Proportionate Share of the Net OPEB Liability or (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset
School Employees Retirement System of Ohio:					
2017	0.031016%	$ 884,077	$ 953,743	92.70%	11.49%
2018	0.031678%	850,143	997,307	85.24%	12.46%
2019	0.033907%	940,669	1,081,474	86.98%	13.57%
2020	0.032626%	820,474	1,127,289	72.78%	15.57%
2021	0.034548%	750,845	1,164,371	64.49%	18.17%
2022	0.036350%	687,953	1,218,179	56.47%	24.08%
State Teachers Retirement System of Ohio:					
2017	0.025014%	$ 1,337,753	$ 2,631,950	50.83%	37.30%
2018	0.024288%	947,619	2,670,143	35.49%	47.11%
2019	0.025227%	(405,374)	2,867,893	-14.13%	176.00%
2020	0.026091%	(432,128)	3,063,171	-14.11%	174.70%
2021	0.025622%	(450,311)	3,092,214	-14.56%	182.10%
2022	0.024678%	(520,308)	3,045,057	-17.09%	174.70%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

See accompanying notes to the required supplementary information.

Cedar Cliff Local School District
Required Supplementary Information
Schedule of School District's OPEB Contributions
Last Seven Fiscal Years (1)

	Contractually Required Contributions (2)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
School Employees Retirement System of Ohio:					
2016	$ 15,243	$ (15,243)	$ -	$ 953,743	1.60%
2017	17,355	(17,355)	-	997,307	1.74%
2018	23,809	(23,809)	-	1,081,474	2.20%
2019	26,541	(26,541)	-	1,127,289	2.35%
2020	22,588	(22,588)	-	1,164,371	1.94%
2021	23,166	(23,166)	-	1,218,179	1.90%
2022	22,589	(22,589)	-	1,289,143	1.75%
State Teachers Retirement System of Ohio:					
2016	$ -	$ -	$ -	$ 2,631,950	0.00%
2017	-	-	-	2,670,143	0.00%
2018	-	-	-	2,867,893	0.00%
2019	-	-	-	3,063,171	0.00%
2020	-	-	-	3,092,214	0.00%
2021	-	-	-	3,045,057	0.00%
2022	-	-	-	3,272,343	0.00%

(1) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(2) Includes Surcharge for School Employees Retirement System of Ohio.

See accompanying notes to the required supplementary information.

A. Pension Plans:

School Employees Retirement System of Ohio:

Change in assumptions. In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction of the discount rate from 7.75% to 7.50%, a reduction in the wage inflation rate from 3.25% to 3.00%, a reduction in the payroll growth assumption used from 4.00% to 3.50%, reduction in the assumed real wage growth rate from 0.75% to 0.50%, update of the rates of withdrawal, retirement and disability to reflect recent experience, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables for active members and service retired members and beneficiaries.

Change in benefit and funding terms. In measurement year 2018, post-retirement increases in benefits included the following changes: 1) members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3.0% of their base benefit on the anniversary of their initial date of retirement; 2) members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0%, nor greater than 2.5%. COLAs are suspended for calendar years 2018, 2019 and 2020; 3) members, or their survivors, retiring on or after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

State Teachers Retirement System of Ohio:

Change in assumptions. In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and 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. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted to 7.00% from 7.45%.

Change in benefit and funding terms. Effective July 1, 2017, the COLA was reduced to zero.

B. Other Postemployment Benefit (OPEB) Plans:

School Employees Retirement System of Ohio:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction in the rate of inflation from 3.25% to 3.00%, a reduction in the payroll growth assumption from 4.00% to 3.50%, a reduction in assumed real wage growth from 0.75% to 0.50%, an update in rates of withdrawal, retirement and disability, and transitioning to the following mortality tables: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age setback for both active male and female members; RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB (120% of male rates, and 110% of female rates) for service retired members and beneficiaries; and 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 among disabled members.

B. <u>Other Postemployment Benefit (OPEB) Plans:</u>

In measurement year 2018, medical trend rates have been adjusted to reflect premium decreases.

Change in benefit and funding terms. In measurement year 2018, SERS' funding policy allowed a 2.0% health care contribution rate to be allocated to the Health Care Fund. The 2.0% is a combination of 0.5% employer contributions and 1.5% surcharge.

State Teachers Retirement System of Ohio:

Change in assumption. For fiscal year 2018, 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)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. 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. 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 measurement year 2018, 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. Valuation year per capital health care costs were updated.

Change in benefit and funding terms. For measurement year 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced 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 measurement year 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For measurement year 2019, there was no change to the claims costs process. Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For measurement year 2020, there was no change to the claims costs process. Claims curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. 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.

For measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Agency/ Pass Through Agency/ Program Title	Assistance Listing Number	Pass Though Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through Ohio Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	N/A	18,643
Cash Assistance:			
School Breakfast Program	10.553	N/A	31,907
National School Lunch Program	10.555	N/A	213,715
COVID-19 - National School Lunch Program	10.555	N/A	4,630
Cash Assistance Subtotal			250,252
Total Child Nutrition Cluster			268,895
COVID-19 Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	N/A	614
Total US Department of Agriculture			269,509
Federal Communications Commission:			
Direct			
COVID-19 - Emergency Connectivity Fund	32.009	N/A	16,973
Total Federal Communications Commission			16,973
U.S. Department of Education:			
Direct			
Rural Education (2021)	84.358A	N/A	6,228
Rural Education (2022)	84.358A	N/A	33,619
			39,847
Passed through Ohio Department of Education:			
Title I Grants to Local Education Agencies (2021)	84.010A	S010A210035	2,488
Title I Grants to Local Education Agencies (2022)	84.010A	S010A220035	59,494
Title I Grants to Local Education Agencies (2021 - Expanding)	84.010A	S010A220035	2,204
			64,186
Special Education Cluster (IDEA):			
Special Education Grants to States (2022)	84.027A	H027A210111	125,764
COVID-19 Special Education Grants to States (2022)	84.027X	H027A220111	13,893
COVID-19 Special Education Preschool Grants (2022)	84.173X	H027X220111	2,141
Total Special Education Cluster (IDEA)			141,798
Improving Teacher Quality State Grants (2021)	84.367A	S367A210034	1,198
Improving Teacher Quality State Grants (2022)	84.367A	S367A220034	14,486
			15,684
Student Support and Academic Enrichment Program (2022)	84.424A	S424A220036	10,000
			10,000
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund I	84.425D	S425D200035	4,434
COVID-19 - Elementary and Secondary School Emergency Relief Fund II	84.425D	S425D210035	168,164
COVID-19 - American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U220035	71,906
Total Education Stabilization Fund			244,504
Total U.S. Department of Education			516,019
Total Federal Assistance			$ 802,501

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CEDAR CLIFF LOCAL SCHOOL DISTRICT
GREENE COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Cedar Cliff Local School District (the District) under programs of the federal government for the fiscal year ended June 30, 2022. 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 in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C - INDIRECT COST RATE

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

NOTE D - 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 DISTRIBUTION PROGRAM

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

NOTE F - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Cedar Cliff Local School District
248 North Main Street
Cedarville, Ohio 45314

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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 Cedar Cliff Local School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 16, 2022

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Cedar Cliff Local School District
248 North Main Street
Cedarville, Ohio 45314

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cedar Cliff Local School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 16, 2022

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major program:

Special Education Cluster:
ALN 84.027A – Special Education Grants to States
ALN 84.027X – COVID-19 Special Education Grants to States
ALN 84-173X – COVID-19 Special Education Preschool Grants

COVID-19 - Education Stabilization Fund:
ALN 84.425D – Elementary and Secondary School Emergency Relief Fund
ALN 84.425U – American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted

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OHIO AUDITOR OF STATE
KEITH FABER

CEDAR CLIFF LOCAL SCHOOL DISTRICT

GREENE 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 2/7/2023

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